

## NOTICE

### 3<sup>rd</sup> Managing Committee Meeting for the Term 2012 - 2013

**Dear Managing Committee Members,**

The 3<sup>rd</sup> Managing Committee Meeting for the term 2012 – 2013 will be held on **Tuesday, August 14, 2012 at 6:00 p.m.** at **MCHI-CREDAI Conference Room, Mumbai**, to transact the following business.

SR. No.	AGENDA	Attachments	Time
	Refreshments and Networking.	--	6:00 pm to 6:15 pm
1.	To read and confirm the Minutes of the meeting held on July 17, 2012.....	Annexure – I, Pg. No. <u>3</u> to <u>9</u>	6:30 pm to 6:33 pm
2.	To grant leave of absence to members.	--	6:33 pm to 6:35 pm
3.	Update on Legal Matters for discussion.....	Annexure – II, Pg. No. <u>10</u>	6:35 pm to 6:40 pm
4.	To review updates from members incharge on various Government issues and progress made on the following matters.		
	a. On MHADA Housing Policy and new LA Bill by <b>Shri Vimal Shah</b>	--	6:40 pm to 6:45 pm
	b. On DCR high rise by <b>Shri Mayur Shah</b>	--	6:45 pm to 6:50 pm
	c. CZMP plan and MMRDA Rental Housing by <b>Shri Deepak Goradia</b>	--	6:50 pm to 6:55 pm
	d. On ULC matter by <b>Shri Nainesh Shah</b>	--	6:55 pm to 7:00 pm
	e. On VAT by <b>Shri Ashok Mohanani</b>	--	7:00 pm to 7:05 pm
	f. Issues on 33(7), 33(9) & 10 by <b>Shri Pujit Aggarwal</b>	--	7:05 pm to 7:10 pm
	g. On Automatic NA by <b>Shri Rajesh Prajapati</b>	--	7:10 pm to 7:15 pm
5.	To approve Audited Balance sheet for the financial year 2011-12.	--	7:15 pm to 7:20 pm
6.	Updates of CREDAI Meetings by <b>Shri Dharmesh Jain.</b>	--	7:20 pm to 7:25 pm
7.	All Units presidents to give 5 min brief on their issues and activities for the month.		
	(a) MCHI-CREDAI Thane Unit	--	7:25 pm to 7:30 pm
	(b) MCHI-CREDAI Kalyan Dombivili Unit	--	7:30 pm to 7:35 pm
	(c) MCHI-CREDAI Mira Virar City Unit	--	7:35 pm to 7:40 pm
	(d) MCHI-CREDAI Raigad Unit	--	7:40 pm to 7:45 pm
	(e) MCHI-CREDAI Navi Mumbai Unit	--	7:45 pm to 7:55 pm

<b>SR. No.</b>	<b>AGENDA</b>	<b>Attachments</b>	<b>Time</b>
8.	New Memberships approved on July 24, 2012. Patron Corporate Membership <ul style="list-style-type: none"><li>Vijay Associates (Wadhwa), (Rep: Shri Navin Makhija)</li></ul>	--	7:55 pm to 7:57 pm
	Termination of Life Membership of Shri Aziz A. Pradhan, Magnum Developers (P) Ltd. MCHI Membership Number LM 56 (As per letter received).	--	7:57 pm to 8:00 pm
9.	Any other matter with permission of Chair.	--	8:00 pm to 8:15 pm

All Members of the Managing Committee are requested to kindly make it convenient to be on time and be present for the meeting.

Attendance is mandatory for all Meetings.

For **Maharashtra Chamber of Housing Industry,**

Sd/-  
**Boman Irani**  
Hon. Secretary

**Please Note:**

- **Networking and Refreshments will be held between 6:00 pm to 6:15 pm.**
- **Next Managing Committee Meeting will be on Tuesday, September 4, 2012 from 4:00 pm to 6:00 pm at Hotel Grand Hyatt.**

