



**Approval Process for Real
Estate Projects in
Maharashtra (Mumbai)
&
Suggestions to Streamline
the System**

Approval Process for Real Estate Projects in Maharashtra (Mumbai)



1. Ownership Certificate/Extract

- ❖ Time required- 15 Days
- ❖ Cost for obtaining approval: Rs. 50 per CTS No. / Property Registration Card
- ❖ Grant of Permission by Revenue Department

2. Building Layout Approval

- ❖ Time required – 1 month
- ❖ Cost for obtaining approval: Application fee of Rs 28 per square meter of plot/built up area whichever is larger for residential projects or Rs 56 per square meter for commercial projects)
- ❖ Grant of Permission by Development Authority/Municipality

The building company submits an application form with plans and all required documents, as prescribed by Section 373 of the BMC Act, at the Andheri Building Proposal Office of the BMC. If all documents are in order and the file is complete, the building company can proceed to payment of the scrutiny fees. Once the fees have been paid, the application file is forwarded to the concerned officer in the Building Proposal Department. Then the file is forwarded to the Survey Office, which make its remarks on the application file and check the remarks from the Development Plan office (obtained during the design stage of the project). If the Survey Office is satisfied with its review, it will send the application file back to the Building Proposal Department within one week.

Receive site inspection from the Building Proposal Office of the BMC (Municipal)

A sub-engineer from the Building Proposal Office will conduct a site inspection within 3 to 4 days of receiving the file from the survey office. The date and time of the site inspection are arranged by the company's architect. The building company must be on-site when the inspection takes place. The sub-engineer scrutinizes the potential of the plot including the provision of civic infrastructure.

3. Obtain "intimation of disapproval" (building permit) from the Building Proposal Office

- ❖ Time to complete – 30 - 45days

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- ❖ Cost for IOD: Scrutiny fee of Rs 33 per sqmt for residential and Rs 66 per sqmt for commercial and Development charges of Rs 350 per sqmt for residential and Rs 700 for commercial.

After the site inspection, the application file returns to the Building Proposal Office to receive an intimation of disapproval (authorization). The concerned sub engineer scrutinizes the proposal and forwards the report to the assistant engineer and executive engineers. The proposal is approved at the executive engineer's level if no concessions are involved. The intimation of disapproval is issued with a list of "no-objection certificates" (NOCs) which the applicant must obtain separately from various departments and government authorities. Final clearance to build (Commencement Certificate) will only be given once the company obtains all NOCs and meet all IOD conditions. There are about 40 IOD conditions to be met by the builder to be eligible for applying for commencement certificate (CC). Major NOCs/IOD conditions are listed below:

- a) Non-Agriculture (NA) permission**
- b) Tree Authority**
- c) Storm Water and Drain Department**
- d) Sewerage Department**
- e) Hydraulic Department**
- f) Environmental Department (concerned with debris management)**
- g) Consent to Establish & Operate**
- h) Ancient Monument Approval**
- i) Airports Authority of India**
- j) Traffic and Coordination Department**
- k) CFO (fire clearance)**
- l) Structural Plan Approval**

4. Submit structural plans approved by a structural engineer to the BMC (Municipal)

The Intimation of Disapproval (IOD) is only an approval of the civil plans. Review of the structural plans is done in parallel with the NOC process. No approval to this plan is required from the Municipal Corporation but copies are required to be submitted.

5. Non-Agriculture Permission

- ❖ Time required- Minimum of 3 months. It depends on compliance of other conditions
- ❖ Cost for obtaining approval: It depends on the location of the project and ranges between Rs 2-8 per sqft.

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- ❖ Grant of Permission by Revenue Department
- ❖ Procedure is time taking and cumbersome.

6. Obtain "no-objection certificate" NOC from the Tree Authority (Municipal)

- ❖ Time required 30-60 days
- ❖ Cost for obtaining approval - INR 4,000 (per tree)
- ❖ Approving Authority: Tree Authority Committee of Municipal Corporation

Due to stringent environmental regulations, the building company must receive clearance from the Tree Authority set up under the Maharashtra (urban areas) Preservation of Trees Act (1975). The Tree Authority Commission only meets once a month. The Tree Authority must ascertain what trees (if any) will be cut down as a result of construction. If trees are to be cut down, the building company will have to plant trees to replace them.

7. Obtain NOC from the Storm Water and Drain Department (Municipal)

- ❖ Time Required: 15-30 Days
- ❖ Cost for obtaining approval: Scrutiny Fees INR 2/smt (BMC limit)
- ❖ No cost for this NOC but BMC is considering imposing some fee.

8. Obtain NOC from the Sewerage Department (Municipal)

- ❖ Time Required: 15-30 Days

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9. Obtain NOC from the Electric Department (Municipal)

The electric consultant hired by the developer works out the load requirement, transformer capacity etc. Load is sanctioned by the power distribution company. The building company will inform BEST of the project's power requirements along with a copy of application submitted for building plan approval. BEST will assess whether an electrical sub-station up-grade is required at this stage.

❖ Time Required: 15-30 days

10. Obtain a "no-objection certificate" NOC from the Traffic and Coordination Department (Municipal)

❖ Time Required: 30 days

11. Obtain a "no-objection certificate" NOC from the Chief Fire Officer (Municipal)

In Mumbai, buildings above 24 meters in height require Chief Fire Officer (CFO) clearance.

❖ Time Required: 30 days

❖ Cost for obtaining approval: Official cost is Rs. 50 per square meter. Cost varies between Rs. 50,000 to Rs 1,00,000.

12. Environment Clearance:

The environment consultant hired by the company prepares the Environment Impact Assessment Report which is submitted to the State level expert Appraisal Committee which refers it to the State Environment Impact Assessment Authority (SEIAA). Coastal Regulatory Zone (CRZ) clearance is also obtained wherever required.

❖ Approving Authority: Ministry of Environment/State Environment Impact Assessment Authority (SEIAA)/ State level expert Appraisal Committee

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- ❖ Time Required: 3 months to 1 year
- ❖ Cost for obtaining approval: Charges depend on the size of project

13. Ancient Monument Approval:

- ❖ Approving Authority: Archaeological Survey of India
- ❖ Time Required: 6 months

14. Consent to Establishment & Operate

Ministry of Environment has authorized Pollution Control Board (PCB) to monitor the environment related compliance by the developer which includes setting up of Sewage Treatment Plant (STP) etc.

- ❖ Approving Authority: Pollution Control Board
- ❖ Time Required: 2 months

15. NOC from Airport Authority of India

- ❖ Approving Authority: Civil Aviation Department
- ❖ Time Required: 3-4 months

16. Obtain commencement certificate from the Building Proposal Office and pay development charges (Municipal)

- ❖ Time required: 15-30 days

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- ❖ Cost for obtaining approval: 200 INR per square meter (land component) + 500 INR per square meter (building component))

On submission of all required NOCs and on compliance of the IOD conditions, the applicant may submit request for the commencement certificate (CC). The documents and NOCs submitted by the applicants are verified by the staff and the necessary commencement certificate is approved.

Commencement Certificate (CC) is given in two stages:

1. CC upto plinth level
2. CC beyond plinth level

17. Bore well Registration Certificate: (Outside Municipal Limit)

- ❖ Approving Authority: Central Ground Water Authority
- ❖ Time Required: 60 days
- ❖ Ground water extraction is not allowed in CRZ areas.

18. NOC if near coastal Area

- ❖ Approving Authority: Coastal Zone Management Authority
- ❖ Time Required: 6 months – 1 year (+)
- ❖ Construction is not allowed upto 500 meters from the coast line.

19. Permission for Excavation / Royalty payment

- ❖ Approving Authority: Collector & Executive Engineer in the Ward Office (under the Mines & Minerals Act 1957)
- ❖ Time Required: 15 – 30 days

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20. Other Common Facilities Approval: (Internal Infrastructure services)

- ❖ Approving Authority: The concerned service provider for water, electricity & telecom
- ❖ Time Required: 30 days

21. Road Access Highway / Expressway:

- ❖ Approving Authority: NHAI/PWD
- ❖ Time Required: 60 days

22. Lift Escalator Installation Approval (PWD / CPWD)

- ❖ Approving Authority: Public Works Deptt
- ❖ Time Required: 30-45 days

23. Electric substation NOC For all substation Transformers in building (Electric Service Provider)

- ❖ Approving Authority: Electricity Distribution Authority
- ❖ Time Required: 15 days

24. Obtain occupancy certificate from the BMC (Municipal)

- ❖ Time Required: 60 days

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The occupancy certificate allows the building company to occupy the building but is not considered a final document because the building company still requires the certificate of completion. The company's architect must submit a formal letter stating that construction has been completed according to the standards set forth in the IOD and CC.

25. Obtain Building completion certificate from the BMC (Municipal)

❖ Time Required- 30 days

The completion certificate is considered to be the ultimate document that the building company requires to fully occupy the building and connect it to utilities.

26. Apply for permanent power connection and pay fees at Brihanmumbai Electric Supply and Transport (Municipal)

❖ Time Required: 30 days

The building company submits the application form along with a registration fee of INR 50. On submission, a receipt of the same is given along with a requisition number. Within one week (statutory time limit), an inspection takes place to verify if the structure is permanent and to account for the number of connections required, etc. Within a week, a requirement letter from BEST authorities is mailed to the applicant. This letter lists the documents and payment to obtain a power connection.

27. Obtain permanent water connection (with inspection) (Municipal)

❖ Time to complete - 45 days

❖ Cost for obtaining approval: INR 1,200 (connection fee)

28. Obtain permanent sewerage connection (Municipal)

❖ Time to complete - 30 days

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- ❖ Cost for obtaining approval: INR 50,000

Comments & Suggestions:

- Approving Authorities should maintain time limit as prescribed in the rule book. If time limit is not prescribed, it should be for every approval procedure.
- If due to some reasons, approval cannot be given within prescribed time limit, it should be intimated to the applicant within first 10-15 days of submission of application.
- Documentation required at each stage of approval should be clearly laid down and adhered to. Developers should submit proper documents as required by the authorities to make the process less cumbersome.
- Official fees for approvals may be enhanced to increase the capacity of staff in municipalities.
- Infrastructure is not provided by the Government. Though provision of civic infrastructure by the developer in cities like Mumbai is manageable however, in the suburbs, provision of infrastructure solely by the developer is an arduous task leading to delays and other difficulties in its execution. Here the Government must lay down the infrastructure on priority.

Streamlining of procedures:

- Zonal Development Plan should be Airport Authority Cleared
- Building Plan could be passed and sanctioned by certified architects, monitoring of the project by municipality.
- Non-agriculture permission not required for land within Municipal Limits.

Environment Clearance:

- MOEF should clear the Zonal Development Plan, no approvals for individual projects or;
- Local Development Authority be entrusted the task of environment clearance or;
- Projects above 50,000 sq mts built up area be eligible for environment clearance.
- The state must set up a separate committee for according environment clearance to the construction sector due to the large number of projects happening in the state. Presently there is only one state environment appraisal committee which takes care of all residential, commercial and industrial projects in the state. Having a specialized environment appraisal committee for construction sector will bring in higher efficiency and speed up the approval process.



