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Naman Shah

**PROCUREMENT CONVENOR**

Nimish Ajmera

**WOMEN'S WING CHAIRPERSON**

Jesal Shah

To,

**Shri H. S. Sonawane (I.A.S.)**

Inspector General of Registration and Controller of Stamps,  
Ground Floor, Opposite Vidhan Bhavan (Council Hall),  
New Administrative Building,  
Pune - 411001, Maharashtra

**Sub: Issues / Suggestion related to Ready Reckoner and IGR department**

**Respected Sir,**

CREDAI-MCHI would like to express our sincere gratitude to the IGR and his team for always been kind enough to extend the support to the real estate sector from time to time and we are sure under your able guidance the same shall be continued in future as well.

The following table is to be considered as our humble suggestions for the benefit of home buyers and the real estate sector.

Sr. No.	Issues	Description	Suggestions
1	<b>Stamp Duty on units retained by the developer in case of Development Agreement</b>	<ul style="list-style-type: none"><li>Developer pays 5% SD (equal to conveyance) while registering the DA.</li><li>The cost of construction is incurred by the developer.</li><li>To cover the same, if the developer decides to retain any unit in the said development, the developer is made to pay the SD for securing the title of the said unit, despite the fact that the developer is a owner of the FSI and also bearing the construction cost.</li></ul>	<ul style="list-style-type: none"><li>We humbly suggest that in such cases, the total development cost including the cost of FSI, premium payments/TDR cost, construction &amp; design costs etc., taxes shall be recognized and reduced from the apartment price.</li></ul>

**Maharashtra Chamber of Housing Industry**

Maker Bhavan II, 4<sup>th</sup> Floor, 18, V. Thackersey Marg, New Marine Lines, Mumbai - 400 020.  
Tel: 42121421, Fax: 4212 1411/407 Email: secretariat@mchi.net Website: [www.mchi.net](http://www.mchi.net)

CREDAI-MCHI CHAPTERS : THANE | KALYAN-DOMBIVLI | MIRA BHAYANDAR | RAIGAD | NAVI MUMBAI |  
BHIWANDI | PALGHAR BOISAR | SHAHAPUR-MURBAD | URAN-DRONAGIRI |  
VASAI VIRAR | ALIBAG | KARJAT-KHALAPUR-KHOPOLI | YOUTH NMR