## MINUTES

Name of the Meeting	<b>2<sup>nd</sup> Meeting of Managing Committee 2012 - 13</b>							
Meeting Chaired by	<b>Shri. Paras Gundecha, President, MCHI-CREDAI</b>							
Meeting Conducted by	<b>Shri. Boman Irani, Hon. Secretary, MCHI-CREDAI</b>							
Date of the Meeting	Tuesday, July 17, 2012			Time of the Meeting	6:00 pm			
Venue of the Meeting	<b>MCHI-CREDAI – Conference Room</b>							
Total Committee Members (41)	No. of Member Present	21	No. of members Absent	9	Leave Granted to	11	Guest Attended	1
Member Present	<ol style="list-style-type: none"> <li>1. Shri Paras Gundecha, President</li> <li>2. Shri Vimal Shah, President-Elect</li> <li>3. Shri Dharmesh Jain, Vice President</li> <li>4. Shri Mayur Shah, Vice President</li> <li>5. Shri Nayan Shah, Vice President</li> <li>6. Shri Deepak Goradia, Vice President</li> <li>7. Shri Boman Irani, Hon. Secretary</li> <li>8. Shri Harish Patel, Hon. Jt. Secretary</li> <li>9. Shri Nainesh Shah, Hon. Jt. Secretary</li> <li>10. Shri Ashok Mohanani, Treasurer</li> <li>11. Shri Mukesh Patel, Jt. Treasurer</li> <li>12. Shri Pujit Aggarwal, Co-ordinator</li> <li>13. Shri Sandeep Runwal, Co-ordinator</li> <li>14. Shri Bandish Ajmera, Committee Member</li> <li>15. Shri Rajan Bandelkar, Committee Member</li> <li>16. Shri Rajendra Chaturvedi, Committee Member</li> <li>17. Shri Rakesh Sanghvi, Invitee Member</li> <li>18. Shri Jagdish Ahuja, Invitee Member</li> <li>19. Shri Shailesh Sanghvi, Secretary, MCHI-CREDAI Mira Virar City Unit</li> <li>20. Shri Rajesh Prajapati, President, MCHI-CREDAI Raigad Unit</li> <li>21. Shri Rajni Ajmera, Past President</li> </ol>							
Leave of Absence Granted to	<ol style="list-style-type: none"> <li>1. Shri Sunil Mantri, Immediate Past President</li> <li>2. Shri Rasesh Kanakia, Hon. Jt. Secretary</li> <li>3. Shri Lakshman Bhagtani, Jt. Treasurer</li> <li>4. Shri Sukhraj Nahar, Co-ordinator</li> <li>5. Shri Sujal Shroff, Committee Member</li> <li>6. Shri Jayesh Shah, Committee Member</li> <li>7. Shri Mohan Deshmukh, Past President</li> <li>8. Shri Niranjana Hiranandani, Past President</li> <li>9. Shri Shailesh Puranik, President, MCHI-CREDAI Thane Unit</li> </ol>							
Name of Members Absent	<ol style="list-style-type: none"> <li>1. Shri. Sandeep Raheja, Committee Member</li> <li>2. Shri Parag Munot, Committee Member</li> <li>3. Shri Vikas Walawalkar, Committee Member</li> <li>4. Shri Nayan Bheda, Committee Member</li> <li>5. Shri. Sanjay Chhabria, Committee Member</li> <li>6. Shri Mukesh Mehta, Invitee Member</li> <li>7. Shri. Pravin Doshi, Past President</li> <li>8. Shri Mofatraj Munot, Past President</li> <li>9. Shri G. L. Raheja, Past President</li> <li>10. Shrikant Shitole, Secretary, MCHI-CREDAI Kalyan-Dombivli Unit</li> <li>11. Shri. Arvind Goel, President, MCHI-CREDAI Navi Mumbai Unit</li> </ol>							
Guest Attended	<ol style="list-style-type: none"> <li>1. Shri Manohar Shroff, Hon. Secretary, MCHI-CREDAI Navi Mumbai Unit</li> </ol>							
Date & Venue of the Next Meeting	<b>August 14, 2012 at MCHI – CREDAI Conference Room</b>							