**Approval Process for Real
Estate Projects in Gujarat
(Ahmedabad)
&
Suggestions to Streamline
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Approval Process for Real Estate Projects in Gujarat (Ahmedabad)



1. Land Purchase

Procedure:-

Land is purchased for development as per the Development Plan and the Town Planning Schemes (TPS) laid down by the Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC). The developers are permitted to develop on 60% of the land available to them as they have to give away 40% of the land to the development authority for developing urban infrastructure. The developers have to pay betterment and development charges for the 40% surrendered land. The authority utilizes 20% of the surrendered land for road development and other common amenities, 8-10% for EWS housing and the rest 10% is commercially sold in the market.

2. Land Conversion / Non Agriculture Permission

The developer has to obtain Non Agriculture permission for changing the use of land purchased for development

Procedure:-

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Law / Regulation under which the approval is sought: Gujarat Town Planning and Urban Development Act (GTPUDA), 1976
- ❖ Time Taken for the Clearance: 60 Days
- ❖ Costs Involved: Rs. 500/- per sqm

3. Ownership Certificate (Patta Copy/ Patta Sheet)- From Tehsildar

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Gujarat Town Planning and Urban Development Act (GTPUDA), 1976
- ❖ Time Taken for the Clearance: 60 Days

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- ❖ Costs Involved: Approx. Rs. 50/- per transaction
- ❖ Personal Visit Reqd.: Yes, at least 2 visits
- ❖ Difficulties faced in the documentation: No major difficulties faced. Procedures have been streamlined in last 4-5 years

4. Non Encumbrance

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Time Taken for the Clearance: 15 days
- ❖ Costs Involved: No official cost
- ❖ Difficulties faced in the documentation: No major difficulties faced

5. Demarcation / Zoning Plan approval

Procedure:-

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken for the Clearance: 7 Days
- ❖ Costs Involved: Rs 500 per certificate
- ❖ Personal Visit Reqd.: Yes

6. Development Licence

Procedure:-

A developer has to make an application to the Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC) in the prescribed application form along with the receipt of the payment of the scrutiny fee, development charges, betterment charges

Approval Process for Real Estate Projects in Gujarat (Ahmedabad)



and any other charges leviable under the Gujarat Town Planning and Urban Development Act (GTPUDA), 1976 and the General Development Control Regulations (GDCR) of AUDA.

Site plan and the certificate from the licensed structural engineer for the proposed building are to be submitted to AUDA/ AMC. The Developer receives site inspection from the Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken: 1 month
- ❖ Costs Involved: Rs 11000 per licence
- ❖ Personal Visit Reqd.: Yes

7. Following approvals are applied simultaneously at this stage:

a) Tree cutting approval - Clearance of Forest Department (if the project is on forest land)

Procedure:-

- ❖ Approving Authority: Forest Dept.
- ❖ Time Taken for the Clearance: 1 month
- ❖ Costs Involved: Approx Rs. 1000 per tree
- ❖ Personal Visit Reqd.: Yes

b) Temporary Mining Approval

Procedure:-

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken for the Clearance: 20 Days
- ❖ Costs Involved: Approx Rs. 100

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- ❖ Personal Visit Reqd.: Yes

c) Ancient Monument approval

Procedure:-

- ❖ Approving Authority: Archaeological Survey of India (ASI)
- ❖ Law / Regulation under which the approval is sought: Archaeological Survey of India (ASI) Act
- ❖ Time Taken for the Clearance: Over 1 year
- ❖ Personal Visit Reqd.: YES
- ❖ Difficulties faced: Very slow process of approval. Almost all old buildings in city fall under the ASI Act which makes development of land difficult in various parts of the city.

d) Environment Clearance & Consent to Establish

If built up area is more than 20000 square metres then Environment Clearance is required. The Pollution Control Board in the state recommends to the Ministry of Environment & Forests at the Centre for EIA clearance. The project has to have a provision for 15% green area in the plan.

Procedure:-

- ❖ Approving Authority: Ministry of Environment & Pollution Control Board
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained before submission of building plan for approval
- ❖ Time Taken for the Clearance: 1 year
- ❖ Costs Involved: Rs 50 per sqm
- ❖ Personal Visit Reqd.: Yes

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e) AAI Height NOC

Procedure:-

- ❖ Approving Authority: Airports Authority of India (AAI), New Delhi
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: Rs. 10 per sqmt
- ❖ Personal Visit Reqd.: Yes

8. Submission of Application for Building Plan Approval along with other NOCs

Procedure:

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Law / Regulation under which the approval is sought: Gujarat Town Planning and Urban Development Act (GTPUDA), 1976
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: Rs 3000 per sqm
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required:
 - All Plans, NOCs, NA permission, original documents, Environment Clearance, AAI NOC, Service Plans for internal Infrastructure

Following NOCs are also submitted to the Authority along with the Building Plan for approval

1) Common facilities Approval including Fire Safety and Lift

Procedure:-

- ❖ Approving Authority: AUDA/AMC

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- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Rs 200 per sqm
- ❖ Personal Visit Reqd.: Yes

2) Bore Well Registration Certificate

Procedure:-

- ❖ Approving Authority: Central Ground Water Authority
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained before submission of building plan for approval
- ❖ Time Taken for the Clearance: 1 month
- ❖ Costs Involved: Nominal charges

3) Electric substation NOC (for all substation/ transformers in the building)

Procedure:-

- ❖ Approving Authority: Electricity Distribution Authority
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Rs 15 per sqm

4) DG Sets installation approval

Procedure:-

- ❖ Approving Authority: Pollution Control Board
- ❖ Time Taken for the Clearance: 2 months
- ❖ Costs Involved: Nominal fees

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5) Hoarding approval

Procedure:-

- ❖ Approving Authority: Land owning Agency
- ❖ Time Taken for the Clearance: 2 months
- ❖ Costs Involved: Rs. 5000 per month

6) NOC for Rain Harvesting

Procedure:-

- ❖ Approving Authority: Municipality
- ❖ Time Taken for the Clearance: 1 month

7) Lift escalator operation license

Procedure:-

- ❖ Approving Authority: AUDA
- ❖ Time Taken for the Clearance: 2 MONTHS
- ❖ Personal Visit Reqd.: YES
- ❖ Difficulties faced: It takes 2 months for inspection and there is only one officer for inspection in Gujarat

8) Electricity Scheme Approval

Procedure:-

- ❖ Time Taken for the Clearance: 2 MONTHS

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9. Development Permission / Commencement Certificate

Procedure;

The developer has to obtain a "no-objection certificate" NOC from the Chief Fire Officer (Municipal) for buildings of 16.5 meters and above and then apply for commencement certificate. Development Permission / commencement certificate is issued for a period of 1 year within which the development has to commence otherwise the development permission granted shall be deemed to lapse.

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken: 2-3 months
- ❖ Costs Involved: Rs 200 per sqm
- ❖ Personal Visit Reqd.: Yes

10. Registration of Principal employer under Contract Labor Act

Procedure:-

- ❖ Approving Authority: Labour Department
- ❖ Time Taken: 2 months
- ❖ Costs involved: 1% of construction cost

11. Building Completion & Occupancy Certificate - (Building Use Permission) BU Certificate

Procedure:-

After inspection is done by the Development Authorities, an application has to be made to the authority for obtaining the completion and occupancy certificate i.e Building Use Permission/BU Certificate

- ❖ Approving Authority: Ahmedabad Urban Development Authority (AUDA) / Ahmedabad Municipal Corporation (AMC)

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- ❖ Time Taken for the Clearance: 3-4 months
- ❖ Costs Involved: Rs 500 per sqm
- ❖ Personal Visit Reqd.: Yes

12. Application for permanent Sewer Connection

Procedure:-

- ❖ Approving Authority: Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Rs 5000 per unit

13. Application for permanent Water Connection

Procedure:-

- ❖ Approving Authority: Ahmedabad Municipal Corporation (AMC)
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Rs 7000 per unit

14. Application for permanent Power Connection

Procedure:-

- ❖ Approving Authority: AEC
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved:

Approval Process for Real Estate Projects in Gujarat (Ahmedabad)



Comments and Suggestions:

As per the Gujarat Town Planning and Urban Development Act (GTPUDA), 1976, urban planning is a two stage process. The first stage is to prepare a “Development Plan” (DP) for the entire city or development area. The second stage is to prepare “Town Planning Schemes” (TPSs) for the area for which the Development Plan is prepared.

There are 12 Urban Development Authorities, 2 Area Development Authorities and 116 Municipalities for planned urban development in the state. District Urban Development Agencies (DUDA) have also been set up at district level in the state.

The Urban Development Authority e.g. Ahmedabad Urban Development Authority (AUDA) prepares the “Development Plan” (DP) for the city. The DP defines the land use zoning, development control regulations, road network and transportation, water supply sewerage, drainage, open spaces, environment and pollution control etc.

The Development Authority first prepares the preliminary DP, which is then put up for public consultation. Suggestions received are suitably incorporated and the draft DP is sent to the State Govt. for approval. Once the state approves the DP with modifications, if any, final DP is made. This is followed by preparation of “Town Planning Schemes” (TPSs).

The developer has to surrender 40% of the original plot area to the Development Authority for providing road network and for providing social infrastructure such as schools, hospitals, dispensaries, clinics, open spaces, housing for the poor, etc along with the roads. The developer gets only 60% of the original plot as Final Plot for development. Also the Authority collects infrastructure and betterment charges from the developer. With decreased land size available to the developer, he is able to construct only high end properties for the end user.

Real Estate Approvals scenario:

Factors for the delays in the Real Estate Approval Procedures

- **Development Plan and Town Planning Schemes**

The Development Plan (DP) is prepared and submitted by the Development Authority to the State Government for approval. The finalization of development plan for non-municipal areas and subsequently the Town Planning Schemes (TPSs) takes around 8-10 years due to delayed approval of the same by the State Government. The delay in approval of the DP & TPS by the State Government is a major cause for slow real estate development in the state.

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Suggestions:

- ❖ The State Government should be more proactive in approving the Development Plan (DP) & Town Planning Scheme (TPS). The average time for the finalization of the Development Plan (DP) & the Town Planning Scheme (TPS) should be brought down to about 2-3 years.
- ❖ It is also suggested that the authority preparing and implementing the Development Plan and Town Planning Scheme in the state should have adequate trained staff to carry out the responsibilities in an efficient manner.

• Environment Clearance

Environment clearance is mandatory for projects of/above size 20,000 square metres. Environment clearance is a pre-requisite for Building Plan approval. Getting the environment clearance is a lengthy process which often takes 8 months to 1 year presently. This delays the approval of building plan and therefore further approvals and NOCs.

Suggestions:

- ❖ The environment clearance should be obtained by the local authority (e.g. AUDA) for the entire DP (Development Plan) and the Town Planning Scheme (TPS) should be strictly based on this plan. Developers need not obtain separate environment clearances for individual projects if the project is planned according to the DP & TPS. This will hugely save time and costs of projects.

Only, in the case of integrated townships, the environment clearance be required to be obtained by the developer.

- ❖ Alternatively, increase the size of projects from the existing 20,000 square metres to 50,000 square metres or
- ❖ Empower Ahmedabad Urban Development Authority (AUDA) to issue environment clearances upto a defined project size.

• NOC from Airports Authority of India (AAI)

The NOC from Airports Authority of India takes about 6 months and could be relaxed selectively.

