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Bandish Ajmera

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Late Lalit Gandhi
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Prakash Baviskar

Ref. No. MCHI/PRES/19-20/096

December 17, 2019

To,
Shri Eknath Shinde
Minister for Urban Development & Environment
Government of Maharashtra
Mantralaya
Mumbai 400 032.


23/12/19

Respected Sir,

As we take this opportunity to extend our Heartiest Congratulations to you on becoming the Chief Minister of our state, we are certain that under your leadership the state shall attend unprecedented glory.

As Real Estate Sector Crisis Hits the Zenith, Consumer Sentiments Hit the Nadir
Sir, it is important to mention that just at the time, post 6~8 quarters, when the real estate sector was just about showing initial signs of recovery, that it was hit by the NBFC crisis. This crisis has further pushed the sector into the doldrums from where, if some major corrective actions are not taken without any further delay, timely completion of under-construction projects and roll out of new ones would come to a standstill. Should the cascading effect of credit flow into the real estate sector not resume immediately, it is only a matter of time that while on one side many developers across the country will have to shut shop, the lakhs of daily wage earners that depend on this sector for livelihood, will not have an alternative.

While it is our mission to collaborate with you and your government such that our Industry significantly contributes for taking Maharashtra Economy to a trillion-dollar economy, in order to achieve the aforementioned revenue potential, the following have to be looked into in a time bound manner:

- Ease of permissions with the goal of making Maharashtra amongst the top states in India in EoDB taking India's EODB ranking amongst the top 50 in the world;
- All proposals to be granted approval within a maximum of 30 days;
- Full completion certificates to be accorded to projects within 15 days.

A. Revenue:

1. RR of the flat to be reduced by 20% and the land rate to be pegged at 25% of the sale rate.
2. Capping of Premiums across the board in Mumbai upto a maximum of 25% of Land ASR to make Housing Affordable.
3. Amalgamation, Merger, Demerger or Reconstruction of Companies, or court consent terms maximum Stamp Duty payable shall be Rs. 10,00,000/-.

B. Urban Development Department:

1. Please maintain the current DCR rules across MMR; the developer's fraternity does not want a common DCR.
2. The policy for Redevelopment of old and dilapidated buildings, policy for slums, and policy for redevelopment of societies should be at par.
3. All pending EPs to be released.
4. Regularization of constructions which had undergone addition and alteration done earlier.

With advancement in technology and aided by enhancements in construction technology, currently individual Property Bills are provided to each flat owner; there are individual electricity bills, and individual water bills are likely to become a reality. Today individual flats can be assessed and individual flat agreements are drawn with RERA carpet area of each flat clearly specified.

5. ULC - ULC onetime settlement to be made a reality and it should be implemented with installments

As Hon'ble Supreme Court has accepted the consent term as per the suggestion given by Retd. Justice B. N. Shrikrishna Committee report, Government of Maharashtra is likely to come out with GR or circular for the implementation of the same. CREDAI-MCHI take this opportunity to make the following suggestion for your kind perusal and consideration.

Sir, during the consent term we had agreed upon for onetime settlement, which means everything is included in this. Once the onetime settlement is done, there cannot be any other like charges / penalty for extension, penalty for not submitting the progress development report. We have reproduce the point 8 of our consent terms signed with government of Maharashtra.

"8. The parties confirm and agree that the benefit of the instant Consent Terms shall be available/extended to any third party/land owner/the person affected by the exemption orders passed under Section 20 of the Principal Act, upon such a party filing an undertaking with Respondent No. 1 that they shall be bound by the instant Consent Terms."

It may kindly be noted that there would be land parcels admeasuring 4000 sq. mtrs. or 1 acre and above also that may be affected under ULC. Not all land owner's / Project proponent may have the financial capability, under the current stressed market conditions, to develop the entire plot in one go. It is for such larger plots and/or land owner's / Project proponent that phase wise development be considered and allowed. Also, the ULC premium should only be charged on pro rata basis i.e. only for that portion of land for which development is being proposed.

In those cases, where land owner's / Project proponent wishes to make one-time ULC Premium payment, a provision for interest free deferred payment should be introduced. To enable land owner's / Project proponent to make this payment in equal installment spread over 3 to 5 years.

CREDAI-MCHI PRAYER:

- a) Allow partial development while charging the ULC premium on a pro-rata basis.
 - b) Interest free deferment payment facility to be introduced for one time ULC premium payment spread over 3 to 5 years.
 - c) No penalty for extension, or for progress report.
 - d) As per clause 8 of the consent terms, third party rights should be accepted. The state should look at retrospective payment terms.
6. **TDR should be permissible for road width over and above the permissible FSI as per Column 7 of table 12 of DCPR 2034 on remainder plot.**

C. MOEF:

1. **Approval on Conceptual Plan :** Project approval should be on basis of Conceptual Plan with full potential FSI of the project.
2. **Minor modifications should not call for revised NOC. All changes to be permitted so far as it is changes by 10%.**
Minor modifications (height, size of the tenement, product mix users etc.) by the project proponent which does not change to the extent of 10% in the environment parameters, no revised NOC to be insisted upon.
3. **Only one MOEF committee**
MOEF clearance at State Government level is granted after approval by two committees i.e. SEAC and SEIAA. However, at Central Government level MOEF Clearance is granted after approval by only one Committee i.e. Expert Appraisal Committee. Under Ease of Doing Business at the State Level both the Committee should be merged and MOEF and CRZ Clearance should be granted after appraisal by merged single Committee.

D. MahaRERA:

1. **All approving authorities (Local, State, Central, including their departments) to be covered under RERA. Section 32, RERA ACT, 2016**
It is CREDAI-MCHI's informed opinion that once the section is implemented in word and in spirit, most of the ground level malaise shall be laid to rest.
2. **Repealing of MOFA -** With the advent of RERA, one of the expectations of the real estate industry was that of a unified legal regime. However, in Maharashtra, with MOFA being still active, this legal duality has only made life difficult for the real estate developers. Neither the Government nor the Judiciary was prompt in issuing a clarification on the status of MOFA.

E. MCGM :

1. Capping of Premiums across the board in Mumbai upto a maximum of 25% of Land ASR to make Housing Affordable.
2. AOS - Non Deduction
3. Gross plot area FSI including Road
4. Lift well to be counted only one time for premium
5. No interest on instalments
6. All building permissions at Dy. Chief Zone Level
 - (a) Staircase
 - (b) Lift
 - (c) Fungible FSI
7. MC only for concessions beyond a certain parameter for open space
8. PR Card/Sub - division in MCGM - collector / DSLR to be in MCGM itself
9. Commercial user to be allowed in existing IT parks, since the premium charges of both commercial user and IT user is same.
10. Amenity calculations to be done on the plot area and not on potential.

CREDAI-MCHI's Request


CREDAI-MCHI is sure that you would overcome all the challenges that the State is facing today and that you would lead Maharashtra to make it a truly wealthy, prosperous and a socially inclusive state. We would like to be proud and willing partner in the development of the state.

Sir, with the above objectives in mind, CREDAI-MCHI's Office Bearers are seeking your valuable appointment to deliberate on the issues enumerated herein in this letter.

Kindle advice on a suitable date and time at your convenient earliest.

Thanking you,

Yours sincerely,
For CREDAI-MCHI


Nayan A. Shah
President


Bandish Ajmera
Hon. Secretary