

DHARAVI REDEVELOPMENT

More hurdles and questions emerge

Date for final bids extended to May 31, as developers need clarification on bid conditions. Rajshri Mehta reports

It is undoubtedly the most prestigious project for developers. But if you thought that the Supreme Court order allowing the extension of the cut-off date for the Dharavi redevelopment project to January 1, 2000, was good news, think again. The Rs10,000-crore Dharavi redevelopment project is once again facing a delay.

The state government has now asked developers to submit their final technical and financial bids by May 31 — almost two months later than the original scheduled date of March first week. A pre-bid meeting to clarify queries raised by developers on the bid conditions has now been slated for April 24. The players who are participating in the bidding process include Mukesh Ambani, Godrej, L&T, Emaar, Unitech, HDIL, Indiabulls and Akruti.

Apart from the ongoing assembly session, housing officials said that the delay this time, is due to clarifications — roughly 700 questions raised by developers on various technical and financial bid conditions put by the government in the global tender.

"The date was extended as the developers requested more time to submit redevelopment plans for the sector (each of them is huge) they are bidding. They said the schedule we had fixed was too short," said a senior official with the Slum Rehabilitation Authority handling Dharavi.

The most important reason for the delay was that the government was unsure on how many slum structures will finally be eligible for rehabilitation. Last year, political reasons saw the government move the courts to extend the eligibility of slum dwellers residing in Dharavi for rehabilitation from 1995 to 2000. The high court, however, refused to approve the 2000 cut off date.

"The Supreme Court has answered that question by allowing our plea to extend the cut off date to 2000 as the Dharavi redevelopment project and the airport modernisation are vital public projects," said Mukesh Mehta, advisor for Dharavi. "We have accounted for approximately 55,000 structures up to 2004 existing in Dharavi. So, we don't believe that there will be any difficulty in accommodating those who have settled in Dharavi in 2000 as the numbers will now reduce," Mehta added.

But it is not as simple as Mehta says.

Housing experts say an issue has already risen with slum dwellers living

on the upper floors — actually tenants of the eligible slum structure, claiming to be also eligible for rehabilitation. As per the Slum Rehabilitation Authority Act, only structures constructed on the ground floor prior to 1995 (now 2000) will be eligible for rehabilitation.

The announcement of the new date though has housing experts and developers voicing scepticism to whether the redevelopment of Dharavi, Asia's largest slum, will actually be implemented.



Dharavi trouble: It will be important to watch what happens to valuations of the bids and if they are revised at lower rates in light of the changing real estate scenario in Mumbai

Said a developer, whose bid was among the eight consortiums rejected by the government, "The question is logical. The redevelopment scheme is not easy to implement due to numerous problem in Dharavi. The Shiv Sena and the BJP are opposing the project as they do not want the ruling Congress-NCP to take credit for undertaking the scheme. The ruling Congress party will themselves want to go slow due to protests by local slum dwellers and also the fact, with assembly elections next year, they would not like to offend their vote bank."

The scepticism seems true as senior housing officials said that it would take weeks to finalise the successful bidder for the five sectors after developers submit the financial bids on May 31. "We

have to first evaluate the technical bids of the 19 shortlisted bidders which include the layout, drawings, rehabilitation plans. This process takes a lot of time. A bidder has to score 75 marks in the technical bid and only then his financial bids will be opened. A report will then be prepared and sent to the high power committee set up under the chief secretary, who will then select the successful bidders," said the official.

Said a prospective bidder, who did not wish to be named, "The delay is

only just adding to our costs. But we will cover the amount if the government is able to resolve all problems especially protests from local slum dwellers and carry out the survey of eligible people (which is still unsure to whether the cut off date should be year 1995 or 2000)."

What would be interesting to see is whether the valuations of the project drop because with every month that goes by, prices and demand for commercial space in Mumbai are stabilising, as seen in the recent Bandra Kurla auction. Moreover, it is also important to watch what happens to valuations of the bids and if they are revised at lower rates in light of the changing real estate scenario in Mumbai.