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IMMEDIATE PAST PRESIDENT

Mayur Shah

VICE PRESIDENTS

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Boman Irani
Harish Patel
Nainesh Shah
Domnic Romell

ADDL. VICE PRESIDENT

Sukhraj Nahar

HON. SECRETARY

Bandish Ajmera

TREASURER

Mukesh Patel

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Sandeep Raheja
Jayesh Shah
Sanjay Chhabria
Rasesh Kanakia

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

JOINT TREASURER

Nayan Bheda
Munish Doshi

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Tejas Vyas
Shailesh Sanghvi
Pritam Chivukula

COMMITTEE MEMBERS

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Jitendra Jain
Deepak Gundecha

INVITEE MEMBERS

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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

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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/18-19/305

June 17, 2019

To,

Hon'ble Shri Devendra Fadnavis

Chief Minister

Government of Maharashtra

Mantralaya

Mumbai 400 032

मुख्यमंत्री सचिवालय
महाराष्ट्र शासन
मंत्रालय, मुंबई - ४०० ०३२
दिनांक 18/6/19

Sub. : Permitting Parking of the Surplus Money lying in the RERA Escrow Account

Respected Sir,

The implementation of RERA is one of the most laudable reforms implemented by the Government which has helped all the stakeholders tremendously, especially the consumers. One of the most consumer friendly feature of this reform was the mandatory escrow account where 70% of all sale proceeds was to be deposited.

Sir, we all know that the cost of borrowing today has sky rocketed, and is anywhere from 15% to 30% today. There are times, when huge amount of money keeps lying in the RERA account and the developer is not in a position to utilise this money. Such a situation could be an outcome of delayed project approvals or otherwise which inadvertently delay construction activity thereby creating a mismatch between the stage of construction work and the liquidity which is there in the RERA escrow account. This untapped source of capital can otherwise be put to highly productive use, well within the RERA framework.

As such it is CREDAI-MCHI's request, that you please permit the Developers to invest this money into the following categories:

1. PSU Banks, or any other banks fixed deposits;
2. Liquid Mutual Funds, which are rated above a benchmark level as may be prescribed by various rating agencies like Crisil High Rated
3. Debt Funds, Corporate Funds, Government Securities, etc

This investment of the parked unutilised money for the time being would provide some returns to the developer and bring a marginal relief to the cost of capital to the developer.

In order to safeguard the consumer rights and interest, and to remain within the ambit RERA, this money can be marked as lien to the lender to give that comfort to the lender & still remain as part of the total Escrow cash flows. In fact, if it is agreeable to the authorities in principal, then banks could in fact create Escrow deposit FD's, an

instrument with maturity periods of kind of only 7 days or 15 days. At the end of the day, while the liquidity remains intact, the funds could be made available on the respective escrow accounts within a day itself, as and when a need arises.

Sir, we very strongly believe that creating this bridge capital utilisation would only be a win-win for the authorities, financiers and developers. Given the intent of such a proposal, we are sure you would provide a favourable consideration.

Looking forward to your positive feedback.

Your sincerely,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary



Sanjiv Chaudhary MRICS
Chief Operating Officer

CC :

To,
Shri. Sanjay Kumar (I.A.S.)
Additional Chief Secretary
Department of Housing

Shri Gautam Chatterjee (I.A.S. Retd.)
The Hon'ble Chairperson
Maharashtra Real Estate Regulatory Authority
Bandra, Mumbai

Shri Satish Magar
Chairman
CREDAI National

Shri Rajiv Parikh
President
CREDAI-Maharashtra

P.A. to Principal Secretary to
Gov
Hous
Mantralaya, Mumbai 400032
18/6/19

त्र प्राप्त झाले.	
संदर्भ क्र.	10:49 AM
आवक लिपिक	
महारेरा	
दिनांक	18/06/2019