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Domnic Romell

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TREASURER
Mukesh Patel

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Rasesh Kanakia

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Paras Gundecha
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Rajnikant Ajmera
Late G. L. Raheja
Late Lalit Gandhi
Late Babubhai Majethia

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Ajay Ashar

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Ashit Shah

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Kiran Bagad

PRESIDENT, NAVI MUMBAI UNIT
Prakash Baviskar

Ref. No. MCHI/PRES/19-20/299

April 2, 2020

To,
Shri Gautam Chatterjee (I.A.S. Retd.)
The Hon'ble Chairperson
Maharashtra Real Estate Regulatory Authority
BKC, Housefin Bhavan, BKC,
Bandra East, Mumbai - 400 051

Re: 1. Grant of extension of six months in project completion period for all project registered with MAHARERA

2. Extension of time upto 30th June 2020, for complying with various provisions of Real Estate (Regulation and Development) Act 2016 and Rules and Regulation framed thereunder

Dear Sirs,

As you are aware that, whole country continues to be locked down to combat the spread of COVID19 pandemic, which has completely stopped the functioning of all industries and all interaction channels to continue the business. Even the RBI has declared that the catastrophe has caused asymmetrical damage to the economy and consequently individual business.

Due to COVID 19, the Govt of Maharashtra invoked the Epidemic Diseases Act of 1897 from midnight of 13 Mar 2020 (intermittent night of 13 & 14 Mar 2020) and ordered closure of almost all major public places (Gyms/ Restaurants/ Theaters etc) in major cities of Maharashtra including MMR which was further followed by subsequent stringent measures as mentioned below:-

SN	Date	:	Action by GoM/GoI/UN
(a)	11/03/2020	:	The World Health Organization (WHO) upgraded the status of the COVID-19 outbreak from Epidemic to Pandemic
(b)	13/03/2020	:	Govt of Maharashtra invoked the Epidemic Diseases Act 1897
(c)	20/03/2020	:	Govt of India ordered to observe Janta Curfew on 22/03/2020
(d)	20/03/2019	:	Govt of Maharashtra ordered closure (Lockdown) of 100% work places except for agencies/work places involved in essential supplies / services with immediate effect in all major cities of Maharashtra including MMR.
(e)	21/03/2020	:	Govt of Maharashtra imposed section 144 in all major cities of Maharashtra including MMR and imposed lockdown throughout Maharashtra till 31/03/2020.
(f)	22/03/2020	:	Govt of India suspended all flights, trains and Metro services till 31/03/2020
(g)	24/03/2020	:	While Curfew and Lock Down Order of Govt of Maharashtra was in compliance, the Govt of India, National Disaster Management Authority (NDMA) invoked Nation-wide Disaster Management Act 2005 till 14/04/2020.

This outbreak of Covid-19 is a global crisis. It is global trauma of the magnitude never seen before by any present living human being. Any and every commercial establishment is closed except essentials. All factories and source of materials are shut. Sites had been abruptly shut within hours on 20/03/2020 after closure announcement by Govt. of Maharashtra. Ongoing work was abandoned at the place as it was on the day. Workers/laborers fled the city. Now the entire transportation across the country except for essentials is also shut / off the road.

Even after this lock down, whenever the country; resumes normal work, it shall take minimum of 3 to 4 months for even production houses to arrange resources, labour, materials and start production of raw materials required to carry on the project to normal level. This will further be marred with inevitable exponential hike in demand and steep shortage of material.

There will also be the hardships to get labour, which has all migrated back to their villages as they will have inherent fear of life threat. Evident repercussion of shut down will have re-mobilization burdened, labour scarce created, and availability of labour uncertainty looming.

Sir, we are living through an extraordinary and unprecedented situation. Everything hinges on the depth of the COVID-19 outbreak, its spread and its duration. Clearly, a war effort has to be mounted and is being mounted to combat the corona virus, involving both conventional and unconventional measures in continuous battle-ready mode.

It is to be now a known fact that global economic activity has come to a standstill as COVID-19 related lockdowns at all levels and social distancing are imposed across a widening swathe of affected countries. Expectations of a shallow recovery in 2020 from an already decade low global growth in 2019 have been dashed out. The outlook is now heavily contingent upon the intensity, spread and duration of the Covid-19 pandemic.

Large-scale quarantines, travel restrictions, and social-distancing measures drive a sharp fall in consumer and business spending until the end of Q2, producing a recession. In fact in its recent statement, International Monetary Fund (IMF) has accepted that we have entered into recession.

All this has occurred when the country was already facing an ongoing economic crisis and the real estate industry in particular was facing unprecedented slowdown. The effect of outbreak of Corona Virus worldwide and India coupled with the ongoing banking crisis of Yes Bank and down fall of various NBFCs lending activities to the real estate sector has worsen the economic situation and real estate industry.

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.

The ongoing economic crisis has further affected the unit purchaser income flow due to ongoing layoffs, restructuring of the companies and reducing income generating capacity of the company because of which most of the customers are of short of liquidity, which has resultant into delay of the payment of the due amounts by the Unit purchasers as they are also not paying as per the amounts demanded. Also due to the Crisis in NBFCs and Yes Bank, there is no disbursement of even sanctioned loan of the customers who have availed loans from these institutions, which has direct impact on the payment by the purchaser to the developers.

We at this stage would like to state that, considering the persistent dire state of economy and particularly the unprecedented slowdown in real estate industry, substantial time and efforts are required to overcome the loss and damage caused due to lock down of entire country, to the company and to the projects, and consequent generation of the required funds for repayment of the facility granted to us. Entire supply chain and resources required for completion of a real estate project will take months to restore. The labours have migrated back to their villages and will return only after monsoon is over. The supply chain of materials required will also take months to restore.

Sir, All the on going projects registered under RERA, without any exception, irrespective of its geographic location, will have to go back to drawing board, to redraw the entire construction and project completion schedules. Considering the salary cuts and without pay leaves being restored to by all commercial establishments, there are bound to be request for cancellation of bookings from apartment purchasers, or defaults in making the payments of instalments will be very common.

This situation requires an out of box thinking and under your leadership, MAHARERA has always been pioneer in coming out with unique solutions to the problems faced by Real Estate Sector,

We request MAHARERA to declare the COVID-19 as Force Majeure under provisions of RERA and issue a direction that

- 1. For all ongoing projects, whose date of completion was falling on or after 1st March 2020, shall automatically gets extended by period of six months from the date on which it was scheduled to be completed.**
- 2. That date of filing for all compliances under various provisions of RERA and Rules and Regulations framed thereunder, which were required to be filed on or after 1st March 2020 and before 15th May 2020, shall stand extended to 30th June 2020.**
- 3. All payments to be made to RERA by project proponent on or after 1st March 2020 and upto 30th April, 2020, shall be made on or before 30th June 2020.**

Yours Sincerely,
For CREDAI-MCHI

Nayan A. Shah
President

Bandish Ajmera
Hon. Secretary