Sr. No. Agenda	DISCUSSION & DECISION
1.	Felicitating and honouring of Shri D L Desai (Shankarbai) – Trustee, BAI for his invaluable contribution towards the betterment of Real Estate Industry.
	<b>Note Attached As Annexure – A (page no. 7 to 9)</b>
2.	To read and confirm the Minutes of the meeting held on June 12, 2012 <b>Minutes of the Managing Committee Meeting held on June 12, 2012, were read and confirmed.</b>
3.	To grant leave of absence to members <b>As mentioned on Page 1, leave of absence granted to names mentioned (Nos. 1 to 9)</b>
4.	Update on Legal Matters for discussion <b>Pursuant to the notices issued by the Competition Commission of India, we have given all the required details to Shri Rahul Dwarkada of M/s. Wadia Ghandy &amp; Company. The draft reply was approved by all of us and the letter will go to CCI next day.</b>
5.	To discuss the points prepared by Shri Vimal Shah for submission to Shri Satish Gavai CEO MHADA and suggestions received. <b>It was informed to the committee that only one suggestion was received from Shri Nayan Shah. Shri Boman Irani suggested that we should once again circulate the points prepared by Shri Vimal Shah to all the Managing Committee and ask them to submit their suggestions before 27<sup>th</sup> July, 2012, failing which the points prepared by Shri Vimal Shah and suggestion given by Shri Nayan Shah will be finalized and sent to Shri Satish Gavai, CEO, MHADA.</b>
6.	To Give an update on: Suggestions/changes in new DCR for immediate implementation as given by Architect, Shri Manoj Daisaria and sent to the Municipal Commissioner. <b>Shri Boman Irani informed the committee that the suggestions/changes in New DCR for immediate implementation as given by Architect - Shri Manoj Daisaria had been sent to the Municipal Commissioner on 5<sup>th</sup> July, 2012. Since, the Hon'ble Municipal Commissioner is busy with the Monsoon Session he has sent the suggestions to the concerned department for clarifications. A reminder to the Municipal Commissioner on the same is being sent once again.</b>
7.	Updates of CREDAI Meetings by Shri Dharmesh Jain. <b>Shri Dharmesh Jain informed all, on the CREDAI activities and happenings to be held in the coming months.</b>  - CREDAI Real Estate Awards 2012 will be held on 11 <sup>th</sup> August 2012 at Grand Hyatt, Mumbai. Shri Dharmesh Jain informed that this is a very high profile award function organized by CREDAI. MCHI-CREDAI Exhibition/Youth committee has taken the lead and is helping CREDAI in organizing this function. Around 541 nominations have been received, out of which more than 100 nominations are from Mumbai. Shri Jain requested all the Managing Committee members of MCHI-CREDAI to attend this function. It will be a star studded entertainment event and the members will also get a chance to network with the captains of the industry.

Sr. No. Agenda	DISCUSSION & DECISION
	<ul style="list-style-type: none"> <li>- On this occasion CREDAI is also bringing the First Coffee Table Book 2012, on the industry which will be distributed to 10,000 high profile audiences all over India. This coffee table book will talk about the real estate industry and will have snap shots of leading developers and corporates of India. Shri Dharmesh Jain requested committee to please release an advertisement which is costing about 3,00,000/- per page.</li>   <li>- Shri Dharmesh Jain informed to the committee the revised dates of 12<sup>th</sup> NATCON. NATCON will be held from 30<sup>th</sup> Sept. 2012 to 02<sup>nd</sup> Oct. 2012 in Barcelona, Spain. Shri Jain informed that this year's NATCON's theme is "Think Big and Think Different". The speakers are leading global entrepreneurs and business leaders in property development, World renowned Architects, Renowned marketing and branding experts. Some of the speakers are:- Mr. Jeffrey C. Hines, President and Chief Executive Officer, Hines - legendary property developer, Mr. Ralph Luck OBE, Director of Property, Olympic Delivery Authority, Mr. Santiago Calatrava, World renowned Spanish Architect, sculptor and structural engineer, Mr. Renzo Piano, Italian Pritzker Prize-winning architect, Suhel Seth, Managing Partner, Counselage India, Mr. Ross Sturley, Chairman, Construction marketing group, Chartered Institute of Marketing etc.</li>   <li>- Shri Dharmesh Jain requested to members to participate in the IIMB-CREDAI Business Leadership Programme to be held on 14<sup>th</sup> August to 18<sup>th</sup> August 2012 at IIM-Bangalore Campus. Shri Jain said that CREDAI has made a path breaking alliance with the reputed and internationally renowned IIM - Bangalore for delivering and conducting the IIMB-CREDAI Business Leadership Programme (BLP), a 4-Module Course (that includes a 5-day workshop at an International Institute, probably, Wharton Institute - University of Pennsylvania, USA).</li> </ul>
8.	All Unit's Presidents to give a brief on their activities
	<ul style="list-style-type: none"> <li>(a) MCHI-CREDAI Thane Unit</li> <li>(b) MCHI-CREDAI Kalyan Dombivli Unit</li> <li>(c) MCHI-CREDAI Mira Virar City Unit</li> <li>(d) MCHI-CREDAI Raigad Unit</li> <li>(e) MCHI-CREDAI Navi Mumbai Unit</li> </ul>
	<p><b>No discussions took place on Unit Activities. Shri Boman Irani informed the committee about a press note received by MCHI-CREDAI, whereby BANM has changed their name to BANM-CREDAI.</b></p>
9.	Review the request from Bhiwandi Taluka for "Starting of MCHI Unit for Builders & Developers of Entire Biwandi Taluka" received from MCHI-CREDAI Thane.
	<p><b>Shri Boman Irani informed the committee that request received from Bhiwandi Taluka Property Developers and meeting convened with the entire property developers of Bhiwandi Taluka on 13/04/2012 with Shri Mukesh Savla &amp; Sandeep Karnavat. Shri Mayur Shah, Vice President has been asked to take this matter further.</b></p>

