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Ref. No. MCHI/PRES/19-20/303

April 13, 2020

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

Sub: CREDAI-MCHI Suggestions for Revenue Department for relief for Real Estate Industry during the COVID -19

Respected Sir,

We firstly thank you for Joining us for Webinar and addressing the gathering. It needless to mentioned that the Maharashtra Government is doing Incredible work to in order the curb the COVID 19.

Sir, you are already aware that Real Estate was already passing through a difficult phase and the impact of Covid-19 is the last nail in the Coffin. If still government support is not received, then the entire Real Estate industry of MMR will collapse. Also more than 250 allied industry attached to real estate which will also be collapsing. This will lead to Loss of employment and also effect the overall development across Maharashtra and MMR. Real Estate. Our business of fulfilling the dream of common man is at the stake of survival.

If the State Government announce any measures, then only turnover happens and we will be able retain our staff and survive in business. Hence please consider our below key suggestions

As per our discussion during the webinar we have divided the suggestions in two parts:

1) IMMEDIATE Relief Sought during Lockdown

	Suggestion by CREDAI-MCHI	Government Decision
1.	Stamp Duty should be reduced to 1% on all Real Estate transactions for next 4 months	
2	The law allows for registration with 4 months of signing of agreement. Registrars should be instructed not to harass citizens when they come for registration post lockdown.	

2) Post COVID -19

	Suggestion by CREDAI-MCHI	Government Decision
1	Online Registration be allowed	
2	Land Ready Reckoner rate should be equal to 33% of Residential RR for Mumbai 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	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 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.	
4	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..	
5	Stamp duty on development agreement joint venture joint developments etc needs to be reduced to 1% for next one year this will encourage developers come together and develop the lands.	
6	Online process of NA for conversion of land. 1-year	

3) Suggestion for Long term

	Suggestion by CREDAI-MCHI	Government Decision
1	Ready Reckoner Land Rate Slum declared private land to be 25 % of land rate of open Land as done in Govt owned Slum lands. Currently valuation is on basis of 3-4 FSI and not reflective of actual market value.	

2	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 .	
3	Sub Division of Paiki lands needs to be done if more than 50% land owners come together. Necessary direction needs to be given to TILR	
4	25% Variation from RR to be permitted, as adjudication takes 3 months which is very difficult.	
5	For Conversion of land of Class II to Class I occupants of Residential / Commercial / Industrial or any user should be allowed at 25%. Currently commercial industrial is 50% so all should be at par i.e 25%	

We hope that the above suggestions if implemented will give boost to Entire Real Estate Industry.

Thanking you,

Yours Sincerely,
For CREDAI-MCHI

Nayan A. Shah
President

Bandish Ajmera
Hon. Secretary