

ITEM NO. 1

MINUTES OF THE 158TH MEETING OF THE EXECUTIVE COMMITTEE
B.M.R.D.A.

DATE : 19th September, 1994 (Monday)
TIME : 11.00 A.M.
PLACE : Chief Secretary's Committee Room
5th Floor, Mantralaya

MEMBERS PRESENT :

Shri N. Raghunathan - Chairman
Chief Secretary to Government

Shri Shirish B. Patel - Member

Shri R.Y. Tambe - Member

Shri I.M. Kadri - Member

Shri D.T. Joseph - Member
Secretary (TPWSS) to Government
Urban Development Department

Shri Ajit M. Warty - Member
Secretary to the Government
Housing & Special
Assistance Department

Shri S.G. Kale - Member
Municipal Commissioner
Municipal Corporation
of Greater Bombay

Shri D. Mehta - Member
Metropolitan Commissioner

INVITEES :

Shri Y.L. Rajwade
Principal Secretary (ULB) to Government
Urban Development Department

Shri B.K. Agarwal
Secretary to Government
Industries Department

Shri A.K. Mago
Secretary to Government
Environment Department

Shri K.N. Patel
Legal Adviser

SPECIAL INVITEES :

Dr. P.S. Pasricha
Special Inspector General of Police(Traffic)

Shri V.D. Borkar
Honorary Consultant to
Metropolitan Commissioner

Item No.1 : Confirmation of the minutes of the Adjourned 156th Meetings of the Executive Committee held on 18th and 21st June, 1994.

The minutes of both the Meetings were confirmed.

Item No.2 : Action taken on the minutes of the Adjourned 156th Meetings of the Executive Committee held on 18th and 21st June, 1994.

The action taken report of both the Meetings was noted by the Committee.

Item No.3 : Allotment of Commercial Plots in International Finance & Business Centre, 'G' Block, Bandra-Kurla Complex.

While introducing Item No.3 regarding allotment of commercial plots in International Finance & Business Centre (IFBC) in 'G' Block of Bandra-Kurla Complex, the Metropolitan Commissioner stated that the last tender was opened on 9.5.1994 and the Plots No. C-26 and C-27 were allotted by the Authority on the recommendations of Executive Committee, to Bank of Baroda and Apple Industries Limited, rejecting the claims of Bibhishan Finance & Trading Pvt.Ltd. and Tacit Finance & Investment Pvt.Ltd. as the latter two were not found eligible. Both of them filed Writ Petitions in the High Court which were dismissed by the High Court. They further filed Special Leave Petitions in the Supreme Court which were also dismissed on 5th September, 1994. The Court held that in the overall interest of giving opportunity to genuine finance companies to set up their offices to subserve the development of the IFBC as planned, the BMRDA was justified in excluding the two ineligible tenders.

After the opening of tenders on 9 May 1994 and establishment of market value on that date, several Public Sector Undertakings and other major financial institutions and companies who had either bid in the last tender or those who made applications subsequently for allotment of plot

in IFBC, conveyed their willingness to pay the market premium established by the tender. The eligibility of these Public Sector Undertakings and finance companies were verified as per conditions laid down for eligibility in the last tender and which would have to be followed for allotment of land in future in the IFBC. Accordingly, seven major Public Sector Undertakings and five Schedule Banks and lending financial companies and Bombay Stock Exchange were found eligible. After the scrutiny of their area requirement it was proposed to grant plots as per provisions of Clause(iii) Regulation 4 of the BMRDA (Disposal of Lands) Regulations 1977, to Public Sector Undertakings. The provisions of which are as under :

" The Authority may dispose of land by
(iii) Making offers to or accepting offers
from the Government, Local Authority or
Public Sector Undertakings. "

Thus the offers of seven Government Undertakings can be accepted under these provisions at the highest of the two rates fetched in the last tender for Plots No. C-26 and C-27 viz. at the rate of Rs. 75,000/- per sq.mt. permissible built up area. The Executive Committee may further consider whether 18% interest from the date of opening of tender should be levied or not as was done in the case of Laxmi Finance & Leasing Companies Premises Co-operative Society Ltd.

In addition it was proposed that other five eligible private financial companies and scheduled banks and also Bombay Stock Exchange could be considered for allotment of plots in relaxation of Disposal of Land Regulations in the interest of development of IFBC, as was done in the past, as the presence of these institutions/companies was important for the IFBC.

The Executive Committee considered the proposal. Shri Kale, Municipal Commissioner, Municipal Corporation of Greater Bombay was of the view that it would not be advisable to make allotment in relaxation of the Regulation and all allotments should be made after inviting tenders. He felt that the other Undertakings including nationalized banks should also not be given any allotment by BMRDA without first making an offer to each and every public financial institution and nationalised bank, and that there should be transparency in our allotment procedure.

