



Dharavi Revamp in Turmoil

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Why in News?

Recently, the [Dharavi Redevelopment Project \(DRP\)](#), an initiative to rebuild Asia's largest slum **Dharavi**, has sparked heated controversies due to allegations of favoritism towards the winning bidder for the project.

- A [Special Purpose Vehicle \(SPV\)](#) named **Dharavi Redevelopment Project Pvt Ltd (DRPPL)** has been established for this project.

What is the Dharavi Redevelopment Project?

- In **2004**, the state government formed the **Dharavi Redevelopment Authority** under the **Slum Redevelopment Authority (SRA)** with the goal of making **Mumbai a slum-free city**.
- The initiative addresses the persistent urban challenge of [slum redevelopment](#) in **Mumbai**, a city with a significant slum population.
- The redevelopment plan aims for an **integrated development approach** encompassing residential, commercial, and industrial aspects.
- This project highlights the [public-private partnership](#) **aspect** in addressing urban redevelopment challenges.
- The redevelopment plan's **floor space index** of over **4** indicates a **significant intensity of land use**, emphasizing the **multi-dimensional nature** of the project.

What is Dharavi?

- **Dharavi** is the **biggest slum cluster of Asia** that lies on prime property right in the middle of Mumbai.
- It is spread over **300 hectares**, of which the **state government** has notified **240 hectares** for the project.
- It was founded in **1882** at the time of the **British Raj**.

What is a Special Purpose Vehicle (SPV)?

- A special purpose vehicle is a separate legal entity which has all the attributes of a corporation such as owning assets, capacity to and get sued etc.
- A **SPV**, also known as a **special purpose entity (SPE)**, is like a **separate company** created by a main company to protect against financial risks.
- Even if the main company faces [bankruptcy](#), the SPV's independent legal status ensures that its obligations remain secure.
 - This is why a **SPV** is often referred to as a **bankruptcy-remote entity**.
- A **SPV** can be employed to take on a **risky project**, lessening any potential financial harm to the main company and its investors.
- Venture capitalists use SPVs to gather funds and invest in a startup.

What are the Recent Initiatives Related to Urban Development?

- [Atal Mission for Urban Rejuvenation and Urban Transformation \(AMRUT\)](#)
- [Pradhan Mantri Awas Yojana-Urban \(PMAY-U\)](#)
- [Climate Smart Cities Assessment Framework 2.0](#)
- [TULIP-The Urban Learning Internship Program](#)
- [Atmanirbhar Bharat Abhiyan \(Self-Reliant India\)](#)

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Mains

Q. Do government's schemes for up-lifting vulnerable and backward communities by protecting required social resources for them, lead to their exclusion in establishing businesses in urban economies? **(2014)**

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