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Suggestions:

- ❖ It is suggested that the need to get NOC from AAI should be linked to the Development Plan (DP). In other words DP should clearly earmark areas which would require AAI clearance for projects, area outside this need not require AAI NOC and be free to develop as per the DP and TP scheme.
- ❖ An officer of AAI could be deputed in the Development Authority for issuing NOCs

- **NOC from Archaeological Survey of India (ASI) for Ancient Monuments**

The NOC from ASI is a slow process. It has been observed that all the buildings under the purview of ASI are treated with equal importance and the conditions laid down for development of real estate projects near them are also same for all monuments. The approval from ASI nearly takes about a year which is a very long time and literally slows down the whole development process.

Suggestions:

- ❖ It is suggested that a re-survey of the ancient monuments in the state should be carried out to differentiate the degree of importance of these monuments. Based on this, the conditions for development of real estate around these monuments could be selectively relaxed.

Other comments and suggestions:

Following suggestions are made for the attention of the relevant authorities:

- 1) The percentage of land surrendered to the authority, currently 40%, from the original plot area for development of roads and other social infrastructure must be brought down to 25%.
- 2) The development and betterment charges paid by the developers for social infrastructure are very high. It is suggested that only the cost of development of public infrastructure must be charged from the developers.

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- 3) It is observed that the authorities hold on to the surrendered land for long period of time leading to speculation and rise in land prices. 10% of this land is sold for commercial purposes at higher prices. It is suggested that this should be discontinued as it is often used for speculative purposes and profit making by the authorities.
- 4) Deemed clearances must be given wherever there is an inordinate delay in giving approvals
- 5) The requirement of NA permission for real estate projects could be done away with if the project is planned as per the DP since it is already zoned for the concerned activity.
- 6) Ahmedabad is one the fastest growing cities in India and the land cost is already very high. The maximum permissible FSI in Ahmedabad is 1.8. This needs to be enhanced so that there is more vertical development that could house more population in this growing city.
- 7) Apart from the betterment charges collected by the agencies in Ahmedabad for real estate projects, developers have to bear the burden of un-official costs in the range of 10-20% of the cost of construction of the project for obtaining various approvals from authorities.



**Approval Process for Real
Estate Projects in Orissa
(Bhubaneswar)
&
Suggestions to Streamline
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Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



1. Land Use (Zone Conversion)

Procedure:-

- ❖ Approving Authority: Bhubaneswar Development Authority (BDA)
- ❖ Law / Regulation under which the approval is sought: Orissa Development Authorities Act, 1982
- ❖ Time Limit prescribed by the Govt.: 60 Days
- ❖ Time Taken for the Clearance: Usually 6 months (but depends on the size of the project)
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Land Patta (Record of Rights), City Development Plan (CDP)
- ❖ Difficulties faced in the documentation: No guidelines available, Zone Change is not allowed after CDP is finalized

2. Land Conversion

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Orissa Land Reforms Act 1960
- ❖ Time Limit prescribed by the Govt.: 60 Days
- ❖ Time Taken for the Clearance: 3 - 6 months
- ❖ Costs Involved: Rs 3-5 Lakhs per acre
- ❖ Personal Visit Reqd.: No. Brokers do it on behalf of the builder
- ❖ Documentations Required: Land Patta (Record of Rights)
- ❖ Difficulties faced in the documentation: No major difficulties faced

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



3. Building Plan submitted to Bhubaneswar Development Authority (BDA) for approval

This step requires the following items to be in place:

a) Ownership Certificate from Tehsildar

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Orissa Land Reforms Act 1960
- ❖ Time Limit prescribed by the Govt.: 90 Days (3 months)
- ❖ Time Taken for the Clearance: 6-12 months
- ❖ Costs Involved: officially no cost involved
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Land Patta (Record of Rights)
- ❖ Difficulties faced in the documentation: No major difficulties faced

b) Non Encumbrance

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Orissa Land Reforms Act 1960
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 5-7 days
- ❖ Costs Involved: Rs 2000 – Rs 5000 (depending upon the number of transactions (khata no.)
- ❖ Personal Visit Reqd.: No
- ❖ Difficulties faced in the documentation: No major difficulties faced

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



c) Demarcation Plan

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Orissa Land Reforms Act 1960
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 12 months
- ❖ Costs Involved: Minimum Rs 10,000 (depending upon the size of the area)
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Revenue map of the current settlement
- ❖ Difficulties faced in the documentation: Too much difficulties faced

d) Development license

Procedure:-

- ❖ Approving Authority: Bhubaneswar Development Authority (BDA)
- ❖ Law / Regulation under which the approval is sought: Orissa Development Authorities Act, 1982
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 30-60 days
- ❖ Costs Involved: Minimum Rs 10,000 up to Rs 1 lakh
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Land Patta (Record of Rights) & Experience certificate, company profile
- ❖ Difficulties faced in the documentation: No major difficulties faced

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



4. File is submitted to Building Plan Approval committee (Development Plan and Building Permission (DP and BP) Committee)

This step requires the following set of approvals to be in place:

a) Building Layout Approval

Procedure:-

- ❖ Approving Authority: Bhubaneswar Development Authority (BDA)
- ❖ Law / Regulation under which the approval is sought: Sub-section (3) of Section 16 of the Orissa Development Authorities Act, 1982
- ❖ Time Limit prescribed by the Govt.: 60 days
- ❖ Time Taken for the Clearance: 6-12 months
- ❖ Costs Involved: Rs 13-18 per sqft (inclusive of Rs. 10 Bank Guarantee)
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Drawings, Revenue Map
- ❖ Difficulties faced in the documentation: Deadlines are not met causing extensive delays

b) Infrastructure Layout & Other Common facilities Approvals

Procedure:-

- ❖ Approving Authority: Municipality (Bhubaneswar Municipal Corporation)
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 6 months to 24 months
- ❖ Costs Involved: 1% of total project cost
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Drawing plans of sewerage, drainage, water supply etc.

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



- ❖ Difficulties faced in the documentation: Extensive delays as the files are handled by officials at the municipality level.

c) Fire fighting scheme approval (Fire NOC before the start of building construction)

Procedure:-

- ❖ Approving Authority: Fire Department
- ❖ Time Limit prescribed by the Govt.: 30 Days
- ❖ Time Taken for the Clearance: 6 months to 36 months
- ❖ Costs Involved: Rs. 20,000/- (official) but unofficial costs range from Rs. 2-5 Lakhs
- ❖ Personal Visit Reqd.: Yes
- ❖ Difficulties faced in the documentation: Harassment by Electricity Department officials e.g. Central Electricity Supply Utility of Orissa (CESU) and its departments, leading to extensive delays.

For all buildings with a height of 15.0 meters and above, NOC from Fire Service has to be submitted.

d) Public Health Approval

Public Health Engineering Department approval is also sought

e) Structural design safety approval

Structural safety designs prepared by structural engineers / consultants are to be vetted by Government departments and Government colleges like Indian Institute of Technology/National Institute of Technology / Reputed Government Engineering College

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



5. Conditional Approval

Procedure:-

The building plan is approved by the Development Plan and Building Permission (DP and BP) Committee based on the above approvals and specifications set by the BDA. BDA then issues a conditional approval to the builder to construct the building with the direction to get the following additional approvals.

Following approvals are applied simultaneously at this stage:

a) Road Access:

Procedure:-

- ❖ Approving Authority: Department of Road & Building / NHAI
- ❖ Law / Regulation under which the approval is sought: PWD Act
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 24 months
- ❖ Personal Visit Reqd.: No
- ❖ Difficulties faced – Some delay is caused at some places due to lack of coordination, procedures and ignorance of laws by the concerned department. It is suggested that this approval should be automatically given as it is the right of the plot owner to get a road/ service lane access.

b) Ancient Monument approval

Procedure:-

- ❖ Approving Authority: Archaeological Survey of India (ASI)
- ❖ Law / Regulation under which the approval is sought: Archaeological Survey of India (ASI) Act
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 3months to 24 months

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



- ❖ Costs Involved: 0.5% of the project cost
- ❖ Personal Visit Reqd.: No

c) Environment Clearance

Procedure:-

- ❖ Approving Authority: Ministry of Environment
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 30 days to 12 months
- ❖ Personal Visit Reqd.: Yes

d) Bore Well Registration Certificate

Procedure:-

- ❖ Approving Authority: Central Ground Water Authority
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 6 months to 12 months
- ❖ Personal Visit Reqd.: No

e) Electric substation NOC (for all substation/ transformers in the building

Procedure:-

- ❖ Approving Authority: Electricity Distribution Authority like CESU
- ❖ Time Taken for the Clearance: 6 months to 24 months
- ❖ Costs Involved: Rs. 2 per sqft
- ❖ Personal Visit Reqd.: No
- ❖ Documentations Required: BDA approved drawing plans, Electrical drawings and Record of Rights

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



f) CEIG Clearance – Certificate of clearance of all electrical installations in the building

Procedure:-

- ❖ Approving Authority: Electricity Distribution Authority like CESU
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 3 months to 12 months
- ❖ Costs Involved: Rs. 5000 as deposit and Re 1 per sqft
- ❖ Personal Visit Reqd.: No

g) AAI Height NOC

Procedure:-

- ❖ Approving Authority: Airports Authority of India (AAI), New Delhi
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 6 – 12 months
- ❖ Personal Visit Reqd.: No

If the building has 24 floors and above, then it is mandatory for the builder to get the AAI Height NOC

h) Approval from Bhubaneswar Municipal Corporation for on-site physical infrastructure

This includes approval from Bhubaneswar Municipal Corporation (BMC) regarding the development of on-site physical civic infrastructure like water supply, sewerage and drainage by the developer. It is only after the above infrastructure is created that Bhubaneswar Municipal Corporation (BMC) issues the NOC.

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



6. Commencement and Excavation certificate

Procedure:-

After the above approvals are obtained by the developer, an application is made to the Bhubaneswar Development Authority (BDA) for grant of Commencement and Excavation certificate. This is followed by a joint inspection by BDA and BMC after which BDA issues the Commencement and Excavation certificate giving permission to the builder to start construction in stages.

- ❖ Approving Authority: Bhubaneswar Development Authority (BDA)
- ❖ Time Limit prescribed by the Govt.: No time limit
- ❖ Time Taken for the Clearance: within 6 months
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: All drawing plans approved by Bhubaneswar Development Authority (BDA) & the Bhubaneswar Municipal Corporation (BMC)
- ❖ Difficulties faced in the documentation: Difficulty in getting timely approvals

Stages of Permission

Permission for construction of multi-storied buildings & Group Housing Schemes are given by the Authority and in the following stages:-

- A. In the first stage, permission is accorded conditionally to develop the infrastructure as per specification of Local Authority and Public Health Engineering Department.
- B. After joint inspection, up to 75% of the proposed building height is allowed to be constructed.
- C. After completion of construction up to 75% of the proposed building as per the approved plan and plantation of 20% of the plot area the remaining 25% construction is allowed.

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



7. Registration of Principal employer under Contract Labor Act

Procedure:-

- ❖ Approving Authority: Labour Department
- ❖ Law / Regulation under which the approval is sought: Orissa Labour Act
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 3 months
- ❖ Personal Visit Reqd.: No

Under the Building and Other construction Workers' Welfare Cess Rules, 1998 (Central Rules) of the Orissa Labour Act, a labour cess in the range of about 1% of project cost is submitted by the builders.