<b>Sr. No. Agenda</b>	<b>DISCUSSION &amp; DECISION</b>
<b>10.</b>	New Memberships.
	<b>There were no new memberships.</b>
<b>11.</b>	Any other matter with permission of Chair.
	<b>- Regulatory bill was passed by the State of Maharashtra and Shri Vimal Shah informed the secretariat to obtain a copy and circulate the same to all the Members of MCHI-CREDAI.</b>  <b>- MCHI-CREDAI's Annual General Meeting was announced. The date will be 4<sup>th</sup> September 2012 from 6:30 pm. at Hotel Grand Hyatt, Ball Room I, Kalina, Santacruz (E), Mumbai. Also there will be Managing Committee meeting be held on that day from 4:00 to 6:00 pm at Hotel Grand Hyatt, Kalina, Santacruz (E), Mumbai.</b>

The meeting ended with thanks to the chair.

Sd/-  
**Boman Irani**  
Hon. Secretary

*Felicitating and honouring of Shri D L Desai (Shankarbhai) – Trustee, BAI for his invaluable contribution towards the betterment of Real Estate Industry.*

**Shankarbhai successfully took up the challenge of prosecuting the cement manufacturers in the Competition Commission of India (CCI) and won a judgement against the cartel, with CCI imposing a penalty of Rs. 6000 crores for unfair practices.**

**The Managing Committee of MCHI-CREDAI felt that this was a unique achievement, one that needed to be acknowledged by the Real Estate Industry.**

**MCHI-CREDAI felicitated Shri D L Desai, universally referred to as “Shankarbhai” Mr. Boman Irani anchored the proceedings. He invited Shri Rajni S Ajmera, Past President, to say a few words about his association with Shri Shankarbhai.**

**Shri Ajmera praised Shankarbhai’s initiative in taking up cudgels against the cement cartel, and recalled how, the real estate and construction industry had for the first time taken out a morcha against the cement cartel. And how, Shankarbhai had worked to gather information and build up a case over the years, despite not getting the desired results. Shri Ajmera also recalled Shankarbhai’s efforts in understanding the cost of producing cement, so that a case could be built up. Shri Rajni Ajmera affirmed it was Shankarbhai’s perseverance over the last so many years that had brought about this success of the CCI’s order against the cement manufacturers. And we are all inspired by your example, he concluded.**

**Vimal Shah, President-Elect, recalled that it was in 1984, when he was young, and fresh out of college and his Chartered Accountancy course, that he got associated with Shri Shankarbhai, and began working with Shankarbhai and all other builder-friends at Builders Association of India. And he had worked under Shankarbhai on the Works Contract case, which lasted 10 years. Shri Vimal Shah emphasized that Shankarbhai’s services to the industry went a long way back. And that he never ever gave up on a cause.**

