

**MUNICIPAL CORPORATION OF GREATER MUMBAI**  
NO: CHE/DP/ /GEN Date

**C I R C U L A R**

Sub: Facility of installments in payments payable for grant of IOD/ CC for various fees/ charges/ deposits/ premiums to be paid in respect of Building permissions.

Ref: i) CHE/DP/15755/GEN dtd. 06-09-2017  
ii) CHE/DP/23185/GEN dtd. 20-11-2017.  
iii) CHE/DP/13915/GEN dtd 04-09-2019.

In view of requests received from various Stake Holders in Housing Industry, it was decided after due consideration to modify the circulars mentioned at reference No (i) & (ii) and accordingly, the circular was modified and issued under reference no (iii) above. With a view to provide further stimulus to Housing Industry to facilitate its revival, it is proposed to modify the circular issued vide reference no (iii) as follows, to grant the facility of installments in payment of fees/ premiums/ charges/ deposits, as per the following guidelines:-

- (1) The installments facility shall not be granted to following payments and shall be paid at initial stage i.e. at IOD/ Amended plan approval
  - (i) Scrutiny fees (shall be paid along with submission of proposal)
  - (ii) IOD deposit
  - (iii) Debris deposit
  - (iv) Labour cess
  - (v) Development charges
  
- (2) The installment may be granted to the premiums/ charges payable to MCGM for followings:
  - (i) 25% MCGM share of Additional FSI on payment of premium permissible under Reg 30 of DCPR 2034.
  - (ii) Additional FSI permissible under Reg 33 of DCPR 2034, for MCGM part.
  - (iii) 50% of total premium payable to Corporation towards utilisation of Fungible Compensatory area under Reg 31(3) of DCPR-2034.

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- (iv) Premium to exempt area covered under Staircase/Lift/ Staircase and Lift Lobby from FSI.
- (v) Premium towards condonation of deficiency in open space of all types
- (3) The facility of installments in the payments to be paid to MCGM will be allowed only where the minimum amount payable at the time of granting installment facility to MCGM under clause 2 above is Rs. 50.00 Lakh and above.
- (4) The installment facility shall be granted to the payments mentioned at above Clause No. (2) only.

**(A) For building having height less than 70.00 mtrs.**

The installments facility shall be granted for the period of 48 (Forty Eight) months. There will be total of five installments, starting with the first initial payment and followed by four installments at the interval of 12 months each. The installment facility shall be granted as per following table.

Sr No	Type of Payments to be made (As per Sub Clause)	Initial payment	At the end of months with interest			
			12 <sup>th</sup>	24 <sup>th</sup>	36 <sup>th</sup>	48 <sup>th</sup>
		1 <sup>st</sup> Installment	2 <sup>nd</sup> Installment	3 <sup>rd</sup> Installment	4 <sup>th</sup> Installment	5 <sup>th</sup> Installment
1	8a	10%	22.5%	22.5%	22.5%	22.5%

**(B) For building having height equal to or more than 70.00 mtrs.**

The installments facility shall be granted for the period of 60 (Sixty) months. There will be total six installments, starting with the first initial payment and followed by five installments at the interval of 12 months each. The installment facility shall be granted as per following table.

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Sr No.	Type of Payments to be made (As per Sub Clause)	Initial payment	At the end of months with interest					
			12 <sup>th</sup>	24 <sup>th</sup>	36 <sup>th</sup>	48 <sup>th</sup>	60 <sup>th</sup>	
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	
		Installment	Installment	Installment	Installment	Installment	Installment	
		10%	18%	18%	18%	18%	18%	
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Note:- (i) No further extension in allowing payment in installments will be entertained beyond the above prescribed schedule.

(ii) The balance instalment amount and scheduled dates of installment of earlier approved Installment Payment facility shall be got modified in accordance with this circular.

(5) Developer/Architect shall apply for grant of facility of installment payments in respect of payments to be made to MCGM for items mentioned in clause 2 above only and same shall be submitted to the concerned Dy Ch Engineer (Building Proposal) of zonal office for his approval.

(6) All the installment proposals shall be submitted to the concerned Deputy Chief Engineer(BP) through concern staff of C A (Finance) appointed in the Zonal Building Proposal office for consideration and obtaining sanction. The format of the report to be submitted to the concerned Deputy Chief Engineer(BP) shall be as per Annexure C to this Circular. The approval of the concerned Deputy Chief Engineer (BP) can be obtained once the concessions are approved or can be processed independently on request of Arch. / L.S./Developer.