8. Building Completion Certificate

Procedure:-

After the building construction work is completed, all above NOCs obtained from authorities and local bodies and all legal formalities fulfilled, a notice in the prescribed form is submitted to the BDA for issue of completion certificate.

- ❖ Approving Authority: Bhubaneswar Development Authority (BDA)
- ❖ Law / Regulation under which the approval is sought: Orissa Development Authorities Act, 1982
- ❖ Time Limit prescribed by the Govt.: 60 days
- ❖ Time Taken for the Clearance: 6-12 months
- ❖ Costs Involved: Fixed fee of Rs. 5000
- ❖ Personal Visit Reqd.: No
- ❖ Documents Required: Record of Rights (ROR) relating to ownership, 3-copies of plan of the completed building, evidence to the effect of all public utility services, and in particular,

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



sewerage, drainage, water supply, and electricity have been linked to the main public utility system and no objection certificate from Fire Prevention Officer.

9. Registration of condominium association (wherever applicable)

Procedure:-

The builder has to register an Association of apartment owners as required under the Orissa Apartment Ownership Act, 1982, before occupancy certificate for 50% or more of the floor area is given.

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Societies Act
- ❖ Time Limit prescribed by the Govt.: 30 days
- ❖ Time Taken for the Clearance: 3 months to 6 months
- ❖ Personal Visit Reqd.: Yes

10. Occupancy Certificate

- ❖ After granting completion certificate, a provisional occupancy certificate is issued by the Bhubaneswar Development Authority (BDA) to enable the builder/land owner to obtain service connections. The authorities entrusted with the job of providing services like electricity, water supply and sewerage do not provide these services without provisional occupancy certificate by the Bhubaneswar Development Authority (BDA).
- ❖ The Builder also submits a copy of the agreement that he has entered into with the apartment owners' society to the Bhubaneswar Development Authority (BDA). This agreement contains the terms of maintenance of public utilities.
- ❖ On satisfactory compliance of above conditions & provision of the services, the final occupancy certificate is issued by the Bhubaneswar Development Authority (BDA).

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



Comments and Suggestions:

It has been observed that the state of Orissa doesn't have any specific Policy or Act for development of real estate but only building guidelines in its cities.

From 2001 to 2008, the building laws in Bhubaneswar were not favourable for the real estate sector. In 2008, the Bhubaneswar Development Authority (BDA) laid down the Bhubaneswar Development Authority (Planning and Building Standards) Regulations – 2008 as required by sub-section (2) of Section 125 of the Orissa Development Authorities Act, 1982 to regulate the construction sector in the city.

With the announcement of the new building regulations in 2008, real estate business in the city grew. One major highlight of the new building regulations was higher FSI of 2.75 for residential /commercial and IT/ITES projects in the city.

Real Estate Approvals scenario:

Builders in the city of Bhubaneswar & Puri have to take on average 23-25 approvals for real estate projects and the time span for getting all relevant approvals for projects till obtaining of occupancy certificate ranges from 2.5-4.5 years.

Factors for the delays in the Approval Procedures

The major delays in the real estate approval procedures in Orissa particularly Bhubaneswar and Puri are the following:

- **Environment Clearance especially the EIA norms**

Environment clearance is mandatory for projects of size 2,00,000 sqft and above. Before commencement of construction, builders have to get the environment clearance which is a lengthy process and often leads to harassment by various departments. With timelines not being followed by the departments, it has become a major factor delaying the progress of projects leading to cost overruns.

The environment committee at the state level comprises a team of local people, mostly academicians, who have very limited knowledge about practical issues of the building construction industry. Hence, the process of approvals is very slow.

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



There is no clear guidance from the environment department to the real estate developers which they can comply with in order to get the clearances on time.

Suggestion:

- ❖ The environment clearance should be obtained by local authorities for the entire CDP (City Development Plan) and Master plan. Individual developers developing small and medium residential projects should not be required to obtain separate clearances for each of their projects, if the project is planned keeping the CDP in mind. This will help the real estate players in their planning and will help them save time and cost before investing in a land.
- ❖ In the case of integrated townships, the approval could be made mandatory.
- ❖ Alternatively, increase the size of projects from the existing 20,000 square metres to 50,000 square metres or

- **Electricity Department approvals**

It has been observed that getting clearances from the Electricity Department for electricity connection and electrical fittings in the building are very difficult. There are un-necessary delays caused due to slow approach of departments like Central Electricity Supply Utility of Orissa (CESU) etc.

Suggestion:

- ❖ Strict deadlines should be set for various clearances by the relevant departments. In case the file is not cleared in a stipulated time deemed approval be considered.

- **Municipality approvals relating to Civic Infrastructure**

Bhubaneswar Development Authority (BDA) issues commencement certificate only after getting the NOC from the Bhubaneswar Municipal Corporation (BMC) which is subject to development of the civic services infrastructure viz. sewerage, drainage and water supply. Developers face lot of difficulties while developing civic infrastructure as demanded by the BMC leading to extensive delays. The issue arises when they have to build the infrastructure in the public area which exposes them to the hazards of developing civic infrastructure like objections from public, civic

Approval Process for Real Estate Projects in Orissa (Bhubaneswar)



agencies, lack of cooperation from police etc. In the absence of statutory power, it is highly difficult for the private developer to undertake this task.

Suggestions:

- ❖ Municipality should take up the job of providing public utility services like drainage, sewerage and water supply. Developers could be levied a fee for development of infrastructure. BMC would be in a better position to carry out this work more efficiently as they have the expertise, authority and finance available for this work.
- ❖ Once the fee for infrastructure development is paid by the developer to BMC, the NOC for the project should be given to enable the developer to start construction.

Other comments and suggestions:

- ❖ Single window clearance system should be explored for some of the approvals with time limits. Deemed clearances should be given in all approvals so that timeline is maintained by authorities. This will also contain the unofficial costs incurred by the builders at various stages of approval process. The unofficial cost varies in the range of about 5-10% of project cost.
- ❖ Computerization for accepting application forms online, up gradation of skills of staff in municipalities would bring in efficiency in the approval systems. BDA has already launched the automated building plan approval process but its implementation and efficiency needs to be monitored so that it benefits the sector.



**Approval Process for Real
Estate Projects in Tamil
Nadu (Chennai)
&
Suggestions to Streamline
the System**

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



1. Land Use (Zone Conversion)

Procedure:-

- ❖ Approving Authority: Chennai Metropolitan Development Authority (CMDA)
- ❖ Law / Regulation under which the approval is sought: Tamil Nadu Town and Country Planning Act, 1971

2. Land Conversion

Procedure:-

- ❖ Approving Authority: Chennai Metropolitan Development Authority (CMDA)
- ❖ Law / Regulation under which the approval is sought: Tamil Nadu Town and Country Planning Act, 1971
- ❖ Time Taken for the Clearance: 9 months
- ❖ Costs Involved: Scrutiny Fees
- ❖ Personal Visit Reqd.: Yes, to Assistant Planner & Deputy Planner
- ❖ Documentations Required: CMDA Layout Application, Patta, Chitta, Adangal, Drawings, Sale Deed
- ❖ Difficulties faced in the documentation: No major difficulties faced

3. Ownership Certificate

Procedure:-

- ❖ Approving Authority: Chennai Metropolitan Development Authority (CMDA)/ Taluk Office
- ❖ Law / Regulation under which the approval is sought: Tamil Nadu Town and Country Planning Act, 1971

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



- ❖ Time Taken for the Clearance: 12 months
- ❖ Costs Involved: Varies with the office
- ❖ Personal Visit Reqd.: Yes to Tehsildar
- ❖ Documentations Required: Sale Deed, Old Patta, Chitta
- ❖ Difficulties faced in the documentation: No major difficulties faced

4. Non Encumbrance

Procedure:-

- ❖ Approving Authority: Registration Department
- ❖ Time Limit prescribed for clearance by the Govt. : 1 Week
- ❖ Time Taken for the Clearance: 1 Week
- ❖ Costs Involved: Rs. 121 (for 20 Years)
- ❖ Documentations Required: Sale Deed

5. “No Objection Certificate” from Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB).

Procedure:-

- ❖ Time to complete: 30 days.
- ❖ An application is made to the Senior Engineer (SE) of CMWSSB with Sewage treatment plant (STP) Design and Drawings. On receipt of application, engineer from CMWSSB visit the site and take the water survey report from the building company. The building company is required to give detailed Sewerage Treatment Plant (STP) report, rain water harvesting and other parameters.
- ❖ Cost of Application: Processing fee of Rs. 20,000/- per Sewage treatment plant (STP)

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



6. Tree cutting approval (Clearance of Forest Department, if the project is on forest land)

Procedure:-

- ❖ Approving Authority: Forest Dept.
- ❖ Time Taken for the Clearance: 2 weeks
- ❖ Personal Visit Reqd.: Yes to the Forest Ranger
- ❖ Documents Required: VAO Letter, No. of Trees mentioned in covering letter

7. “No Objection Certificate” from Ministry of Environment & Forests (MoEF) & Tamil Nadu Pollution Control Board (TNPCB).

Procedure:-

- ❖ Time to complete: 4-8 months
- ❖ Cost to complete: Approximate Rs.1 lakh., as scrutiny fee
- ❖ An Application is submitted to the State Level Committee for Environment Clearance. On receipt of application, the building company is required to send a presentation to MOEF, with details of water, power, sewerage and landscaping facilities to be provided in the project. On satisfactory completion of presentation, State Level Committee will give its consent and recommend to Tamil Nadu Pollution Control Board (TNPCB) for its consent. Public Notice to be given by the project proponent in Daily Newspapers (English & Tamil). The Builder obtains the Environmental Clearance from MoEF Department.
- ❖ The builder also submits an Application to the Tamil Nadu Pollution Control Board (TNPCB) for Consent to Establish. A Site Inspection is carried out by TNPCB official. After that the Board issues the clearance and Consent to Establish.

8. “No Objection Certificate” from Traffic Department.

Procedure:-

- ❖ Time to complete: 30 days.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



- ❖ NOC from Traffic Department is required only if the building structure is Multistoried Building (MSB). On receipt of application by the concerned Superintendent of Police (Traffic), site inspection will be undertaken by them and NOC will be issued.

9. “No Objection Certificate” from Tamil Nadu Fire & Rescue Services Department (DFRS)

Procedure:-

- ❖ Approving Authority: Fire Dept.
- ❖ Time Taken for Clearance: 2 - 3 Months
- ❖ Personal Visit: Yes
- ❖ NOC from Fire & Rescue Services Department is required only if the building is Multistoried (MSB). On receipt of application by the concerned Director of Tamil Nadu Fire & Rescue Services Department, site inspection is undertaken by them and NOC is issued.

10. “No Objection Certificate” from Airport Authority of India (AAI).

