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## Realty slump, HC ban on construction halves civic body's income from DP dept



Mumbai: The slack in the realty market coupled with the Bombay [high court ban on construction](#) on vacant plots in the city has nearly halved the BMC's revenue income from the Development Plan (DP) department during the year 2016-17.

This is not good news for BMC, which is set to lose its biggest source of revenue—octroi—with the goods and services tax (GST) coming into effect from July.

BMC, on an average, receives Rs 6,000 crore revenue from the DP department collected through building permissions, premiums, penalties or FSI. But in 2016-17 (till February 28), the civic body received Rs 3,366.9 crore as against the estimated income of Rs 6,284.71 crore. In March, the BMC then revised the target revenue from DP department to Rs 3,607.09 crore—nearly 50% [drop](#).

The HC order played a crucial role in the revenue dip, said a senior official from the DP department. "Earlier, a lot of revenue would come from the development charges, permissions and penalties. But the high court order stated that the BMC should not process any application for new

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construction on vacant plots, which has affected revenue," said the official. "There is also a slack in the industry, resulting in over 50% drop in revenue compared to the estimation."

In February 2016, the HC banned new constructions in the city over the failure of the state government and BMC to solve the city's dumping ground problem. Observing that a pollution-free environment is a fundamental right, a division bench of Justice Abhay Oka and Justice C V Bhadang said that compliance with municipal solid waste rules appeared to be a "distant dream". The ban came into effect on March 1, 2016.

Though BMC adopted a slew of measures to expedite building proposal approvals, revenue from DP department dipped in 2016-17. The measures included online building plan scrutiny, digitally signed approvals, time-bound approval at each stage, single-window clearance system, online DP remarks and uploading old files on website.