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Mayur Shah

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Deepak Goradia

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Harish Patel
Nainesh Shah
Domnic Romell

ADDL. VICE PRESIDENT
Sukhraj Nahar

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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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Sandeep Runwal
Shailesh G. Puranik
Dhaval Ajmera
Pratik Patel

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Munish Doshi

CO-ORDINATORS
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Shailesh Sanghvi
Pritam Chivukula

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Jitendra Jain
Deepak Gundecha

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Raajesh Prajapati
Sachin Mirani
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Rajeev Jain
Shyamal Mody
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Rushank Shah
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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
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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/19-20/117

January 23, 2020

To,

Hon'ble Shri Uddhav Balasaheb Thackeray
Chief Minister

Government of Maharashtra
Mantralaya, Mumbai 400 032

मुख्यमंत्री सचिवालय
महाराष्ट्र शासन
मंत्रालय, मुंबई - ४०० ०३२.
दिनांक.....२५/१/२०२०

Sub: Stamp Duty payable on Instruments executed for purpose of Rehabilitation of slum dwellers as per the Slum Rehabilitation Scheme under Maharashtra Slum Areas (IC&R) Act, 1971 in respect of properties situated within city of Mumbai District & Mumbai Suburban District.

- Issuance of Clarification in respect of Government Order No. STP.1096/4565/CR-915/M-1, dtd. 19/12/1997 read with order No. Mudrank.2002/941/CR-217/M-1, dtd. 4th March, 2008 issued by Revenue & Forest Department, Government of Maharashtra.

Respected Sir,

With reference to the above subject, we would like to respectfully submit as under:

1. Based on the report of the study group of experts set up by the State Government under the Chairmanship of Shri. Dinesh K. Afzulpurkar, the then Chairman of Bombay Port Trust dtd.20/07/1995 and with a view to provide decent permanent accommodation to the hutment dwellers in Mumbai, the State Government of Maharashtra, vide its notification dtd. 01/04/1998, published in the official Gazette of Government of Maharashtra dtd. 09/04/1998, has sanctioned and notified the General Slum Rehabilitation Scheme for implementation of Slum Rehabilitation Scheme of Mumbai, as per the provisions of section 3(B) of Maharashtra Slum Areas (IC&R) Act, 1971. The fundamental principle behind the said scheme is to consider land underlying slum as a "Resource" for implementation of the Slum Rehabilitation Scheme.

To facilitate effective implementation of the said Slum Rehabilitation Scheme, Government of Maharashtra vide order dtd. 19/12/1997 issued by Revenue & Forest Department, has reduced Stamp duty chargeable under Article 5 (g-a), 25 & 36 in Schedule-I to the Bombay Stamps Act, 1958, on the instruments executed for purpose of rehabilitation of slum dwellers as per the Slum Rehabilitation Scheme under Maharashtra Slum Areas (IC&R) Act, 1971 in respect of properties situated within city of Mumbai District & Mumbai Suburban District, to Rs.100/- (Rupees One hundred only). Copies of the above said notification dtd.01/04/1998 & order dtd.19/12/1997 are attached herewith for ready reference (Annexure-I & II respectively). Accordingly, the said order dtd.19/12/1997 was implemented and reduced amount of stamp duty of Rs.100/- was applied while registering the instruments such as Conveyance Deed,

Development Agreement, Deed of Assignment etc. in respect of lands occupied by slums.

2. Subsequently, the State Government has issued clarification in respect of the said order dtd. 19/12/1997 vide order dtd. 04/03/2008 issued by Revenue & Forest Department, Government of Maharashtra. We understand that, the said explanation was issued by the Government with a view to clarify that, reduction of Stamp duty as per the above mentioned order dtd.19/12/1997 shall not be applicable to the instruments executed in respect of free sale component under the Slum Rehabilitation Scheme. However, the phrase, "*or any other instrument of the developer*" in the said order dtd.04/03/2008 led to the interpretation that, the benefit of reduced stamp duty as per order dtd.19/12/1997 shall not be applicable to the instruments such as Conveyance Deed, Development Agreement, Deed of Assignment, Power of Attorney, JV Agreements etc. executed between Land Owner & Developer in respect of private land occupied by slums for implementation of the Slum Rehabilitation Scheme and the Offices of the Collector of Stamps, while carrying out adjudication of such instruments, are calculating stamp duty on such instruments at market rate considering the permissible higher FSI under Slum Rehabilitation Scheme. This is causing undue hardship in implementation of the Slum Rehabilitation Scheme.
3. With reference to the representations made by the developers association to the Slum Rehabilitation Authority & the State Government in this regard, the CEO (SRA) had also taken up this issue with the Government Authorities. Copies of the letters of the CEO (SRA) dtd. 25/03/2010 & 08/03/2013 submitted to the office of the IGR, Maharashtra and to the State Government respectively are enclosed herewith for your kind reference (Annexure-III & IV respectively). In his letter dtd. 25/03/2010, the CEO (SRA) had annexed a list of instruments which are executed while implementing Slum Rehabilitation Scheme and which need to be considered for levy of stamp duty at reduced rate as per order dtd.19/12/1997 issued by Government.
4. Slum Rehabilitation Scheme is a self-financed scheme which works on the principle of cross subsidization. The free-sale component is not generated as inherent FSI potential of the land like open lands having inherent FSI potential. There are huge costs on account of rent, cost of construction of the free housing for slum dwellers and expenses on site on several different heads.
5. We would like to respectfully submit that, valuation of private slum occupied lands being carried out by the Offices of the Collector of Stamps by considering permissible higher FSI is contrary to the above-mentioned Order dtd. 19/12/1997 issued by Revenue & Forest Department for reducing the Stamp duty chargeable under Article 5 (g-a), 25 & 36 in Schedule-I to the Bombay Stamps Act, 1958. Due to the misinterpretation of the said order read with clarification dtd. 04/03/2008, private slum occupied lands are being valued at

unreasonably high value and, therefore, implementation of the Slum Rehabilitation Schemes becomes unviable. Due to this the instruments for Conveyance/ Transfer of private slum occupied lands, Development Agreements, Assignment Deeds, Power of Attorney etc. in respect of slum occupied lands are not being registered by the concerned parties. It is pertinent to note that the Slum Rehabilitation Authority is insisting upon registered Conveyance Deeds, Development Agreements, Power of Attorney, JV Agreements between owner & developer, Assignment Deeds etc. for approval of Slum Rehabilitation Schemes on private lands. For want of such registered documents, a large number of Slum Rehabilitation Schemes on private lands are stalled. This has resulted in blocking of huge revenue to the Government on account of stamp duty & registration charges in respect of agreements for sale of the flats/ offices/ shops in the free-sale component which otherwise would have been earned by the Government through implementation of Slum Rehabilitation Schemes on private lands occupied by slums.

Sir, we would like to request you to kindly consider levy of stamp duty at the lump sum amount of Rs. 100/- as per the Order dtd. 19/12/1997 for all the instruments such as Conveyance Deed, Development Agreement, Power of Attorney, JV Agreements, Deed of Assignment for transfer/assignment/development rights executed in respect of lands occupied by slums for the purpose of implementation of the Slum Rehabilitation Scheme & necessary directions in this regard may kindly be issued to the concerned departments of Government

Thanking you,

Yours faithfully,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon.Secretary