  
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After grant of installment facility from the concerned Deputy Chief Engineer (BP), for new building proposals or for ongoing proposals, where the work is being carried out as per approval;

- (i) The concerned A.E.(BP) shall issue demand note of the payments to be made by Developer/Owner/Society considering installment facility within 3 days from date of issue of IOD/ amended plan in case of new proposal/ amended plan and within 3 days of receipt of sanction from the concerned Deputy Chief Engineer (BP) in case of ongoing proposals.
- (ii) Following conditions shall be incorporated in the IOD/ amended plan approval letter.
  - (a) In case of IOD  
"That the payment as per schedule of installment granted by the concerned Dy.Ch.E. (BP) shall not be made."
  - (b) In case of amended plan approval,  
"The payment as per schedule of installment granted by Dy.Ch.E.(BP) shall be made."
- (iii) Developer/ Owner/ Society (The project proponent) shall submit Registered Undertaking stating that, all the terms and condition mentioned in this circular shall be binding on them and the same will be followed scrupulously. The project proponent shall also undertake that, they shall make aware to the prospective buyers in the project and the RERA Authorities about the installment payment facility availed by them in the various payments to be made to MCGM / Government and the provisions in the Circular about initiating action by MCGM against the default in payment on schedule date.

The project proponent shall also submit Indemnity Bond indemnifying MCGM / MCGM staff against any dispute, litigation, RERA compliances etc. regarding the installment payment facility availed by them.

The project proponent shall make payment of demand of 1st installment within 1 month from the issue of demand note.

- (7) Only after receipt of said Indemnity Bond and Registered Undertaking along with payment of 1<sup>st</sup> installment, Commencement Certificate will be issued by

  
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concerned A.E. (BP)/ E.E.(BP) subject to compliance of all other related IOD/ amended plan approval letter conditions.

(8) (a) In respect of Building having height less than 70.00 mtrs.

The remaining installments shall be payable in yearly installments in four years from the date of payment of 1st installment. The amount of each installments shall be due in 12<sup>th</sup>, 24<sup>th</sup>, 36<sup>th</sup> & 48<sup>th</sup> month from the payment of the first installment or due date as per schedule & shall be paid on due date with the interest calculated at the rate of 8.5% p.a. on reducing outstanding balance payment as illustrated in Scenario-I of Annexure- A.

In respect of Building having height equal to or more than 70.00 mtrs, the remaining installments shall be payable in yearly instalments in five years from the date of payment of first installment. The amount of each installments shall be due in 12<sup>th</sup>, 24<sup>th</sup>, 36<sup>th</sup>, 48<sup>th</sup> and 60<sup>th</sup> month from the payment of the first installment or due date as per schedule & shall be paid on due date with the interest calculated at the rate of 8.5% p.a. on reducing outstanding balance payment as illustrated in Scenario-I of Annexure- B.

(b) C.C. equivalent to 10% of approved Built Up Area shall be restricted. If BUA of topmost floor is more than the 10% BUA, then the C.C. for the entire top most floor shall be restricted.

(c) The total recovery of payment for balance amount with interest due shall be confirmed by concerned A. E. (B.P.) before releasing restricted 10% C.C. The C.C. thus restricted, shall be released forthwith on receipt of all the installments with interest within the specific period as mentioned in sub-clause 8(a) & (b) above and other clauses of this circular subject to compliance of all other related IOD/ amended plans approval letter conditions.

(9) The Developer/Owner/Society shall deposit G. L. Code wise / Organisation wise post-dated cheques for installment amount with an interest due and drawn on Scheduled Bank, as per the schedule date of payment.

(10) If Developer/Owner/Society fails to deposit the installment amount within a period of three months from the schedule date of installment / schedule date of last installment, the stop work notice as per MMC Act 1888 and also action as

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deemed fit as per Section 55 of MR & TP Act 1966 will have to be initiated against the Developer/ Owner/ Society immediately by informing concerned Designated Officer of Ward with specific details about non-payment of dues and work beyond approvals if any as the case may be as illustrated in **Scenario-II of Annexure- A & B.**

Thereafter, no instalment facility shall be granted for the proposal under reference in future till the payment towards instalment amount due alongwith interest is made.

In cases where payment is deferred beyond extended period of 3 months, amount payable by the Developers/Owners/Society shall be arrived as follows and shall be got verified from the concern staff of C A (Finance) appointed in the Zonal Building Proposal office.

- i) Payment payable for the project shall be recalculated as per the SDRR Rate of prevailing year for the area on the date on which entire payment which was differed is being made by the developer. Then from such recalculated payment, amount of payment already paid shall be deducted. However, any interest amount paid will not be allowed to be adjusted against recalculated payment or any other amount payable to MCGM.
- ii) The amount of balance installments along with applicable interest from the date of deferred installment till the date on which differed entire payment with interest is being made by the developer shall be calculated.

The amount whichever is more out of calculations (i) and (ii) above shall be distributed equally among the remaining installments and shall be recovered on scheduled dates from the Developers/Society/Owner along with 8.50 % interest as illustrated in **Scenario - III of Annexure - A & B.**

**(11)** If the Developer/ Owner/ Society availing the benefit of installment has carried out the work beyond C.C. granted, then the facility granted for installment shall be treated as cancelled and further action as mentioned in clause 10 above shall be initiated and the balance payments shall be reworked and recovered as mentioned therein clause 10 above along with regularisation charges before regularisation of work and before grant of C.C./ further C.C. as illustrated in **Scenario - IV of Annexure - A & B.**

**(12)** If the plans are amended in future during the installment payment facility period which attracts certain premiums, charges as mentioned in clause 2 and if, there is

  
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no default in payment as per earlier installment payment facility granted, the said additional amount payable towards amended plan shall be allowed to be paid in installment as under and as illustrated in **Scenario – V of Annexure- A & B**, only on approval of the concerned Dy Ch Engineer (B.P.) for the same.