Procedure:-

- ❖ Time to complete: 1-2 months
- ❖ NOC from Airport Authority of India (AAI) is required only if the building is Multistoried (MSB). The builder makes an application along with Drawings, Location Map, Elevation Certificate & Zoning map to AAI, Chennai.
- ❖ On receipt of application by the concerned Director of Airport Authority of India (AAI), site inspection is undertaken by them and NOC issued.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



11. “No Objection Certificate” from Indian Air Force (IAF)

Procedure:-

- ❖ Builder submits the Application, Drawings, Location Map, Elevation Certificate & Zoning map to IAF Station, Chennai
- ❖ Site Inspection is made by IAF station official from Chennai Air Base.
- ❖ One set of application drawings & reports forwarded to Bengaluru & Delhi IAF Station for issue of NOC
- ❖ NOC from the Indian Air Force Delhi & Chennai is issued

12. “No Objection Certificate” from National Highways Authority of India (NHAI)

Procedure:-

- ❖ Approving Authority: NHAI/PWD
- ❖ Time Taken for Clearance: 3 Months
- ❖ Personal Visit: Yes
- ❖ Documents Required: Sale Deed, Drawings, FMB Marked
- ❖ Comments: Builder submits the Application, Drawings, Field Measurement Book (FMB) sketches to NHAI. Site Inspection is done by the Project Director. After inspection, an NOC is issued by the NHAI to the builder

13. “No Objection Certificate” from the Central Ground Water Authority of India (CGWAI)

Procedure:-

- ❖ Approving Authority: Central Ground Water Authority of India (CGWAI)
- ❖ Time Taken for Clearance: 6 months
- ❖ Builder submits the Application, Drawings, IMD Rainfall details to CGWAI for ground water NOC.
- ❖ Site Inspection is made by the officials of CGWAI

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



- ❖ CGWAI Department issues the No Objection Certificate to the company

14. Submit Building Proposal Application, Building Plans and NOCs with Chennai Metropolitan Development Authority (CMDA) for Planning Permit

Procedure:-

- ❖ Approving Authority: Chennai Metropolitan Development Authority (CMDA)
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Approximate Scrutiny fee at the rate of Rs.1.50/- per sq.mtr, on the total built-up area.
- ❖ Documentations Required: Sale Deed, Drawings, Plans, Property Tax Receipt, architect certificate, NOCs relating to DFRS, CMWSSB, IAF, AAI, CGWAI etc. Undertaking relating to Environment NOC is given by the company as it takes time for getting the clearance.
- ❖ Comments: The building company submits the application form with building plans, NOCs and all required documents as prescribed by CMDA. If all documents are in order, CMDA accept the file along with scrutiny fee. The file is then forward to Area Planning Unit at CMDA.

15. Receive site inspection from CMDA

Procedure:-

- ❖ Assistant Planner from CMDA conduct a site inspection within a fortnight's time from the date of receipt of acceptance of application. The date and time of site inspection are arranged through company's consultant. Company site engineer is required to be at site during site inspection. Assistant Planner makes his remarks in the file.
- ❖ The Planning Assistant start the scrutiny after receiving the file from the Assistant Planner. After completion of scrutiny the file is sent back to Assistant Planner. Assistant Planner scrutinizes the file documents, plans, designs makes his remarks and sends the file to Deputy Planner.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



- ❖ Deputy Planner also scrutinizes the file and makes his remarks. If any particulars are required then he requests the Assistant Planner to send a letter with requirement to the building company for submission of required documents. After the scrutinization by the Deputy Planner it is forwarded to Senior Planner.

16. “Intimation of Disapproval” from CMDA

Procedure:-

- ❖ The intimation of disapproval will be intimated to the building company within 45 days from the date of receipt of application.
- ❖ The disapproval may be either due to unviable site condition/land use zone/legal discrepancies and/or violation of development regulation (DCR) in the submitted building plans.

17. Structural Stability Certificate.

Procedure:-

- ❖ The structural stability certificate, if required by CMDA has to be furnished by the building company on request.

18. The Senior Planner scrutinizes the file received from Deputy Planner and comes for site inspection. He forwards the file to Member Secretary with his recommendations.

19. After the proposal is approved by the Member Secretary the file comes back to CMDA.

20. CMDA forwards the file to Housing & Urban Development Ministry in the State Govt. State Government issues Government Order (GO) with 10% for Open Space Reservation (OSR).

21. Planning Assistant in CMDA prepares the advice for the payment of fee with conditions required to be fulfilled by the applicant building company. After receiving the necessary fee, the file containing the Planning Permission & approved drawings is forwarded by CMDA to the Local Body (Corporation of Chennai) for issue of Building Permit.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



Time required for clearance: 30 Days

Costs involved:

1. Rs.250/- per sq.mt in case of Special building and Rs.500/- per sq.mt. in case of Multi-storied buildings.
2. Security Deposit Rs.50/- per sq.mt.
3. Display Board Rs.10000/-

22. Obtain Building Permit from Local Body and pay development charges.

Procedure:-

- ❖ Time to complete: 30 - 120 days from the date of receipt of application.
- ❖ Cost to complete: Approximate at the rate of Rs.50/- per sq.ft., on the total built-up area.
- ❖ Comment: On receipt of application, the Statutory Authority will raise queries on the building plans submitted by the building company. A site inspection is done by the Local body. The building is required to fulfill all required documents/particulars as prescribed by CMDA, as per development regulation (DCR). On receipt of satisfactory reply from the building company, the statutory authority advice for payment and on its receipt, releases the approved building plan/building permit to commence construction work.

23. Following approvals are applied simultaneously at this stage:

a) Temporary Mining Approval

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Time Taken for the Clearance: 1 Month
- ❖ Personal Visit Reqd.: Yes to RDO, DRO & Sub Collector

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



b) Explosive Substances – Gas Petroleum Approval

Procedure:-

- ❖ Approving Authority: Ministry of Commerce & Industry, PESO
- ❖ Time Taken for the Clearance: 3 Months
- ❖ Costs involved: Rs. 3000
- ❖ Personal Visit Reqd.: Yes
- ❖ Documents: Site Plan Application

c) Lift Escalator Installation Approval (wherever applicable)

Procedure:-

- ❖ Approving Authority: CEA
- ❖ Time Taken for the Clearance: 2 Months
- ❖ Costs involved: Rs. 3000
- ❖ Personal Visit Reqd.: Yes, Electrical Inspector
- ❖ Documents: Site Plan, Application, Specification drawings.

d) Electric substation NOC (for all substation/ transformers in the building)

Procedure:-

- ❖ Approving Authority: CEA
- ❖ Time Taken for the Clearance: 2 Months
- ❖ Personal Visit Reqd.: Yes, Electrical Inspector
- ❖ Documents: Site Plan, Application, Single Line Diagram, Connected Load, Equipment List.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



e) DG Sets installation approval

Procedure:-

- ❖ Approving Authority: CEA
- ❖ Time Taken for the Clearance: 2 Months
- ❖ Personal Visit Reqd.: Yes, Electrical Inspector
- ❖ Documents: Site Plan, Application, Single Line Diagram, Connected Load, Equipment List.

f) Lift escalator operation license

Procedure:-

- ❖ Approving Authority: CEA
- ❖ Time Taken for the Clearance: 2 Months
- ❖ Personal Visit Reqd.: Yes, Electrical Inspector
- ❖ Documents: Site Plan, Application, Specification drawings.

24. Sending the Quarterly progress report to CMDA

Procedure:-

- ❖ Time: Every 3 months, after issuing of approved building plan.
- ❖ Comment: The building company, on commencement of construction work receives letter from statutory authority every 3 months. The building company is required to send the progress report based on its construction to concerned authorities.

25. Request and obtain completion certificate from CMDA

Procedure:-

- ❖ Time to complete: 3-6 months.
- ❖ Cost to complete: A lump sum fee is laid by statutory authority based on the built-up area.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



- ❖ Comment: The building company, on completion of its construction work, files application with CMDA along with approved drawings, Declaration from Class-1 Licensed surveyor / Architect, Copy of Bank guarantee, Copy of Local body Building permit, Structural stability certificate, Details for design calculation and drawings, Undertaking to provide Solar water heating system., etc., and request for issue of completion certificate for the building. Site inspection is done by Assistant Planner; Dy. Planner and Senior Planner to check whether the building is constructed as per the approved building plan issued by them without any deviation. If no deviation is found, then the Planning Authority issues completion certification after receipt of full payment towards Infrastructure & Amenities (I&A) from the builder. Based on this Completion Certificate, the building company will apply for service connections (water, sewerage and power).

26. Apply and obtain permanent water & sewerage connection from CMWSSB.

Procedure:-

- ❖ Time to complete: 60 days from the date of application along with the completion certificate received from CMDA.
- ❖ Cost to complete: Approximate at the rate of Rs.18,000/- per dwelling unit (upto 200 sqm).
- ❖ Comment: The building company is required to submit the application with CMWSSB along with building approved plan and completion certificate received from Planning Authority. CMWSSB officials inspect the site and the number of dwelling units and Rain Water Harvesting (RWH) system at site. After satisfactory site inspection, they release the water and sewerage connection to the site.

27. Apply and obtain permanent power supply from Tamil Nadu Electricity Board (TNEB).

Procedure:-

- ❖ Time to complete: 60 - 90 days from the date of application along with the completion certificate received from Planning Authority.
- ❖ Cost to complete: Based on the Kilo Watts (KVA) is required for the site.
- ❖ Comment: The building company is required to submit the application with concerned TNEB department along with building approved plan and completion certificate received from

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



Planning Authority. TNEB officials will inspect the site. On satisfactory site inspection, they release the permanent power supply to the site. If the built-up area exceeds 900 sq.mtrs., the building company is required to install Transformer at site.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



Comments and Suggestions:

Real estate development in Chennai is regulated by two Acts viz. the Tamil Nadu Town and Country Planning Act, 1971 and the City Municipal Corporation (CCMC) Act 1919. These two acts necessitate getting approvals for all the real estate developments in the city. The above two acts are enforced by the following two departments:

- (i) Chennai Metropolitan Development Authority (CMDA)
- (ii) Corporation of Chennai (CoC)

CMDA enforces the T&CP Act by-rules called Development Control Rules and the Chennai Corporation enforces CCMC Act governed by building Rules revised upto 1972. After the planning permits are issued by CMDA, the Chennai Corporation issues the building permits to all the buildings including CMDA's special buildings, multi-storey buildings and layouts after taking over the land left over for road portion and the land reserved for open space reservation.

Real Estate Approvals scenario:

It has been observed that a real estate developer in Chennai has to obtain about 25-30 approvals from various authorities under the Tamil Nadu Town and Country Planning Act, 1971. The time span for getting all relevant approvals for projects till the award of completion certificate and permanent civic services connection ranges from 3-4 years.

Factors for the delays in the Real Estate Approval Procedures

- **Too many NOCs / Authorities in the Building Approval System**

Developers in Chennai require too many NOCs from various authorities, each of which are regulated by different Acts. The delays in getting these approvals slow down the development process. Besides this, for each approval, in person visit/follow-up is necessary for things to move forward.

It has also been felt that the number of channels that a file goes through is also very long. Building proposal is processed by too many persons (Planning Assistant, Assistant Planner, Deputy Planner, Senior Planner etc) who prolong the whole approval process.

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



Suggestions:

❖ **Single Window Clearance**

A Single Window Clearance for obtaining local/state and central approvals should be set up so that the builder does not have to follow up with different authorities separately. The single window system should co-ordinate with the government agencies and obtain the required clearances. The file should move automatically from one department to another in a pre-defined way. In case there are any discrepancies or gaps, the concerned department/agency can intimate the developer. The developer could be charged a fee for this facilitation centre services. This system would reduce the timeline and the costs significantly.