**“Shankarbhai, said Vimal Shah, was told by many that going against the might of the cement companies was a fruitless pursuit, you may never receive any orders against the companies. And that people were cynical about anything being achieved in this pursuit against the cement cartel. Despite all the negative sentiments, Vimal Shah said, “Shankarbhai doesn’t listen to all this (negative expressions), because he fights for a cause, and when he fights for a cause, he pursues it till he gets justice.”**

**Vimal Shah pointed another attribute of selflessness in Shankarbhai, that in all the causes he takes up, he never lets the association (BAI) pay anything, he collects information from all the sources, without spending any money, he works very hard, never flagging in his zeal, and ensures that the association is spared any major expense.**

**Vimal Shah listed the causes that Shankarbhai had pursued over the years, Works Contract, Escalation of Costs, the case against the cement cartel. Whatever the issue, Shankarbhai pursued it with due diligence, analyzing the facts, (wherever we can support you, because we can reach your height, we can only lend our hand, whenever you feel that we can be of help. Vimal Shah said we shall try and learn from you, your sense of perseverance, against daunting odds, the amount of knowledge that Shankarbhai has gathered on any subject is unparalleled. Shankarbhai, when he takes up a subject, analyses it thoroughly, goes into the entire nitty-gritty of the issue, and builds up a whole case, with facts and figures that would not be countered.**

Vimal Shah also revealed one other strong facet of Shankarbhai's personality. "You may perhaps not know, but Shankarbhai is undertaking all this workload, with just one functioning kidney. We are inspired by you, Sir, and we all respect you tremendously, and we pray that you may continue to lead us in this way for many more years" concluded Vimal Shah.

The Real Estate and Construction Industry are held back by so many hurdles and obstacles, that many are left wondering if it is at all worth it to be in this industry. The hurdles range from a long list of permissions and clearances, to a multiplicity of overlapping State, Union Ministries, Departments and Local Governing Bodies. Added to this mix is the problem of raw materials cartel, who merrily fix production quotas, hike prices at will, hold the construction and real estate sectors to ransom. And get away with it. That is, till today.

What has changed today the picture for cartels today, is the monumental challenge one construction industry stalwart took up against the cement cartel. And that man is Shri D L Desai, Trustee, Builders Association of India (BAI). Universally and affectionately called "Shankarbhai".

Shankarbhai narrated that the case against cartelization was being considered from quite some time back when Indian Merchants Chamber's Mr. Narendra Kumar was the President.

He said recently the Standing Committee of Parliament, presented to Parliament that there was huge profiteering in cement, and that's why the price of cement was very high. It was estimated that Rupees 90 a ton was the cost of production. Even accounting for amortization, interest and profit the cost should not have crossed Rs. 180. The Standing Committee of Parliament also recommended that the Competition Commission of India be asked to look into the matter.

In May 2009, Shankarbhai said, the section on cartelization was incorporated in the CCI's charter. We filed our case in June 2010. We submitted to the Commission that steel had three broad consumers, including automobile and construction, cement had only one: construction.

Shankarbhai said, "prima facie the CCI found that there was ground to believe a cartel was in operation and he directed the Director General of Investigation to launch an enquiry. In the submission made to CCI, we said the growth of the construction industry had come down between 2006-2008 from ---- to 7.8% in 2010. While the cement industry added capacity, *capacity utilization went on decreasing* and the prices went up. From 94% the capacity utilization came down to as low as 72%

The Director General of Investigations called cement manufacturers' representative, and to questions put to them, on how prices had kept on rising, the reply received was that "the law of supply and demand was in operation". The next question, said Shankarbhai, put to cement manufacturers was "how do you measure demand". There was no cogent answer. The President of Cement Manufacturers' Association, (CMA) too, when called, could only admit that they had no mechanism to measure demand. "We go by Planning Commission figures, said the CMA President. If the economy grows 9%, the industry grows by 1.2 times."

Not satisfied with any of the answers and information provided, the DGI called for cement plant production and dispatch figures. These, said Shankarbhai, turned out to be revealing. It was found that the production of say January, was followed by February registering a decline, and the price was increased. Again, investigations revealed that the CMA had formed a high-powered committee. The DGI found a direct co-relation between cement prices before this committee's meeting, and after the meeting, when cement prices went up. The DGI concluded that CMA provided the platform to create a cartel.