- a) The additional amount payable will be divided into two/three/four/five or six installments as the case may be as follows:
  - i) 10% amount shall be payable immediately on approval of additional installment facility.
  - ii) Balance 90% amount shall be equally distributed and clubbed among the remaining/further installments.
- b) The balance additional amount along with an interest in accordance with this circular shall be payable on the revised due dates of the earlier approved instalment facility as per note (ii) in Para 4, and shall be subjected to all the conditions of this circular.

(13) The concerned A.O. of Building Proposal department shall maintain the head-wise details of the amount of installments and head-wise details of the interest amount. The A.O. shall keep proper record and also monitor the regular payments to be made by the Developer/ Owner/ Society and also issue demand letters/Notices to the defaulting Developer/ Owner/ Society immediately under the intimation to the concerned A.E.(B.P.)/ E.E.(B.P.).

In case of failure to make installment payment on due dates, the concern AO BP shall deposit the post dated cheques, 10 (Ten) days in advance prior to extended period of three months beyond due date.

The concerned A.E.(B.P.)/ E.E.(B.P.) shall immediately inform with details of non-payment of installment amount / work beyond C.C. to concerned Designated Officer (D.O.) to issue stop work notice as the case may be and also initiate further course of actions as per Sec.55 of MR & TP Act 1966 as the case may be. On receipt of all dues/ installments/ penalties, the A.E.(B.P.)/ E.E.(B.P.) will inform the concerned D.O. for withdrawal of the Stop Work Notice/ MR & TP Notice, as per the merits of the case. The concerned D.O. should take action for withdrawal of stop work/ MR & TP notice as the case may be immediately as per the provisions of act and as informed by Building Proposal Department.

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- (14) The defaulted amount shall be treated as arrears in Property Tax and shall be recovered accordingly by the Assessment Department of MCGM as per the relevant provisions in Act and norms, if not paid by the Developer/ Owner/ Society as per this circular and as and when demanded by the MCGM.
- (15) Installment payment facility and interest rate to be charged thereon in respect of payment to be made to State Government /Dharavi Redevelopment Project/ MSRDC will be in accordance with the policies that may be formulated and communicated to the MCGM by respective Departments/Authorities.
- (16) The reduced rates of Additional FSI / Fungible Compensatory Area as per Govt. directives issued under Section 154 of MR & TP Act, under no. TPB-4319/189/CR-123/2019/UD-11 dtd 20 August 2019, will not be applicable for the Built Up Area already approved prior to 20 August 2019, by availing installment payment facility.
- (17) This policy circular shall replace the earlier circular issued under no. ChE/DP/13915/GEN dtd 04-09-2019 and be made applicable from 04-09-2019, hence, while calculating the interest amount for ongoing proposals where installment payment facility is already granted shall be worked out as per the interest rate mentioned in previous circulars as referred at Sr No (i) and (ii) upto 03-09-2019. Further calculation of interest shall be made as per this circular as **illustrated in Scenario - VI of Annexure - A & B.**
- (18) The calculation of premium amount payable to the various authorities other than MCGM and the amount of installment as being informed by concerned authorities from time to time and interest thereon shall be calculated and informed to concern authorities in the form of challan by Building Proposal Department. Further the record regarding monitoring recovery of installment payment and interest shall be maintained by respective Building Proposal Department.

The illustrative example as per above guide lines for the respective clauses above is annexed as **ILLUSTRATION, ANNEXURE 'A'** (for buildings having height less than 70.00 mtrs.) and **ANNEXURE 'B'** (for buildings having height equal to or more than 70.00 mtrs.), with different **Scenarios - I to VI**, as a guidelines while calculating the installments & dues, penalties, an interest, etc. Simultaneously, the



  
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format for report to be submitted to the concerned Dy Ch Engineer (B.P.) for obtaining sanction to installment facility is annexed as **ANNEXURE - 'C'**.

**NOTE:**

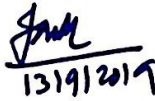
- i) The necessary modifications as per the above policy circular will be made in 'Auto DCR', and till that time the proposals will be processed with existing offline arrangement.
- ii) This circular will supersede the earlier circular issued vide reference no.(i), (ii) and (iii) for allowing installment payment facility.
- iii) This circular shall come into force from 04-09-2019.
- iv) This circular shall be applicable only for next two years from 04-09-2019

  
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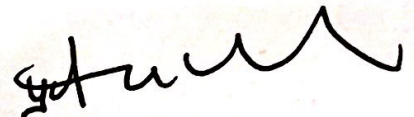
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Municipal Commissioner