Further an **online system should be developed to track the approval process** in the single window system. This would be effective both for the authorities as well as the builders who could get complete status of their application at one place.

❖ **Doing away with unnecessary NOCs or approvals**

I. Airport authority clearance:

Due to the absence of a Zoning procedure time and again developments in a particular locality have to replicate the entire process of making an application, liaisoning ,co-ordination etc resulting in unnecessary delays and costs. The co-ordinates will not change with respect to the flying zone restriction, Air-funnel etc for developments next to each other. The need of the hour is to identify the no-flying zones, air funnel and flight paths and these have to be demarcated in the city master plan by the Airport authority in consultation with the local planners and approving authorities. Once this is done the need for obtaining individual NOC's for projects within such designated locations could be done away with.

II. Environmental Impact Assessment clearance:(EIA)

Clearance is given after considerable lapse of time. No impetus is paid on the implementation of the project, its effect on the neighbourhood and overall environment. The nodal agency is not equipped to monitor the implementation across the country as they lack the competent resources for such monitoring.

It is suggested that the parameters for clearances need to be reviewed and zoning be made essential. Strong partnerships with the respective state governments for implementation,

Approval Process for Real Estate Projects in Tamil Nadu (Chennai)



monitoring and effective maintenance of the buildings is required without which the impact on environment can never be minimised and the objective of EIA will never be met.

❖ **Architect Certifying Building as per Development Control Rules (DCR)**

Industry feels that just like the Government accepts the certification of a Chartered Accountant for balance sheets and ITR's, the practicing Chartered Architects - who are members of the Council should be put through a qualifying process and thereafter be enabled to certify the compliance of the proposal in line with the prevalent Development Control Rules (DCR) for developments upto a certain magnitude. The approval system for real estate projects in Chennai could be streamlined to a large extent if it is allowed in the state.

It is suggested that for large integrated development the approving authorities could set up a committee comprising an Architect, Developer and nominee from the approving authority to facilitate the approval process of such large developments.

• **Shortage of skilled officials in authorities**

It has been observed that legal perusal of the application is done by the Planning Assistants and Assistant Planners who do not have sufficient legal knowledge.

Suggestion:

- ❖ The authorities must have sufficient skilled staff in their respective areas of function.



**Approval Process for Real
Estate Projects in Haryana
&
Suggestions to Streamline
the System**

1. Land Purchase and Land Papers Examination & Feasibility for Licence

Procedure:-

Land is purchased through sale deed or through collaborations. The authenticity of land papers is checked and errors if any are rectified. Feasibility check with respect to development plan / sector plan is also done for applying for licence for development.

2. Land Conversion

Procedure:-

- ❖ Approving Authority: Department of Town & Country Planning (DTCP), Haryana
- ❖ Law / Regulation under which the approval is sought: Section 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963
- ❖ Time Limit prescribed by the Govt.: 3 Months
- ❖ Time Taken for the Clearance: Atleast 6 months
- ❖ Costs Involved:
 - Scrutiny Fee @ Rs. 10/- per Square Meter
 - CLU charges vary according to Zone/ abutting roads per Square Meter which are : Residential from Rs. 15/- to Rs. 210/- & Commercial from Rs. 100/- to Rs. 1470/-
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required:
 - Revenue Map duly signed by Patwari
 - Proof of Land Ownership
 - Proof of financial capability like Balance Sheet
 - Income Tax Clearance Certificate
 - Survey Map
 - Site Plan

Approval Process for Real Estate Projects in Haryana



- ❖ Difficulties faced in the documentation: If the land is jointly owned, it gets difficult to mutate the same and get the clearance from Tehsildar

3. Ownership Certificate (Patta Copy/ Patta Sheet)- From Tehsildar

Procedure:-

- ❖ Approving Authority: Revenue Department
- ❖ Law / Regulation under which the approval is sought: Punjab Land Preservation Act 1900
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 3 days
- ❖ Costs Involved: Approx. Rs. 100/- per document
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Proof of Ownership
- ❖ Difficulties faced in the documentation: No major difficulties faced if land papers are in order

4. Non Encumbrance

Procedure:-

- ❖ Approving Authority: Registration Department
- ❖ Law / Regulation under which the approval is sought: Indian Registration Act 1908
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 3 days
- ❖ Costs Involved: No cost
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Proof of ownership
- ❖ Difficulties faced in the documentation: No major difficulties faced

5. Submission of Licence Application to Department of Town & Country Planning (DTCP)

Procedure:

- 1) Licence application for development is applied to DTCP (HR).
- 2) DTCP marks it down to District Town Planner (DTP) of local area for Site Report.
- 3) DTCP marks it down to The Director Urban Estate for Land Report.
- 4) District Town Planner (DTP) sends Site Report to Senior Town Planner (STP) of that circle.
- 5) Senior Town Planner (STP) verifies that Report & forward it to DTCP(HR)
- 6) The Director Urban Estate sends Land Report to DTCP(HR)
- 7) The DTCP (HR) forwards the file to The Financial Commissioner & Secretary to Govt. of Haryana for approval.
- 8) The Financial Commissioner & Secretary to Govt. of Haryana approves the file & return to DTCP.
- 9) DTCP issue the Letter of Intent (LOI) to the Coloniser.
- 10) The Coloniser pays the CLU charges, gives Bank Guarantees, sign Agreements etc and complies with Letter of Intent (LOI) conditions
- 11) DTCP issues the Licence to the Coloniser.

Synopsis:

- ❖ Approving Authority: Directorate of Town & Country Planning
- ❖ Law / Regulation under which the approval is sought: Section 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6-9 months
- ❖ Costs Involved:
 - Scrutiny Fee @ Rs. 10/- per Sq.Mtr.
 - Licence Fee varies according to Zone (i.e High, Low, Medium Potential) per acre
 - Residential - 0.51 Lacs to Rs. 6.7 Lacs per acre
 - Commercial - Rs. 10/- Lacs to Rs. 420 Lacs per acre
 - CLU Charges as above

Approval Process for Real Estate Projects in Haryana



- EDC & IDC (passed on to the end users)
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required:
 - Revenue Map duly signed by Patwari
 - Ownership Proof
 - Memorandum of Articles of Association
 - Proof of financial capability like Balance Sheet
 - Income Tax Clearance Certificate
 - Survey Map
 - Site/Layout Plan

Approximate time taken from the date of land purchase till grant of Licence is 14-15 months

6. Demarcation / Zoning Plan approval by DTCP

Procedure:-

- 1.) Submission of Demarcation/Zoning plan to DTCP for approval
- 2.) DTCP marks it down to DTP of local area for Site Report
- 3.) DTP send Site Report to STP of that circle
- 4.) STP verifies the Report & forwards it to DTCP(HR)
- 5.) DTCP issues the Approval of Demarcation/Zoning Plan to the Coloniser only if the licences of that area are valid.

Synopsis:

- ❖ Approving Authority: Directorate of Town & Country Planning
- ❖ Law / Regulation under which the approval is sought: Section 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963

- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: No major costs
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Demarcation plan / Zoning Plan

7. Approval of Services Scheme & Estimates including plan for public health services

Procedure:

- 1) Submission of Services Scheme & estimates including public health services to DTCP.
- 2) DTCP marks it to Chief Administrator (HUDA), which is then forwarded to Superintending Engineer (SE) and further to Executive Engineer (HUDA) of local area for Site Report
- 3) The Executive Engineer (HUDA) forwards the site report after verification to Superintending Engineer, HUDA.
- 4) The Superintending Engineer, HUDA Local Area forwards it to The Chief Engineer-HQ
- 5) The Chief Engineer (HQ) forward it to DTCP(HR)
- 6) DTCP (HR) demand Addl. Bank Guarantees for Internal Development based on Estimates.
- 7) DTCP issues the Approval of Services Scheme & Estimates to the Coloniser.

8. Approval of electrification plan (Electricity Scheme Approval)

Electricity scheme and estimates are submitted to Haryana Electricity Board (UHBVN/DHBVN) for approval.

Synopsis:

- ❖ Approving Authority: State Electricity Department/DHBVNL/UHBVNL
- ❖ Law / Regulation under which the approval is sought: Section 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6 months

Approval Process for Real Estate Projects in Haryana



- ❖ Costs Involved: No major costs
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Design & Estimates along with plans, Electrical Scheme with drawings, Ownership document, Licence Copy etc.

9. Approval Of Building Plan

- 1) Submission of Building Plan to DTCP.
- 2) DTCP marks it down to STP of local area for Scrutiny.
- 3) DTCP marks it down to SE (HQ) HUDA for Approval of Public Health Services.
- 4) STP marks it down to DTP for Site Report.
- 5) DTP send the Site Report to STP.
- 6) STP sends his Observation to DTCP.
- 7) S E (HQ) HUDA sends the Approval of Public Health Services to DTCP.
- 8) The Coloniser submits the NOC for height from AAI/IAF & structural stability certificate to DTCP
- 9) DTCP approves the Building Plan if the licences are valid and all conditions met.

Synopsis:

- ❖ Approving Authority: Department of Town & Country Planning
- ❖ Law / Regulation under which the approval is sought: Section 6 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act 1963
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: Rs. 10/- per Sq.M
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Building Plans, Structural Stability Certificate, NOC for High rise Building (For more than 30 metres high)

10. Following approvals are applied simultaneously at this stage:

a) Tree cutting approval - Clearance of Forest Department (if the project is on forest land)

Synopsis:

- ❖ Approving Authority: Forest Dept.
- ❖ Time Limit prescribed by the Govt.: 1 month
- ❖ Time Taken for the Clearance: 2-3 months
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Site Plan showing the No. of trees

b) Road Access:

Procedure:-

- ❖ Approving Authority: NHAI/PWD, National Highway Authority of India / Ministry of Surface Transport
- ❖ Law / Regulation under which the approval is sought: PWD Act
- ❖ Time Limit prescribed by the Govt.: No limit
- ❖ Time Taken for the Clearance: 12 months
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Licence copy; approved Layout; Access plan, drainage plan, MOAA, , Geological Survey Map of India; Land survey of NH & PWD road 1.5 Km from each side
- ❖ Difficulties faced – To get the Govt. agree to the plan in respect of NH/PWD road from where the access has to be provided

c) Ancient Monument approval

Procedure:-

- ❖ Approving Authority: Archaeological Survey of India (ASI)

- ❖ Law / Regulation under which the approval is sought: Archaeological Survey of India (ASI) Act
- ❖ Time Limit prescribed by the Govt.: 1 MONTH
- ❖ Time Taken for the Clearance: 2 MONTHS
- ❖ Personal Visit Reqd.: YES
- ❖ Documents Required – Approved Building Plan, Proof of Ownership

d) Environment Clearance

If land area is more than 125 acres and built up area is more than 20000 square metres, then Environment Clearance has to be obtained. State Environment Impact Assessment Authority issues the Environmental Clearance after the technical recommendation of State Expert Appraisal Committee

Procedure:-

- 1.) Preparation of Application and submission to SEAC (State Expert Appraisal Committee) for Environmental Clearance.
- 2.) Presentation to SEAC (State Expert Appraisal Committee)
- 3.) Reply to observations of SEAC
- 4.) Representation to SEAC
- 5.) Presentation to SEIAA (State Environment Impact Assessment Authority)
- 6.) Final grant of Environment Clearance certificate which contains approx. 50 further conditions. The main conditions are:-
 - a. NOC from Forest Deptt.
 - b. NOC from CGWB
 - c. NOC from AAI
 - d. NOC from Fire Deptt.
 - e. NOC from explosive deptt.
 - f. NOC from Establishment / Operation from SCPB.

