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Mayur Shah

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Harish Patel
Nainesh Shah
Domnic Romell

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Bandish Ajmera

TREASURER
Mukesh Patel

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Sandeep Raheja
Jayesh Shah
Sanjay Chhabria
Rasesh Kanakia

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Shailesh Sanghvi
Pritam Chivukula

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Late Lalit Gandhi
Late Babubhai Majethia

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Ashit Shah

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Kiran Bagad

PRESIDENT, NAVI MUMBAI
Prakash Baviskar

Ref. No. MCHI/PRES/19-20/106

January 8, 2020

To,
Hon'ble Dr Jitendra Satish Awhad
Minister for Housing
Govt. of Maharashtra
Mantralaya, Mumbai - 400032

Signature
21/1/2020
रिपिड
कमी, गृहनिर्माण यांचे कार्यालय
महाराष्ट्र शासन
प्लानिंग, मुंबई ४०० ०३२

Sub: Payment of premium due as per Notification dated 20th August, 2019 bearing No.TPB/4319/189/CR No./123/2019/UD-11

Respected Sir,

We refer to the above subject. In this regard we would like to submit as under :-

1. The Govt. of Maharashtra vide Notification bearing No TPB/4319/189/CR No./123/2019/UD-11 dated 20th August, 2019 has for a period of two years reduced the premium payable inter-alia in respect of development undertaken in accordance with DCPR 33(5) amongst other regulations. The Govt. has also eliminated Development Cess payable under DCPR 33(5) amongst other regulations for a period of 2 years. The intention of the Govt. was to provide relief to the Housing Sector in view of the unprecedented slow-down affecting the housing sector. The implementation of the Govt.'s policy was to be undertaken by the MHADA which is also the Planning Authority in respect of Plots owned by MHADA.
2. However, MHADA while implementing the above Policy of the Govt. of Maharashtra is insisting to charge Off-site Infrastructure charges (Development Cess) in respect of Letters of Offer or NOC issued prior to 20th August, 2019, even if no premium has been paid in respect thereof. It is respectfully submitted that the Notification of the Govt. and the decision of MHADA is contrary to each other. The Govt. has clearly notified that no Development Cess is to be paid for a period of two years and as such the same should also be followed by MHADA for all payments to be made to it after the issuance of the above notification.
3. MHADA has permitted payment of premium on an installment basis to many such cases prior to 20th August, 2019 and many Developers have paid one or more installments to MHADA and that one or more installments are yet to be paid. The Govt. of Maharashtra vide the above referred Notification has reduced the premium paid in respect of 33(5) development. However, such pipeline cases where part-premium has been paid are being excluded by MHADA for providing relief in respect of reduction of premium. It is respectfully submitted that the entire intention of the Govt. is to ensure that the Housing Sector gets relief and no Developer should be excluded from the Government policy to provide relief merely because the Developer has paid one or more installments. MHADA cannot exclude such a Developer from availing the benefit that is being extended to the Developers seeking new NOC's. The effect of MHADA's decision not to grant relief to existing Developers would result into a situation where, going forward, an existing Developer would not be able to compete with a Developer undertaking a new Project. This obviously was not the intention of the Govt. It is therefore respectfully

submitted that on-going development where Developers have paid one or more installments, should also be eligible for reduction in premium and the premium should be re-calculated so that the Developer is able to compete in the market with other similar projects undertaken as per revised premium and not suffer in the process.

4. As you are aware a Re-development Project is undertaken in a phase-wise manner and a Developer generally constructs the Rehab component followed by Sale Component. As per Policy, MHADA charges premium for both Rehab area (beyond existing built-up area) and free-sale area. The premium however is paid in installments with a condition that Occupation Certificate is not to be granted till such time the entire premium is paid. This results in a situation where Developers are unable to obtain OC for Rehab component as well as Sale Component undertaken in a phased manner. In view of this situation it is submitted that MHADA should grant OC directly proportionate to the amount of premium paid so far, that is to say that if 40% of the premium is paid then in such a case 40% of the area should be eligible for grant of Occupation Certificate.
5. The Govt. of Maharashtra had sought the recommendation of MHADA for reduction of premium vide letter dated 25th July, 2019. MHADA had requested the Govt. to reduce the premium by 50% of Table C(1) for a period of two years. MHADA had further submitted that if above premium is reduced upto 50% for the next two years then there can be likelihood of increase of no. of proposals so that effective annual revenue of premium will not be severely affected. The Govt. however vide its Notification dated 20th August, 2019 reduced the premium only by 25% as against the recommendation of 50% by MHADA to the extent of MIG and HIG. Sir as you are aware the situation of the Industry has further deteriorated and the Developers are facing the grim reality of huge losses which most Developers will not be able to sustain. In the final eventuality, the Flat Purchaser i.e. the common man will be the loser as these Projects will come to a halt. It is therefore respectfully submitted that the Govt. once again re-considers its decision and reduces the premium payable in respect to all premium payable under DCPR - 2034 included under DCPR 33(5) by 50% to provide the necessary relief to the industry on an urgent basis.

We also request you to take into consideration our representation dated 2nd January, 2020 and give us a personal hearing at the earliest and oblige.

Thanking you,

Yours faithfully,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary