

**PRESIDENT**  
Nayan A. Shah

**IMMEDIATE PAST PRESIDENT**  
Mayur Shah

**PRESIDENT-ELECT**  
Deepak Goradia

**VICE PRESIDENTS**  
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 TREASURERS**  
Nayan Bheda  
Munish Doshi

**CO-ORDINATORS**  
Tejas Vyas  
Shailesh Sanghvi  
Pritam Chivukula

**COMMITTEE MEMBERS**

Jagdish Ahuja  
Jitendra Jain  
Deepak Gundecha

**INVITEE MEMBERS**

Praful Shah  
Raajesh 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  
Harshul Savla

**PAST PRESIDENTS**

Dharmesh Jain  
Vyomesh Shah  
Paras Gundecha  
Pravin Doshi  
Moham 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**  
Deepak Mehta

**PRESIDENT, MIRA VIRAR CITY**  
Ashit Shah

**PRESIDENT, RAIGAD**  
Kiran Bagad

**PRESIDENT, NAVI MUMBAI**  
Prakash Baviskar

Ref. No. MCHI/PRES/19-20/161

March 18, 2019

To,

Hon'ble Shri Uddhav Balasaheb Thackeray  
Chief Minister

Government of Maharashtra  
Mantralaya, Mumbai 400 032

*Shinde*  
लिपिक 19/03/2020  
मुख्यमंत्री कार्यालय  
मंत्रालय, मुंबई 400 032

Hon'ble Shri Balasaheb Thorat  
Minister for Revenue  
Government of Maharashtra  
Mantralaya, Mumbai - 400 032.

**Sub: Rationalization in the Ready Reckoner rates to 33% of residential sale rate.**

**Ref: MCHI letter to Revenue Minister MCHI/PRES/19-20/132**

Respected Sir,

So far as the land rates are concerned at best today its range is 20%~25% of sale values. Various analysis and reports have clearly brought out the fact that the current day premiums and charges payable to the government (all linked to land ASR) are around 40% of the residential sale value.

Another 30% of the sale price goes towards the construction cost.

**Accounting for other administrative, marketing and finance costs which is another 15%~25%, the land rates cannot under any scenario, be more than 20%~25% of residential sale rates.**

However our request is to peg it to 33% of residential RR rate (land column needs to be removed). By this note CREDAI-MCHI is committed that the Rationalization of land rates and its reduced benefits will be passed on to the ultimate consumer. This is our commitment our commitment.

**Our Commitment is as follows:**

Today Real Estate developers have two kind of projects one is an existing project already registered under MahaRERA and the new project that he may launch in future.

**Existing project RERA Registered**

All the existing projects registered MahaRERA have commencement certificate (CC) which is issued only after the necessary payments like premiums, developments cess, developments charges have been paid to the planning authorities. As without CC one cannot register the project under MahaRERA. The cost of such existing project, income, other projects details, etc. is pre-disclosed under MahaRERA while the project is registered.

So for all the existing project, rationalization in ready reckoner will not have any effect on the project cost because the cost is already incurred and the approvals have been granted.

**New Projects to be registered under RERA**

All the new projects which developer will announce, will automatically have the effect of such revised RR rates as the project cost will come down which will result in to reduction in flat price and the same will be reflected on MahaRERA. We also attaching the format of project details required to be disclosed under MahaRERA.

Such reduction will have the direct impact on the cost of flats as post RERA everything is transparent, a normal consumer is aware of complete project details, like what are the charges, premiums, last cost, etc. The complete cost sheet is attached for your reference which is open to all at MahaRERA website. The present situation is already being so bad that just to survive developers is already selling below the market rates or even equal / almost below at cost price to maintain cashflow. Even banker releases the finance for construction after checking the MahaRERA website.

Hence, the benefit of such reduction in Ready reckoner will be passed on to the consumer, and the consumer shall get the benefit of the reduced costs by way of reduced prices. So that he will be able to fulfil his dream of buying home for his family.


Sir, in view of the above commitment we have the following prayers.

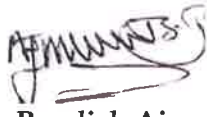
**CREDAI-MCHI's PRAYER**

1. Please rationalized land rate to up to 33% of residential sale rate
2. Going forward, please review ASR only once in block of 5 years.

Thanking you,

Your sincerely,  
For CREDAI-MCHI

  
**Nayan A. Shah**  
President

  
**Bandish Ajmera**  
Hon. Secretary

CC:  
To,  
**Shri. Ajoy Mehta (I.A.S.)**  
Chief Secretary  
Government of Maharashtra  
Mantralaya, Mumbai - 400 032



**Dr. Nitin Kareer (I.A.S.)**  
Additional Chief Secretary  
Department of Revenue  
State of Maharashtra  
Mantralaya, Mumbai - 400 032

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Deepak Mehta

**PRESIDENT, MIRA VIRAR CITY**  
Ashit Shah

**PRESIDENT, RAIGAD**  
Kiran Bagad

Ref. No. : MCHI/PRES/19-20/132

February 12, 2020

To,  
**Hon'ble Shri Balasaheb Thorat**  
Minister for Revenue  
Government of Maharashtra  
Mantralaya, Mumbai - 400 032.

*90.2.2020*  
*लिपिक*  
*मंत्रि, महसूल यांचे कार्यालय*  
*महाराष्ट्र शासन*  
*मंत्रालय, मुंबई ४०० ०३२*

Sub : CREDAI-MCHI Suggestion for Revenue Department.

Respected Sir,

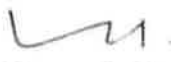
	Issues Representation by CREDAI-MCHI	Government Decision	Action taken
1. (a)	Stamp Duty should be reduced by 50% on all Real Estate transactions for next 5 years.		
1. (b)	Stamp duty adjustments for same property as per provisions of ARTICLE 5(g-a) (ii) SCHEDULE-1 MSA be made applicable for term 3 years instead of 1 year.		
2.	Land Ready Reckoner rate should be equal to 33% of Residential RR rate in line with GST formula approved by Govt. of India. 90% of the transactions involve sale of Residential flats and hence there will be minimal effect to the quantum of revenue. Moreover, with increase in sale the reduction in stamp duty will make up for the potential loss of revenue. This will also reduce the outgo of the various Corporations, ULD's with regards to land acquisition. Overall there will be no loss to the Government.		
3.	For any stamp duty paid by the Developer for acquiring land/development right Input stamp duty credit should be available on value added principal.		
4.(a)	All agreements executed for projects involving rehabilitation, i.e Development agreement/Power of attorney with slum societies, individual consents, common consents, Agreement of allotment /Permanent alternate accommodation		

	<p>Agreement should require only stamping of token Rs 100. This is already ingrained in the Act but the Department is taking a different interpretation with a view to increase revenues.</p>		
4.(b)	<p>Ready Reckoner Land Rate Slum declared private land to be 25 % of land rate of open Land as done in Govt owned Slum lands.</p> <p>Currently valuation is on basis of 3-4 FSI and not reflective of actual market value. Section 43CA of Income Tax act further imposes a 30% penalty (deemed evasion of income) on both buyer and seller for executing a document below stamp duty valuations. This makes it impossible for parties to transact as the valuation arrived at by the authorities is 10-15 times the fair market value of the transaction.</p>		
5.	<p>MHADA vide letter dated 27th June 2019 has requested the Revenue Department to charge nominal stamp duty of Rs.1000/- in respect of redevelopment project undertaken on MHADA land. The submission is based on the fact that in case of MHADA land, MHADA is the owner of the land whereas the Society is the lessee. The developer is only acting as a contractor as the developer does not become the owner or lessee of the land and therefore counterproductive to the process of redevelopment. Request of MHADA was based on the fact that vide Notification dated 20th June 2019, the Revenue Department has notified that in respect of MCGM land undertaken for redevelopment, nominal stamp duty of Rs.1000/- will be levied. There has been no response from the Revenue Department in this regard. In view thereof it is requested that the Housing Department take up this issue with the Revenue Department and issue notification on the same line of MCGM for charging nominal stamp duty in respect of redevelopment of MHADA land.</p>		

6.	Amalgamation, Merger, Demerger or Reconstruction of Companies, NCLT Orders or Court Consent terms maximum Stamp Duty payable shall be Rs. 10 lakhs, to allow companies to have a stronger balance sheet and take up projects.		
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Thanking you,

Yours Sincerely,  
For CREDAI-MCHI

  
Nayan A. Shah  
President

  
Bandish Ajmera  
Hon. Secretary

**MAHARERA REGISTRATION DATA for project Registration**

Sr. No.	Particulars	Amount (Rs.)	
		Estimated	Incurred
<b>1</b>	<b>i. Land Cost:</b>		
	a) Acquisition Cost of Land or Development Rights, lease Premium, lease rent, interest cost incurred or payable on Land Cost and legal cost	00	00
	b) Amount of Premium payable to obtain development rights, FSI, additional FSI, fungible area, and any other incentive under DCR from Local Authority or State Government or any Statutory Authority	00	00
	c) Acquisition cost of TDR (if any)	00	00
	d) Amounts payable to State Government or competent authority or any other statutory authority of the State or Central Government, towards stamp duty, transfer charges, registration fees etc; and	Nil	Nil
	e) Land Premium payable as per annual statement of rates (ASR) for redevelopment of land owned by public authorities.	Nil	Nil
	f) Under Rehabilitation scheme:	Nil	Nil
	i. Estimated construction cost of rehab building including site development and infrastructure for the same as certified by Engineer	Nil	Nil
	ii. Actual Cost of construction of rehab building incurred as per the books of accounts as verified by the CA <b>Note: (for total cost of construction incurred, Minimum of (i) or (ii) is to be considered)</b>	Nil	Nil
	iii. Cost towards clearance of land of all or any encumbrances including cost of removal of legal/illegal occupants, cost for providing temporary transit accommodation or rent in lieu of Transit Accommodation, overhead cost,	Nil	Nil
	iv. Cost of ASR linked premium, fees, charges and security deposits or maintenance deposit, or any amount whatsoever payable to any authorities towards and in project of rehabilitation.	Nil	Nil
	<b>Sub-Total of LAND COST</b>	<b>00</b>	<b>00</b>
	<b>ii. Development Cost/Cost of Construction:</b>	Nil	Nil
	a) (i) Estimated Cost of Construction as certified by Engineer	00	
	(ii) Actual Cost of construction incurred as per the books of accounts as verified by the CA <b>Note: (for adding to total cost of construction incurred, Minimum of (i) or (ii) is to be considered)</b>		00

	(iii) On-site expenditure for development of entire project excluding cost of construction as per (i) or (ii) above, i.e. salaries, consultants fees, site overheads, development works, cost of services (including water, electricity, sewerage, drainage, layout roads etc.), cost of machineries and equipment including its hire and maintenance costs, consumables etc. All costs directly incurred to complete the construction of the entire phase of the project registered.	00	00
	b) Payment of Taxes, cess, fees, charges, premiums, interest etc to any statutory Authority.	00	00
	c) Principal sum and interest payable to financial institutions, scheduled banks, non-banking financial institution (NBFC) or money lenders on construction funding or money borrowed for construction;	00	00
	<b>Sub-Total of Development Cost</b>	00	00
2	<b>Total Estimated Cost of the Real Estate Project [1(i) + 1(ii)] of Estimated Column</b>		00
3	<b>Total Cost Incurred of the Real Estate Project [1(i) + 1(ii)] of Incurred Column</b>		00
4	<b>% completion of Construction Work (as per Project Architect's Certificate)</b>		0%
5	<b>Proportion of the Cost incurred on Land Cost and Construction Cost to the Total Estimated Cost. (3/2 %)</b>		0%
6	<b>Amount Which can be withdrawn from the Designated Account Total Estimated Cost * Proportion of cost incurred (Sr. number 2 * Sr. number 5)</b>		0
	<b>Less: Amount withdrawn till date of this certificate as per the Books of Accounts and Bank Statement</b>		0
7	<b>Net Amount which can be withdrawn from the Designated Bank Account under this certificate</b>		0