Synopsis:

- ❖ Approving Authority: Ministry of Environment

- ❖ Law / Regulation under which the approval is sought: Environment (Protection) Act 1986
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained before start of construction till commencement of the project
- ❖ Time Taken for the Clearance: 1-2 years
- ❖ Personal Visit Reqd.: Yes

e) Consent to Establish (CTE) & Consent to Operate

If land area is less than 125 acres and if the developer is establishing sewerage treatment plant (STP) and DG Sets, then under Water Act 1974 and Air Act 1981, developer has to obtain NOC for Establishment & NOC for Operation

NOC for Establishment

Procedure:-

- ❖ Approving Authority: Haryana State Pollution Control Board
- ❖ Law / Regulation under which the approval is sought: Water & Air (Pollution prevention & Control) Act
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained before start of construction till commencement of the project
- ❖ Time Taken for the Clearance: 12 MONTHS
- ❖ Personal Visit Reqd.: YES
- ❖ Documents Required –Bank Guarantee, Revenue papers, affidavit, consent fee

NOC for Operation

Procedure:-

- ❖ Approving Authority: Haryana State Pollution Control Board

- ❖ Law / Regulation under which the approval is sought: Water & Air (Pollution prevention & Control) Act
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained before start of construction till commencement of the project
- ❖ Time Taken for the Clearance: 6-8 months
- ❖ Personal Visit Reqd.: YES
- ❖ Documents Required – Application form, consent fee, fee for sample analysis

f) Bore Well Registration Certificate

Procedure:-

- ❖ Approving Authority: Central Ground Water Authority
- ❖ Time Limit prescribed by the Govt.: Not Defined by the Govt. but it is obtained either before or after the start of construction till commencement of the project
- ❖ Time Taken for the Clearance: Vary according to the nature of project
- ❖ Personal Visit Reqd.: Yes

g) Site Office Approval

Procedure:-

- ❖ Approving Authority: DTCP/Development Authority
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: Rs. 10/- per Sq.M
- ❖ Personal Visit Reqd.: Yes
- ❖ Documents Required - Location marked on Sanctioned Layout; Building Plan, Affidavit to dismantle after completion of Project

h) Fire fighting scheme Approval

Procedure:-

- ❖ Approving Authority: Fire Dept
- ❖ Time Limit prescribed by the Govt.: 1 month
- ❖ Time Taken for the Clearance: 3 months
- ❖ Personal Visit Reqd.: Yes
- ❖ Documents Required - Fire Fighting Scheme along with Drawings & approved plan

i) Lift Escalator Installation Approval (wherever applicable)

Procedure:-

- ❖ Approving Authority: Chief Inspector Lifts & Escalator
- ❖ Time Limit prescribed by the Govt.: Not Defined (Before Use & Before Electric Connection)
- ❖ Time Taken for the Clearance: 30 Days
- ❖ Costs Involved: Inspection Fee
- ❖ Personal Visit Reqd.: Yes, 3 to 5 visits
- ❖ Documents Required - AMC Copy, Test Report

j) Electric substation NOC (for all substation/ transformers in the building)

Procedure:-

- ❖ Approving Authority: Electricity Distribution Authority
- ❖ Time prescribed for clearance: Not Defined (Before Electric Connection)
- ❖ Time Taken for the Clearance: 60 Days
- ❖ Costs Involved: Rs. Inspection Fee
- ❖ Personal Visit Reqd.: Yes, 5-10 visits

- ❖ Documentations Required: Drawing, Test Report of TR,HT, Copy of Bill

k) DG Sets installation approval

Procedure:-

- ❖ Approving Authority: Pollution Control Board
- ❖ Time prescribed for clearance: Not Defined (Before Use)
- ❖ Time Taken for the Clearance: 30 Days
- ❖ Costs Involved: Rs. Inspection Fee
- ❖ Personal Visit Reqd.: Yes, 3-5 visits
- ❖ Documentations Required: Copy of Bill & Test Report

l) Damp Proof Certificate (DPC)

Procedure:-

- ❖ Approving Authority: DTCP
- ❖ Time prescribed for clearance: 1 week
- ❖ Time Taken for the Clearance: 2 weeks
- ❖ Costs Involved: No costs
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Sanctioned plan (GF) & approval letter

m) Swimming pool operation license (wherever applicable)

Procedure:-

- ❖ Approving Authority: District Magistrate after approval from about 4-5 departments like Police, HUDA, Fire, District Dy. Commissioner, Municipality
- ❖ Time Taken for the Clearance: 3-6 Months

Approval Process for Real Estate Projects in Haryana



- ❖ Costs Involved: No costs
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Appointment of Life Guard

n) Hoarding approval

Procedure:-

- ❖ Approving Authority: NHAI/PWD/Land owning Agency
- ❖ Time Taken for the Clearance: 2-3 months

o) AAI Height NOC

Procedure:-

- ❖ Approving Authority: Airports Authority of India (AAI), New Delhi
- ❖ Time Limit prescribed by the Govt.: 1 month
- ❖ Time Taken for the Clearance: 3 months
- ❖ Costs Involved: No costs
- ❖ Personal Visit Reqd.: Yes
- ❖ Documentations Required: Licence Copy/ ownership document, MSL certified from authority; Location of Site on survey of India Map
- ❖ Difficulties faced - Not getting the Original Survey of India Map, Authentication from Authorities

11. Six-month monitoring report of EC

Procedure:-

- ❖ Approving Authority: Ministry of Environment
- ❖ Time Limit prescribed by the Govt.: Every year before 15th December & 15th June
- ❖ Costs Involved: Vary according to nature of project.

- ❖ Personal Visit Reqd.: Yes

12. Registration of Principal employer under Contract Labor Act

Procedure:-

- ❖ Approving Authority: Deputy Commissioner Labour office, Labour Department
- ❖ Law / Regulation under which the approval is sought: The Building Construction and other construction workers (emp. & service conditions ..) Act 1996

13. Registration with Building Construction Workers Welfare Board

Procedure:-

- ❖ Approving Authority: Distt. Labour officer
- ❖ Law / Regulation under which the approval is sought: The contract Labour (R & A) Act 1970

14. Building Completion Certificate

Procedure:-

- ❖ Approving Authority: Department of Town & Country Planning (DTCP), Haryana
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: No Fee
- ❖ Personal Visit Reqd.: Yes
- ❖ Documents Required: Layout Plan duly marking the completed services

15. Occupancy Certificate

Procedure:-

- 1) Submission of Occupation Permission Application to DTCP.
- 2) Submission of Application for NOC for Occupation to Fire Station Officer.
- 3) DTCP marks it down to STP of local area for completion Report.
- 4) DTCP marks it down to S E (HQ) HUDA for Completion of Internal Services.
- 5) DTCP marks it down to Chief Engineer HUDA for Completion of External Services.
- 6) STP marks it down to DTP for Completion Report.
- 7) DTP sends the Completion Report to STP.
- 8) STP sends Completion Report to DTCP.
- 9) S E (HQ) HUDA sends the Completion Report of Internal Services to DTCP.
- 10) Chief Engineer HUDA sends the completion Report of External Services to DTCP.
- 11) Fire Station Officer Issues the NOC for Occupation.
- 12) Coloniser submits the Fire NOC for Occupation & Structural Certificate to DTCP.
- 13) DTCP issues the occupancy certificate after being fully satisfied with completion reports and Fire NOC.

Synopsis:

- ❖ Approving Authority: Department of Town & Country Planning (DTCP), Haryana
- ❖ Time Limit prescribed by the Govt.: 3 months
- ❖ Time Taken for the Clearance: 6 months
- ❖ Costs Involved: Compounding fee for violation
- ❖ Personal Visit Reqd.: Yes
- ❖ Documents Required: Sanctioned plan duly superimposed with working drawings

Comments and Suggestions:

Real Estate Approvals scenario:

Haryana has seen development of real estate at scorching pace. It has been observed that for development of real estate in Haryana, builders have to obtain at least 35 major approvals from various departments and agencies and the time span for getting all relevant approvals for projects till the award of occupancy certificate ranges between 4-5 years (48-60 months).

- **Total time required from land purchase till Grant of Licence for Development range between 14-15 months**
- **Total time required for approval of Demarcation/Zoning Plan is about 5 months**
- **Time required for Building Plan Approval ranges between 2-5 months**
- **Total time required for Service Estimates Approval is about 6 months**
- **Time required for site development works including laying of public health services and construction of buildings is 20-24 months**
- **Time required for grant of completion certificate of building and occupation permission by DTCP including grant of no occupation permission is 6 months**

Factors for the delays in the Approval Procedures

The major delays in the real estate approval procedures in Haryana are seen at the following levels of approvals:

- **Environment Clearance / NOC process**

If land area is more than 125 acres and built up area is more than 20000 square metres, Environment Clearance has to be necessarily obtained by the developer. However, if the land area is less than 125 acres but the developer wants to set up a sewerage treatment plant (STP) and install DG Sets, then under Water Act 1974 and Air Act 1981, developer has to obtain NOC for Establishment & NOC for Operation. Getting the environment clearance and such NOCs has been observed as a lengthy and time consuming process in the state. Since timelines are not followed by the various departments, it has become a major factor delaying the progress of projects leading to cost overruns. **The total time required for getting all approvals regarding the environment is between 2.5-3 years in Haryana.**

Suggestions to streamline:

- ❖ It is suggested that environment clearance should be done away with subject to following the norms issued by the environment Ministry. However, in the case of integrated townships, the approval could be made mandatory. Implementation of the environment norms be monitored.

- **Building Plan Approval**

The present system of building plan approval involves NOC`s from different nodal agencies like HUDA, AAI/IAF, ASI, Fire Fighting Department, Revenue Department etc. The time required for obtaining various NOCs could be curtailed to make the process faster.

Suggestion:

- ❖ Strict deadlines should be set for various clearances by the relevant departments. In case the file is not cleared within stipulated time period, deemed approval be considered.
- ❖ A certified architect could be allowed to sanction building plan up to a certain size of area. This will significantly cut down the processing time of plan approval by municipalities.
- ❖ Single Window System of approvals could be looked at as a solution

- **Height NOC from AAI/IAF**

Structure/ Building Height Clearance take longer than the stipulated time. AAI/IAF should issue the NOC within one month of submission of application.

Suggestions:

- ❖ It is suggested that the Google Parameter on Elevation, Longitude & Latitude should be accepted by the Govt.