According to him it was not legal for BMRDA to make allotment as proposed in the agenda note, since those who tendered for C-26 and C-27 have no inherent right to be considered for the allotment of plots other than those.

Shri Shirish Patel expressed the view that BMRDA is a planning body, and it should not be in the business of allotting plots. This activity of allocating plots etc. leads to neglect of crucial policy issues.

It was pointed out by the Legal Adviser, Shri Patel that under the Rule 4(iii) BMRDA was competent to allot plots to Public Sector Undertakings who are eligible to be allotted lands by making or accepting their offers in public interest. Again, BMRDA was competent to allot land to other leading financial institutions and companies, in relaxation of Disposal of Land Regulations, in the overall interest to subserve the excellence of the development of IFBC.

The majority of the members felt that in view of proposed globalisation of the City of Bombay and its integration into the work financial market it was desirable to allot plots expeditiously to leading nationalised banks, Reserve Bank of India, Foreign Banks, Schedule Banks which would attract NRI Funds and leading Financial Companies under Rule 4(iii) - or in relaxation of Disposal of Land regulations as was done

while making allotment to National Stock Exchange and Bharat Diamond Bourse.

The Authority was competent to relax the provisions and procedure of Disposal of Land Regulations and this has been the past practice in several cases. The majority of the members were of the opinion that the Public Sector Undertakings and other major Banks and Financial Institutions proposed for allotment would enhance the excellence of the development of the Financial Centre. It would not be necessary to issue tender notice every time allotment of plot/s are to be made. The scope for other method of allotment of lands, envisaged in the BMRDA Regulations can be made use of. There would also be the possibility of delay arising out of too many applicants, and some of the ineligible ones being rejected, and taking recourse to litigation.

The majority of members felt that since BMRDA may dispose of land, in accordance with the present Regulations, by making offer to the public sector undertakings or accepting their offer, the seven relevant public sector undertakings may be considered for allotment of plots in this case.

They also felt that in keeping with the past policy of BMRDA, its power to relax the Regulation could be exercised to allot land to Citi Bank, IndusInd, and Reliance Capital etc. since the IFBC requires such agencies to be promoted in this area.

They considered that the BMRDA has still more area for allotment available, and hence other eligible institutions who would like to get allotment can still apply to BMRDA and it would be considered by BMRDA in accordance with the eligibility criteria, set forth from time to time.

Finally it was considered that it would be necessary to ensure that an interest at the rate of 18% should be added to the last tender price. While it may be true that a higher price could perhaps or certainly be expected from a fresh tender or auction, it was felt that this would lead to spiralling of land prices, and lead to general inflation. They could be charged the highest premium fetched in the last tender viz. Rs. 75,000/- per sq.mt. of permissible built up area plus 18% of interest from the date of opening of tender viz. the 9 May 1994 upto the date of decision for allotment by the Authority in these cases.

As regards Autoriders, Bombay Stock Exchange and Federal Bank etc. it was decided that without further study regarding their eligibility, requirement and whether at all they should be encouraged to have land in B.K.C., their applications may not be considered.

The Executive Committee felt that this could be kept in view by the Authority while considering the proposal of allotment of plots and the following could be considered :

Public Sector Undertakings and
Nationalised Banks under
Rule 4(iii) of BMRDA (Disposal of Lands)
Regulations 1977

Name of Public Sector Undertaking	Permissible built up area	
	in sq.mt.	in sq.ft.
1. Reserve Bank of India	18,550	2,00,000
2. State Bank of India	18,550	2,00,000
3. Dena Bank	4,645	50,000
4. Canara Bank	9,290	1,00,000
5. Bank of India	4,645	50,000
6. Central Bank of India	6,967	75,000
7. I.D.B.I.	13,935	1,50,000

Schedule Banks, Foreign Banks and Financial Companies
in collaboration with foreign banks, in relaxation of
Disposal of Land Regulations.

	Permissible built-up area	
	in sq.mt.	in sq.ft.
1. Citi Bank	9,290	1,00,000
2. IndusInd Enterprises & IndusInd Bank	13,935	1,50,000
3. Reliance Capital & Finance Trust Ltd. with Bank of America, Morgan Stanley and associate companies	18,580	2,00,000

The Executive Committee deferred the consideration
of allotting lands to the following :

1. Autoriders Finance Ltd
2. Bombay Stock Exchange
3. The Federal Bank Limited and other
Banks with finance companies

and requested the Metropolitan Commissioner to collect
further information about their requirements.

Consideration of Item Nos. 4 to 36 was deferred.

The Meeting then concluded with a vote of thanks
to the Chair.