

Ref. No. MCHI/PRES/19-20/381

June 12, 2020

To,  
**Shri. R.A. Rajeev (IAS)**  
 Metropolitan Commissioner,  
 MMRDA,  
 Bandra Kurla Complex,  
 Mumbai 400051

**Sub: Request to Grant Facility of deferred Payment on Various Premium Charges/Cess in the project approved by MMRDA (SPA) due to slowdown of Real Estate and also due to current pandemic crisis**

Respected Sir,

Firstly, at the outset, we would like to Congratulate you for the commendable, proactiveness and thought put in for every step taken by MMRDA to contain the spread of this virus. We are confident that together we can fight this Pandemic and we as an association and each of our member is available at all times at the disposal of the Government to fight this Natural Calamity gripping our city and state and Country.

This Pandemic COVID-19 is going to cause an unprecedented impact on business and liquidity. The outbreak of Coronavirus is expected to further weaken the real estate segment especially residential real estate sector that has already been reeling from the adverse impact of the prevailing liquidity crunch, huge unsold inventory and weak affordability and subdued demand conditions.

It's important to note that on account of various reasons, even before the lockdown, the entire real estate sector had already been pushed into an economic and liquidity recession due to structural changes like Demonetisation, RERA and GST, which had resulted in a huge reduction in job creation as well as job loss in the construction industry. The industry today was barely operating at only 40% of its actual capacity which is bound to go drastically. The sector hit by a series of rapid changes without time to settle to any change, has only been further unsettled, rattled due to the lockdown.

MMRDA is special planning Authority (SPA) for MMR area, but outside Urban local bodies limit like development of Bhiwandi tehsil of Thane District. Major projects are Affordable Housing, Special township, the regular sanction of plan with TDR being approved by MMRDA in this area.

For the development of plots MMRDA grants us the additional FSI over and above the base FSI on payment of premium to MMRDA. This premium has to be paid at the rate of 60% of current Ready Reckoner rate at one time for the grant of additional FSI. Also there are other premiums/ charges like Development charge on land and construction, premium for balcony enclosure, other fee/ deposit etc.

Sir, we would humbly like to draw your kind attention on the tremendous stress in the Real Estate Industry earlier due to the NBFC liquidity crisis and now ongoing pandemic crisis, owing to which it is very difficult to pay the total premium at one

go before starting of the project. With liquidity being the key hurdle today, development and start of new projects are getting adversely affected. In order to support the industry in such difficult times, it may be necessary to grant the facility of deferred payment of the premium. Such deferment of premium policy is already executed by Government of Maharashtra, MCGM, TMC, SRA, MHADA etc. (Relevant circulars issued by respective authorities is attached for your reference)

**CREDAI-MCHI Prayers**

**We hereby request you to allow a deferred payment facility in 3 - 4 installments to be paid fully on or before Receipt of OC of the Sale building, without any interest on the payment. This will ease out the liquidity situation of existing developers who are developing the Affordable Residential Township.**

We hereby request you to please consider our request favorably and issue the necessary directives to ease out the pain and stress on development of residential projects / Township

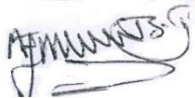
Look forward to your continuous help and support.

Thanking you,

Yours Sincerely,  
**For CREDAI-MCHI**



**Nayan A. Shah**  
President



**Bandish Ajmera**  
Hon. Secretary

**Encls. :**

- (1) Letter from UDD to Commissioner, MCGM - Fungible Premium Installment Notification (06.01.2018)
- (2) SRA Circular reg. Facility of deferment of payments of premium for Fungible compensatory FSI (03.04.2018)
- (3) MCGM Circular reg. Facility of installalments in payments IOD/ CC (17.9.2019)
- (4) Circular by MHADA installment policy (11.12.2019)
- (5) Office Circular by UDD (12.12.2019)
- (6) Minutes of Meeting by Housing Dept. (03.02.2020)
- (7) Letter by MHADA to ACS, Housing reg. instalment policy for payment (10.06.2020)