MANAGING COMMITTEE 2018 - 2019

PRESIDENT Navan A. Shah

IMMEDIATE PAST PRESIDENT
Mayur Shah

VICE PRESIDENTS

Deepak Goradia Boman Irani Harish Patel Nainesh Shah Domnic Romell

ADDL. VICE PRESIDENT Sukhraj Nahar

HON. SECRETARY Bandish Ajmera

> TREASURER Mukesh Patel

SPECIAL PROJECTS

Parag Munot Sandeep Raheja Jayesh Shah Sanjay Chhabria Rasesh Kanakia

HON. JOINT SECRETARIES

Navin Makhija Sandeep Runwal Shailesh G. Puranik Dhaval Ajmera Pratik Patel

JOINT TREASURER

Nayan Bheda Munish Doshi

CO-ORDINATORS

Sandeep Shah Tejas Vyas Shailesh Sanghvi Pritam Chivukula

COMMITTEE MEMBERS

Jagdish Ahuja Jitendra Jain Deepak Gundecha

INVITEE MEMBERS

Praful Shah
Rajesh Prajapati
Sachin Mirani
Nikunj Sanghavi
Rajeev Jain
Shyamal Mody
Digant Parekh
Rushank Shah
Samyag Shah
Jayesh C. Shah
Sunny Bijlani
Sahil Parikh
Naman Shah
Suhail Khandwani
Ricardo Romell

PAST PRESIDENTS

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

CREDAI-MCHI UNITS

PRESIDENT, THANE Ajay Ashar

PRESIDENT, KALYAN-DOMBIVLI Ravi Patil

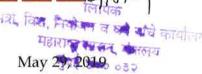
PRESIDENT, MIRA VIRAR CITY Ashit Shah

PRESIDENT, RAIGAD
Ateeque Khot

PRESIDENT, NAVI MUMBAI Prakash Baviskar



Ref. No.: MCHI/PRES/18-19/285



To,

Shri Sudhir Mungantiwar

Hon'ble Minister of Finance, Planning and Forest Department Government of Maharashtra Mantralaya, Mumbai.

Respected Sir,

Reg. : MVAT - Ease of doing business, High Pitch Assessment for NO REAL BENEFIT TO THE STATE

Our state being, COMMERCIAL CAPITAL of the country and trend setter of the Economic and financial policies which is followed by the rest of India, we would like to draw your attention to the ground reality.

As the economy is passing through tough time, facing severe liquidity crunch and demand recession particularly the REAL ESTATE SECTOR, which needs strong dose of RELIEF in the form of Relaxation in landing norms for REAL ESTATE Sector, stability and clarity in the State and Central laws particularly MVAT & GST and Foreign Direct Investment.

Our members have, off late, started facing HIGH PITCH ASSESSMENTS under the MVAT Act 2002, where the members have paid tax at the applicable as per the notification dt. 9.7.2010 bearing no. VAT-1510/CR-65/Taxation-1 issued by the government @ 1% on Registration of Agreement for Sale of Flat DURING ITS CONSTRUCTION STAGE and paid FULL LIABILITY as per the terms of the said notification. Thus the liabity paid fully, truly, properly and correctly without violating any of the condition of the said notification. There is no loss of revenue. For your ready reference copy of said notification is enclosed. Yet the Department is assessing the Builders @ 5% u/s 42(3A) of the value (Instead of 1%) on flimsy grounds and increasing the workload of the appellate authorities.

In this regard we would like to submit as under:-

- 1. We are PROPERTY DEVELOPER / BUILDER
- 2. Nowhere in the said notification, it is prescribed that
 - a) The builder is NOT LIABLE to deduct WCT TDS u/s 31 of the MVAT Act
 - b) There is BAR on sub-contractor on charging the rate of VAT out of any permissible methods prescribed under the Act.
- 3. Our member has fulfilled all the conditions that have been laid down in the said notification viz.
 - a) The dealer shall not claim any ITC in respect of goods used in the construction of flat.

CREDAÎ-MCHI

Maker Bhavan II, 4th Floor, 18, V. Thackersey Marg, New Marine Lines, Mumbai - 400 020. Tel.: 4212 1421, Fax: 4212 1411 / 407 • Email: secretariat@mchi.net • Website: www.mchi.net



- b) The dealer shall not affect any purchase against 'C' form
- c) The dealer shall not issue for no. 409/406
- d) The dealer shall not issue tax invoice
- e) The dealer shall not charge the method of computation of tax liability.

Therefore, in our opinion, our member have SQUARLY covered by the said notification and has RIGHTLY Collected VAT @ 1% on Registered Flat during its construction stage. There is no justifiable reason for denying benefit notification dt.9.7.2010.

Such High Pitch Assessment also puts pressure of financial liquidity of the members, where by the smooth functioning of the construction industry get adversely impacted, which is the SECOND LARGEST INDUSTRY in terms of employment generation.

Uncertainty of liability, subjectivity in assessment and unfettered powers to the officers will definitely go against the EASE OF DOING BUSINESS in the state of Maharashtra. Such arbitrary assessment in the case of builders and developers, where tax liability is determine 400% more than the admitted liability causing more litigation and also adversely impact the liquidity of builder and increase the burned of judiciary which is already over burden.

Your intervention in the matter will reduce the litigation, bring uniformity and transparency in the assessment and increase the reputation of the state of being industry friendly state and help in retaining the leadership of commercial capital of the country.

CREDAI-MCHI's PRAYER

We, therefore, request your honour to consider the facts of the case in proper prospective to mitigate the hardships of the already sagging construction industry by giving suitable instructions to the MVAT Department.

- 1 To admit the appeal without any part payment.
- 2 To dispose of the appeal within time frame of 1 to 3 months.

Thanking you,

Your sincerely, For CREDAI-MCHI

Nayan A. Shah

President

Bandish Ajmera

Hon. Secretary