Comparison of Major Approvals and Time Taken in the States studied

Approvals	Maharashtra	Gujarat	Orissa	Tamil Nadu	Haryana
NA Permission / Land Conversion	3 months (+)	2 months	3 - 6 months	9 months	6 months
Ownership Certificate	15 Days	60 Days	6-12 months	12 months	3 days
Building Layout Approval	1 month	6 months	6-12 months	45 days	6 months
Commencement Certificate	15-30 days	2-3 months	6 months	1-4 months	6-9 months
ASI	6 months	Over 1 year	3 - 24 months		2 months
AAI	3-4 months	6 months	6 – 12 months	1-2 months	3 months
Environment	3 months (+)	1 year	30 days to 12 months	4-8 months	2 years
Building Completion Certificate	30 days	3-4 months	6-12 months	3-6 months	6 months
Occupancy Certificate	60 days				6 months



**Study on Approval Process for
Real Estate Projects
&
Suggestions to Streamline the
System
(Summary)**

Study on “Streamlining Approval Procedures for Real Estate Projects”



General Findings

Major Challenges in the Building Approval System

- Lack of transparency in approval process. Applicants have to make several visits to concerned officers at every level to access information about the status of files.
- No clear timelines are set by approving authorities leading to delays in approvals.
- Capacity of municipalities/local authorities inadequate to handle the number of applications for approvals.
- Non-Agriculture Permission is required even for land which is zoned and within municipal limits.
- Minimal use of Information Technology (IT) and other technologies to reduce personal interface with public authorities. Personal visits are required at every stage of approval process.
- Developers have to engage people who have good rapport with officers in authorities/local bodies for obtaining necessary approvals.
- Most of the times change of officers in authorities/local bodies makes the process of approvals even more slow than usual.
- Unofficial costs are incurred by developers to hasten the approval process.
- Obtaining environment clearance is a lengthy and cumbersome process.

Suggestions to streamline the building approval procedures

- Approving authorities should maintain time limit as prescribed in the rule book. Deemed approval be considered in case of delay.

Study on “Streamlining Approval Procedures for Real Estate Projects”



- Adequate trained/technical staff be hired in local bodies to process files within time. The staff should undergo capacity building programmes from time to time to upgrade their skills and knowledge.
- Documents required for each approval should be clearly listed on the website of the approving authority. Developers should submit documents as required by authorities to prevent any delay in obtaining approvals.
- Developing a computerized system for submission of application forms with tracking facility would bring in transparency and efficiency in the approval system. It will also help in reducing the personal interface with the government officials which will significantly help in containing unofficial costs for the developers.
- Official fees for approvals may be enhanced to improve the capacity of the staff in municipalities.
- Non-Agriculture Permission is not required to be obtained if the land is zoned and within municipal limits.
- The no-flying zones, air funnel and flight paths should be demarcated in the city master plan by the Airport Authority in consultation with the local planners and approving authorities. This information should be available on the website for everyone’s knowledge.
- **Environment Clearance:**
 - MOEF should do environment clearance of a zonal plan. In that case no further approval would be required for individual projects so long they are built as per the zonal plan.
 - Local Development Authority be entrusted the task of environment clearance. For this the authority must have a panel of environment experts or an official of the environment ministry must be appointed to give clearance.
 - Projects above 50,000 sq mts be made eligible for environment clearance.
- Building Plan up to a certain size could be sanctioned by certified Architects. In case of misuse of this condition, there should be strong penalty both on the architect and the property owner. Municipality should monitor the construction of the project and ensure it conforms to the plan sanctioned.

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Real Estate Approval scenario in States

1. Gujarat:

Challenges in the Approval system:

- 1) Finalization of development plan for non-municipal areas and subsequently the Town Planning Scheme takes around 8-10 years which restricts development in such areas till plan is cleared by the State Government.
- 2) Environment clearance is a pre-requisite for Building Plan approval. However, environment clearance takes about 8 months to 1 year. This delays the approval of building plan and further approval process.
- 3) NOC from Airports Authority of India takes about 6 months.
- 4) The NOC from Archaeological Survey of India (ASI) is a very slow process and takes nearly a year. All the monuments/heritage buildings under the purview of ASI are given equal weightage with regard to conditions applicable for development around these structures.

Suggestions:

- 1) The State Government should be more proactive in approving the Development Plan. The average time for the finalization of the Development Plan should be brought down to about 2-3 years.
- 2) The environment clearance should be obtained by the local authority for the entire Development Plan. The Authority could also be empowered to issue environment clearances upto a defined project size.
- 3) NOC from AAI should be linked to the Development Plan. The Plan should clearly earmark areas that would require AAI clearance of projects. An officer of AAI could be deputed in the Development Authority for issuing NOCs
- 4) A re-survey of the monuments/heritage buildings in the state should be carried out to differentiate the level of importance of these structures. Based on the survey, the conditions for development of real estate around these structures could be selectively relaxed.
- 5) Deemed approval be considered in case of delay.

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2. Orissa:

Challenges in the Approval system:

- 1) Environment clearance has to be obtained before commencement of construction. It is a lengthy process as timelines are never met. The environment committee at the state level consists of some people who have very limited knowledge about practical issues of the building construction industry.
- 2) Difficulties faced in getting clearances from the Electricity Department for electric connection and electrical fittings in a building. The delays are caused due to slow processing of applications by Central Electricity Supply Utility of Orissa (CESU).
- 3) The developer is required to build civic infrastructure around its project area or away from the project area as a service to the local authority. The Authority issues commencement certificate only after the developer obtains clearance for completing the development of civic infrastructure. Developers face lot of difficulties while developing this infrastructure such as, objections from public, lack of cooperation from police and civic agencies etc. In the absence of statutory power, it is very difficult for the private developer to undertake this task.

Suggestions:

- 1) The environment clearance should be obtained by local authorities for the entire CDP (City Development Plan) and Master plan. Alternatively, the size of projects could be increased from existing 20,000 square metres to 50,000 square metres. In the case of integrated townships, the approval could be made mandatory.
- 2) Strict deadlines should be set for various clearances by the relevant departments. Deemed approval be considered in case of delay.
- 3) Municipality should take up the job of providing civic infrastructure of any area as they have the authority and expertise to do this task. Developers could be charged a fee for infrastructure development. This would generate finance for the municipality for executing this work. Once such fee is paid by the developer to the municipality, the Development Authority should issue NOC for the project to enable the developer to start construction.
- 4) Single window clearance system should be explored for some of the approvals with strict time limits.
- 5) Computerization for submission of application forms and skill up gradation of staff in local approving authorities is much needed.

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3. Tamil Nadu:

Challenges in the Approval system:

- 1) Developers require too many NOCs from various authorities like Chennai Metropolitan Development Authority (CMDA), Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB), Director Of Fire & Rescue Services (DFRS), Tamil Nadu Pollution Control Board (TNPCB), Traffic Police, Central Ground Water Authority of India (CGWAI), NHAI etc; each of which is regulated by different Acts. The number of stages that a file goes through in each approval process is very long thus slowing down the approval process.
- 2) Challenges of obtaining Airport Authority of India (AAI) clearance and Ministry of Environment's Environmental Impact Assessment (EIA) clearance.
- 3) Assistant Planners do legal perusal of applications without having the requisite knowledge

Suggestions:

- 1) A Single Window Clearance mechanism be set up which would act as the facilitation centre for the builders for obtaining local/state approvals.
- 2) An online system to track the approval process in the single window system should be developed.
- 3) Airport Authority in consultation with the local planners and approving authorities should identify the no-flying zones, air funnel and flight paths and demarcate them in the city master plan.
- 4) Partnerships between the Ministry of Environment and the respective state governments be created for implementation, monitoring and effective maintenance of building structures as per norms of environment.
- 5) Building Plan up to a certain size could be sanctioned by certified Architects. In case of misuse of this condition, there should be strong penalty both on the architect and the property owner. Municipality should monitor the construction of the project and ensure it conforms to the plan sanctioned.
- 6) The authorities must have sufficient skilled staff to fulfill their role in their area of work.

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4. Haryana:

Challenges in the Approval system:

- 1) Getting the environment clearance NOC is a lengthy and time consuming process in the state since timelines are not followed by the various departments.
- 2) The present system of building plan approval involves NOC`s from different nodal agencies like HUDA, AAI/IAF, ASI, Fire Fighting Department, Revenue Department etc.
- 3) Structure/ Building Height Clearance from AAI/IAF takes longer than the stipulated time.

Suggestions:

- 1) The environment guidelines should be clearly laid down and made mandatory to be followed by developers. The implementation of these norms could be monitored by local body/municipality. Environment clearance could be given by the local body/ municipality, if the developer has complied with all conditions. In case of any violations, stringent penalties could be imposed on the defaulter. However, in the case of integrated townships, a detailed EIA report and clearance from Centre could be made mandatory.
- 2) Strict deadlines should be set for various clearances by the relevant departments otherwise deemed approval should be given.
- 3) A certified architect should be allowed to sanction building plan up to a certain size. In case of any violations, strong penalty should be imposed both on the architect and the property owner.
- 4) Single Window System of approvals could be also looked at as a solution.

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5. Maharashtra:

Challenges in the Approval system:

1. As part of the Intimation of Disapproval (IOD) conditions, developers are required to meet about 40 conditions/approvals from various departments like Tree Authority, Storm Water and Drain Department, Sewerage Department, Hydraulic Department, Environment Department (concerned with debris management), Consent to Establish & Operate (Pollution Control Board), Ancient Monument Approval, Airports Authority of India, Traffic and Coordination Department, CFO (fire clearance) etc. Meeting all the conditions is mandatory to commence construction. However, timelines are never observed by the authorities in these departments.
2. The capacity of the Development Authority / Municipal Corporation is inadequate to handle the number of applications.
3. Even though development charges are collected from developers much in advance, the authorities delay the civic infrastructure work.
4. Non-agriculture permission is a mandatory requirement in the state even for areas that fall within the municipal limits.
5. Airport Authority and Environment clearance takes much longer than required.

Suggestions:

1. Time limit should be prescribed for each approval and approving authorities should strictly maintain it. If due to some reasons, approval cannot be given within prescribed time limit, it should be intimated to the applicant within first 10-15 days of submission of application with reasons. Also, documentation required at each stage of approval should be clearly laid down and adhered to. Developers on their part should submit proper documents as required by the authorities to make the process less cumbersome.
2. Building Plan could be passed and sanctioned by certified architects, monitoring of the project could be done by the municipality. In case of violations, strict penalties be imposed on both the architect and the property owner.

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3. Official fees for approvals may be enhanced to increase the capacity of staff in municipalities.
4. Authorities must lay down the civic infrastructure on priority and in a timely manner so that construction work is expedited. The authority may charge the developers the cost of developing civic infrastructure services because timely development of civic infrastructure is crucial for completion as well as further approvals of the project.
5. Non-agriculture permission should be done away with for land within Municipal Limits.
6. Airport Authority of India in consultation with the local planners and approving authorities should identify the no-flying zones, air funnel and flight paths and demarcate them in the city master plan so that projects could be planned accordingly. This should also be put online for reference of all concerned.
7. MOEF should clear the Zonal Development Plan so that no further approvals are required for individual projects or; the local authority be entrusted the task of environment clearance or; projects above 50,000 sq mts built up area only be required to seek environment clearance.
8. A separate committee for according environment clearance to the construction sector should be set up. Presently there is only one state environment appraisal committee which is responsible for all projects across sectors. Having a specialized environment appraisal committee for construction sector will bring in higher efficiency and speed up the approval process.