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2	Several Audits post adjudication creates a negative impact on post project cycle of a developer / land owner	<ul style="list-style-type: none"><li>Adjudication is the just process. Even after the adjudication is exercised numerous audits are called upon; even after significant time lapse for the same land parcel.</li><li>In some cases, even after the formation of society, an audit is called upon which creates negative impact on the developer/land owner / stakeholders.</li></ul>	<ul style="list-style-type: none"><li>It is humbly suggested to <b>issue a necessary clarification to all concerned officers to not levy any insufficient SD etc. post the adjudication is completed.</b></li></ul>										
3	The flat cost of construction for all buildings creates adverse impact on higher buildings Diff. slabs of cost of construction for buildings of diff height is much needed.	<ul style="list-style-type: none"><li>The cost of construction has increased sharply. The cost of construction is determined by PWD standards is absolutely unacceptable.</li><li>The construction cost varies based on the heights of the building, complexity of the development etc.</li><li>The current approved rate of construction do not address the increased construction cost due to increased heights of buildings.</li></ul>	<p>It is humbly suggested to <b>set cost of construction for buildings of different heights</b>. Following is suggested:</p> <table><tr><th>Ht. of Bldg. (m)</th><th>Cost of Const.</th></tr><tr><td>Up to 32 m</td><td>Normal Rate+18% GST</td></tr><tr><td>32 to 70 m</td><td>Normal rate + 20% +18% GST</td></tr><tr><td>70 to 120 m</td><td>Normal rate + 40% +18% GST</td></tr><tr><td>More than 120m</td><td>Normal rate + 50% + 18% GST</td></tr></table> <p>The normal rate should be calculated only on construction area and not on FSI.</p> <p>Normal rate should be counted on overall construction area, which is higher than FSI by as much as 60%.</p> <p><b>GST:</b> The normal rate should be what is determined by PWD + <b>18% GST</b>.</p> <p>Also, we humbly suggest that RERA has all construction costs of various heights of the building in their database. The same should be used as a parameter.</p>	Ht. of Bldg. (m)	Cost of Const.	Up to 32 m	Normal Rate+18% GST	32 to 70 m	Normal rate + 20% +18% GST	70 to 120 m	Normal rate + 40% +18% GST	More than 120m	Normal rate + 50% + 18% GST
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4	<b>Double Stamp Duty in society redevelopment</b>	<ul style="list-style-type: none"> <li>The recent order of the bench of Hon'ble Justice G. S. Patel and Hon'ble Justice Neela Gokhale will boost the redevelopment projects.</li> <li>However, the order is yet to be followed by many sub-registrar offices.</li> <li>This is creating delays and confusion while assessing stamp duty in society redevelopment projects.</li> </ul>	<ul style="list-style-type: none"> <li>It is humbly suggested <b>to issue a suitable clarification to all sub registrar offices to take the cognizance of the said order to boost redevelopment.</b></li> </ul>
5	<b>The full FSI is usually not consumed due to hardships.</b>	<ul style="list-style-type: none"> <li>Despite paying full MV, factors like restriction of height due to rail/AAI/Heritage buffer and many other hardships, the developer is unable to consume full FSI.</li> <li>While calculating Market Value consumption of FSI is not considered, creating huge losses in project development.</li> </ul>	<ul style="list-style-type: none"> <li>It is humbly suggested <b>to accept the certificate from a CoA registered architect where full FSI is not being consumed due to several hardships and site conditions and in such cases the Market Value should be reconsidered based on the FSI being consumed.</b></li> </ul>
6	<b>Re-Calibrate IT / ITeS premises at 25% lesser than the Residential Rates</b>	<ul style="list-style-type: none"> <li>IT/ITeS Projects are calculated at par with commercial rates.</li> <li>It creates hurdles in development of the IT industry and affecting the GDP of the state.</li> </ul>	<ul style="list-style-type: none"> <li>CREDAI-MCHI humbly suggests <b>to recalibrate the rates for IT/ITeS at 25% lesser than the residential RR rates.</b></li> <li><b>This will boost the economy &amp; IT/ITeS sector which will create more livelihoods in State and will increase the GDP.</b></li> </ul>
7	<b>Double SD being paid in Navi Mumbai development agreements / tripartite agreements</b>	<ul style="list-style-type: none"> <li>When a developer enters into a development agreement with the landowner, the SD is paid.</li> <li>Again, while entering into a tripartite agreement with CIDCO, the SD is levied for the second time.</li> <li>Double Stamp Duty is being levied affecting the developments in Navi Mumbai region.</li> </ul>	<ul style="list-style-type: none"> <li>CREDAI-MCHI humbly suggests <b>to levy the SD when the DA is registered with the land owner and not for the second time while entering into a tripartite agreement with CIDCO for all New Mumbai DA registrations.</b> OR</li> <li><b>SD of Rs. 100/- shall be levied while executing the tripartite agreement.</b></li> <li><b>Section 4 of Maharashtra Stamp Act is self-explanatory in such cases.</b></li> </ul>

Sr. No.	Issues	Description	Suggestions
8	<b>Stamp Duty Applicable to Mortgage/ Loan documents</b>	<ul style="list-style-type: none"> <li>The Mortgage/ Loan documents attract SD at the higher cap of Rs. 25 Lakhs.</li> <li>The higher cap increases the financial stress on any development at very early stages.</li> </ul>	<ul style="list-style-type: none"> <li>CREDAI-MCHI humbly suggest that maximum stamp duty to be paid on such documents to be <b>capped at Rs. 10 Lakh.</b></li> </ul>
9	<b>Validity of Stamp Paper</b>	<ul style="list-style-type: none"> <li>It is observed that the validity of the Stamp Papers is limited to 6 months and to the subjected CTS No./ Property Description.</li> <li>Many a times the Stamp Papers are not used within the subjected timeline or for the same property and hence the stamp paper and the resources are wasted.</li> </ul>	<ul style="list-style-type: none"> <li>CREDAI-MCHI humbly suggests to introduce a mechanism to either revalidate/extend the timelines for usage of stamp papers</li> <li>OR</li> <li>To get refund on unused and expired stamp papers.</li> </ul>

We earnestly hope for a positive response and swift action on the above request.

Thank you for your attention to this matter.

Yours sincerely,  
**For CREDAI-MCHI**



**Domnic Romell**  
President



**Dhaval Ajmera**  
Hon. Secretary