

Ref. No. MCHI/PRES/20-21/034

October 15, 2020

To,
Dr Bhushan Gagrani (I.A.S.)
Principal Secretary (I)
Urban Development Department
Government of Maharashtra

Sub: Extension for all Approvals / Permissions / Remarks / NOC and Deferment payment / Installment for Residential/Commercial/Industrial development in Mumbai and MMR region.

Ref :

- 1) MAHARERA Order dated 18/05/2020
- 2) Advisory for Extension by Govt. of India, Ministry of Housing & Urban Affairs dated 28th May, 2020
- 3) Decision of Govt. of Maharashtra dated 4th June, 2020
- 4) MCGM Circular dated 2nd June 2020, 20th July 2020 & 31st July 2020 for Installment Policy for Land Premium & installment facility for Fees/Deposit/Premium
- 5) MHADA Installment Policy dated 10th June 2020
- 6) SRA Circular No. 194 dated 7th August 2020
- 7) MMRDA Installment policy dated 10th Sept 2020

Respected Sir,

Firstly, we hereby thank you for issuing various circulars for extension of all approvals/Permissions/Remarks/NOC and deferment/Installment policy for various payments of fees/deposit/premium etc. for obtaining approvals ie IOD/CC/OCC etc for helping real estate Industry during these pandemic COVID-19 times. In this context, we would further like to state and request as under:

- 1) We would like to inform you that due to recent ongoing COVID-19 pandemic and Force Majeure situation, our real estate industry has faced major brunt of economic distress from loss of sales to delay in construction due to labours migrating to their villages, scarcity of financial capital, etc. for which various industry associations i.e. CREDAI-MCHI/NAREDCO/PEATA requested Govt. of India and Govt. of Maharashtra to take necessary steps to revive the real estate industry in Mumbai and Mumbai Metropolitan Region like reduction of Development charges/Development cess /Premium/ fees/deposit etc. by giving deferment/installment of payments and to extend validity of approval/permission /Remarks/NOC.
- 2) Accordingly, as per advisory by Government of India regarding extension of project registration period under RERA, MAHARERA invoked the 'Force Majeure' period of 6 months and suo-motu extended the project validity period by 6 months, referred at Sr. No. 1 above (Copy enclosed as **Annexure A**).

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- 3) Thereafter, Govt. of India had issued Advisory for Extension guidelines dated 28th May, 2020 for automatic extension of 9 months ie for all projects whose validity expired on or after 25th March, 2020 for all NOC/Remarks/Approval/Payments etc. as mentioned therein and referred at Sr. No. 2 above (Copy enclosed as **Annexure B**).
- 4) In furtherance, Govt. of Maharashtra had also issued decision dated 4th June, 2020 for extension of all NOC/Remarks/Approval/Payments etc. as referred at Sr. No. 3 above (Copy enclosed herewith as **Annexure C**) ie for automatic extension of 9 months from 25/03/2020.
- 5) Further as per GOI and GOM direction / decision, MCGM had also issued various circulars dated 2nd June 2020, 20th July 2020 & 31st July 2020 referred at Sr. No. 4 above (Copies enclosed as **Annexure D**). The circulars state that all permissions have been extended automatically up to 31/12/2020 and that due date of installment facilities granted, falling in the period from 25/03/2020 to 24/12/2020 will be shifted to 26/12/2020 and no interest will be charged for that said increased period, etc. Though the GOI & GOM directions stated automatic extension for 9 months beyond 25/03/2020 from the actual date of expiry, MCGM changed the interpretation and put the end-date to the extension of permissions to 31/12/2020 and for installment facilities to 24/12/2020.
- 6) Also to inform you that as per GOI and GOM direction / decision, Chief Executive Officer SRA issued circular No. 194 dated 7th August, 2020 referred at Sr. No. 6 above (Copy enclosed as **Annexure E**). It states that SRA has decided to extend the deferment payment facility for Developers to pay various fees/premium etc. for a period of 9 months ie for payments due from 25/03/2020 to 24/12/2020 and that SRA will not deposit any PDC cheques of deferment payment installment submitted to SRA for payments due from 25/03/2020 to 24/12/2020. However, developers have to submit fresh cheques with date ie 26/12/2020 for said deferment payment due from 25/03/2020 to 24/12/2020 and it is presumed that any due payment after 25/12/2020 for which developer had submitted PDC cheque to SRA will be deposited by SRA on respective dates. In such case it is extremely difficult for developers to make arrangement for this cash flow. This defeats the objective of the Govt. and concerned authorities to some extent since it actually doesn't give benefit of extension to all, the way it would have been intended to. For eg. An installment getting due on 25/09/2020 will only get an extension of 3 months instead of 9 months.
- 7) Installment policies with various reliefs, as applicable, were also granted by MHADA & MMRDA as referred at Sr. No. 5 & 7 above (Copies enclosed as **Annexure F**).
- 8) It is to be mentioned here that on 11-03-2020, World Health Organisation (W.H.O.) declared Novel Corona virus (COVID-19) as a pandemic. In addition, the Government of India announced complete lockdown by an order for an initial period of at least 21 days from March 25, 2020 across the nation and the same was further extended from time to time. This lockdown by State & Central Government is a natural calamity / act of god / force majeure. Till date, lockdown has not been lifted completely and normalcy has not yet set in. Labours have not returned back and no construction activity has started in full swing. Sales and collection are extremely poor. In fact, the operations have restarted with lot of restrictions - only 30% of staff allowed in offices yet, no local trains and metro available for commuting, section 144 applied in Mumbai from 17/09/2020 to 30/09/2020, etc.

The capability to operate, perform and earn normally and fully has not resumed yet. Further, to inform you that moratorium period to pay interest on the loans taken by developers also ended on 31st August, 2020. Resultantly developers are being chased by Banks and Financial institutions for their due payments and interest. However, developers are just not in a position to pay due payments and are facing huge financial crunch. On top of it, as desired by Planning authorities if due payments are required to be paid from 26/12/2020 (with no extension available for payments due post 24/12/2020), then no developer will be able to pay any due payment/installment to them.

In view of the above mentioned facts, we hereby request you to look in to the matter sympathetically by issuing necessary directive/ order/circular for MCGM & SRA projects as under:

- A) Extend all permissions / approvals / remarks / NOC, etc. by 9 months from the actual date of expiry of validity of all such permissions / approvals / remarks / NOC, expiring between 25/03/2020 and 31/12/2020.
- B) Extend all due payments of deferment /installments ie fees/deposit/premium etc. by 9 months from actual due date of such deferment payment due between 25/03/2020 and 24/12/2020, without charging interest thereof.
- C) Extend the concession period from 31/12/2020 in prayer A) above to 30/06/2021 (ref MCGM circular dated 02/06/2020) and from 24/12/2020 in prayer B) above to 30/06/2021 (ref MCGM circular dated 31/07/2020 and SRA circular dated 07/08/2020).

If prayer C) above is granted, then to grant benefit of extension period of 9 months from the actual date of expiry of validity of all such permissions, expiring till 30/06/2020 and similarly, for all payments due till 30/06/2021 to be extended by 9 months from the actual due date.

Thanking you,

Yours Faithfully,
For CREDAI-MCHI



Deepak Goradia
President



Pritam Chivukula
Hon. Secretary

Encl : As Above

CC

- 1) **Shri Sanjay Kumar (I.A.S.)**
Chief Secretary
Government of Maharashtra