But despite all these revelations, Shankarbhai said, and the CCI's orders, *prices of cement have gone up by Rs. 20 a bag in Delhi, and Rs. 10 in Mumbai*. He said he received a call from a BAI member in Pune, who asked, in Marathi, "Tumhi hey kaye kela, (ulta) bhaav wadavla".

Shankarbhai said that a lot of work still needs to be done, much spadework has to be undertaken, so that a truly deterrent penalty is required to be imposed on cartels, so that they do not find it profitable to indulge in such profiteering.

From cement cartel Shankarbhai moved to another broader issue that will affect the industry adversely. He said issues like cement prices, vat, and other problems will keep cropping up. "But what will be a 'killer' is the lack of skilled manpower." He urged MCHI-CREDAI members to play a role in supporting BAI members initiative in skills development and upgradation. "All of us have to co-operate in this mission; real estate developers can come forward to open their sites, to provide on-site training opportunities to students from BAI-member institutions like L&T, which has set up 8 centres around the country.

On a lighter note, Shankarbhai said how today, the media can turn you into a celebrity. "Yesterday I was travelling by bus. And I am still travelling by bus. But people seem to expect that he now should adopt another mode of travel. But being a follower of Mahatma Gandhi, Shankarbhai chooses to remain what he is, a man of simple, regular habits.

Shri Boman Irani lauded Shri Shankarbhai for providing his guidance. He remarked how Shankarbhai had provided an in-depth narration of the whole cement cartel case, highlighting the sequence of dates, events, and the people involved in this entire case. Boman Irani also observed, "Mahatma Gandhi had said, 'Find a purpose and the means will follow', and the man (Shankarbhai) who travels by bus, had held giant cement companies. Boman Irani assured Shankarbhai, "there won't be any lack of means, in this struggle we will always be there to support any fight for the good of the industry", he concluded.

He invited Shri Paras Gundecha, President, Shri Rajni Ajmera, Past President, to felicitate Shankarbhai, with a floral bouquet and a plaque, in recognition of his invaluable services to the industry.

Shri C. G. Deochake, Chairman, BAI Mumbai Centre, speaking for all the assembled colleagues from BAI, said "I thank MCHI-CREDAI for felicitating *our* Shankarbhai. He has won a great battle, but the *war* is still on. And we all need to do much much more to see that this is concluded successfully. Thank you."

In closing, Boman Irani thanked all the BAI Members who had joined the Managing Committee members of MCHI-CREDAI, to felicitate, as he put it, "*your* Shankarbhai, and *our* Shankarbhai!"

**Annexure - II: (Point No. 3 as per Agenda)**

Update on Legal Matters for discussion:

**VAT:**

In VAT Matter the SLP is filed in Supreme Court. The matter has been admitted and tag with the SLP (C) No. 17741 of 2007 filed by L & T.

Trade Circular :

Trade Circular 14Tof 2012 dated 06/08/2012 on To Grant of Registration and Administrative Relief to Developers.

**Service Tax:**

The petition is already admitted and tag with the existing Civil Appeal No. 8390 of 2011 filed by Retailers Association of India. Decision to engaged Sr. Counsels will be decide at a later stage.

**MoEF**

The Union Government has requested adjournment to file reply. The Writ Petition is likely to come for admission on 14<sup>th</sup> August before division bench consisting of his lordship justice Shri Bobade and Justice Smt. Bhatkar.

**JVPD Scheme TDR issue**

- (1) High Court O.O.C.J., W.P. No. 2452 of 2011, Hasmukh M. Mehta V/s. MCGM
- (2) High Court O.O.C.J., W.P. No. 2409 of 2011, Vasant Kumar Mehta V/s. MCGM

After reopening of the Court these matters are likely to appear for admission on August 31, 2012.

**ULC:**

Full bench consisting of Justice Shri Bobade, Justice Smt. Bhatkar, and Justice Shri Anup Mohata will hear group of ULC matters on August 23, 2012. For final hearing on behalf of MCHI Sr. Counsel Shri Naphade is going to appear before the Court.