

CREDAI-MCHI Webinar: Key to the Lockdown – Episode 12

Date 17th April, 2020 (Friday)

Time 1:00 pm

Topic: Effect of COVID- 19 in Real Estate in Maharashtra and Support for Revival.

Speaker: Shri. Devendra Fadnavis – Leader of Opposition, Member Legislative Assembly

Shri. Deepak Goradia, President Elect welcomed Shri. Devendra Fadnavis, the Leader of Opposition, Member of Legislative Assembly.

Key Note Speaker by Mr. Nayan Shah, President

Four Point Strategy

- 1) Awareness & Preventive Measures**
- 2) Isolation Centre at MCMCR, set up 250 beds and fully operational with 249 patients, 21 already discharged, 150 government Staff working at the centre**
- 3) 1200 Hoardings in Blue, 3000 posters in bus and trains was executed by CREDAI MCHI**
- 4) 70,000 Labourers were provided food and ration by the respective developer Members**
- 5) Supply of 6000 PPE Kits & 5000 to various hospitals, 600 to Mumbai Police, 100 to Thane Police, 40 masks for the Police department in Mumbai and Thane.**
- 6) Recognized the contribution made by Members towards this noble cause.**

4 Things which are important are actioned as follows:

- Survival, Stability and Liquidity to be dealt by Shri. Vyomesh Shah**
- Creation of demand, increasing the Purchasing Power by Shri. Dharmesh Jain**
- Viability of Business to be headed by Shri. Boman Irani**
- Changes needed in RERA by Shri. Suhas Merchant**

Hon'ble Commissioner has informed that there are more than 50 Hospitals without any medical facilities, specially the PPE kits, hence, he has requested requirements of

15,000 to 20,000 Kits to be bought which would cost around Rs. 2 Crores.

President, appealed to all Member to come forward and donate generously and Contact the Task Owner Shri. Domnic Romell and Mr. Satish Kumar for donations which will be covered under the CER (Corporate Social Responsibilities of the MCGM CER Scheme.

Shri. Mangal Prabhat Lodha

- Hon'ble Former Chief Minister had done a lot of benefits to the industry.
- Let us move forward with positive solution to take things forward

Shri. Devendra Fadnavis

- Thanked CREDAI MCHI to taking such initiatives and come together to fight against COVID 19 during such difficult times.
- CREDAI MCHI has been continuously coming forward to help the Housing Industry and Noble & Social Cause.
- Hon'ble Prime Minister requested to start doing business from 20th April other than the hotspot areas.
- After 3rd May, the entire nation will opened up. Mumbai and MMR will take some more time to pick up and get back to normalcy.
- I understand the Real Estate sector is in difficult situation now.
- Need Focus Strategy to bring back the Real Estate industry back in action
- Almost all sectors will reach out to Government with their N number of demands about the revival package and incentives.
- The first priority will need focus wherever there are possibilities to revive various sectors.
- Government needs to intervene to adopt strategy to sort out issues and bring back the economy.
- GST 5% needs input credit to be included.
- Stress Assets needed attention to revive the financial crisis in the Industry
- Banking Sector needs to take bold steps
- Inventory, Investments are locked due to such crisis.
- RBI should allow the Banks to regulate a little bit by offering benefits to the industries. To enforce regulatory framework is vital

- Additional Working Capital to be infused in the market
- In MMR, it would take some time to start the business. Monsoon and 'Labourers staying back in Mumbai' would be a crucial factor and would be a major impediments in the real estate business growth.
- Government should understand the practical difficulties and provide relief measures.
- EODB is important to be implemented in the Realty Sector
- One needs to work on both Demand and Supply sides.
- RR rate where the differential amount is paid to the IT department
- One needs to create Volume business to get the money in the market
- Japanese working in China wanted to exit China.
- Businesses would come out of China and would move to Vietnam, Mexico and India. Let's make use of such opportunities and move forward
- EODB the States have to focus to implement it
- In the Global Scenario, after COVID 19 crisis, India has large potential. There are a lot to produce in India and, let's be Indian and buy Indian.
- We need to create demand in all the sectors
- When Monsoon arrives, Farm products would suffer, IMD has predicted a normal monsoon.
- Agriculture will play a crucial role in Country's GDP, Consumer demand will be created
- We need to bounce back in these difficult times. After the COVID 19 crisis Central and State governments should sit together and devise a strategy.
- I will do my best to talk to both the Governments to resolve the issues.
- Please be safe during and after the COVID crisis.

QUESTIONS & ANSWERS

Mr. Satish Magar, President - CREDAI

Banks and Financial institution don't pass on the benefits of relief packages to end users

Cost control measures, already some cement vendor has started writing of increased in cement prices. If this continues how can we reduce the cost.

Shri. Devendra Fadnavis - Will definitely take this with FM and RBI, so that end users are benefited with relief packages

Mr. Vyomesh Shah, PP< CREDAI MCHI

- We request you to help us as a Leader and not a law professional
- Fiscal Deficit should not increase and to be managed. Economy to be bounce back.
- We need to make everyone remain in Business
- At Micro level, RR rate is linked with IT. It would be difficult to do business if linked with Income Tax.
- Costing has gone up very, it is important to focus on this aspect too.
- Small and Medium Business men are not benefitted.
- Cost of Borrowing are very high.
- Please take up with Finance Minister, RBI, Banks and State Government

Shri. Devendra Fadnavis – Need to define a mid-term fiscal policy and relax it in place to control this situation. Liquidity also need to be infused in the market.

RBI needs to act on such situation, He agreed to take it up.

Mr. Shantilal Kataria, Vice President- CREDAI

Suggestions - Reduction in stamp duty, RR rates, Premiums, installment facility with no interest, no upfront payment should be asked for and Unified DCR to be issued. We required your advocacy to get relief to Real Estate sector. Also to boost demand we need to reduce the home loans rates.

Shri. Devendra Fadnavis - He welcomed all the suggestions and he already mentioned that stamp duty to be reduced unprecedentedly to boost the demand.

Mr. Dharmesh Jain, Past President- CREDAI MCHI

You are the only one who understands both the Business and Government very well

During income tax filing cap of Interest deduction for home loan to be completed removed for 5 years, GST with ITC to be reintroduced and RBI has come up with Stress Fund. Stress Fund of Rs.2 crore to be revised to Rs.5 Crores and 25000 Cr is not sufficient more money is required to be put in and other banks should also come up with stress funds

Shri. Devendra Fadnavis – He agreed with the suggestion and he will take this up

Mr. Rajiv Parikh, President- CREDAI Maharashtra

Suggestions: With the regards to EoDB is not implemented in true spirit in all the department and hence requested to make online permission process under UDCR to be released. Some permission like NA Permission, Royalty Excavation permission various other permission should be made online

Shri. Devendra Fadnavis - Agreed that human intervention should be minimal wherever possible, as it is already implemented in Mumbai same needs to be replicated all over Maharashtra.

Mr. Boman Irani, Vice President - CREDAI & CREDAI MCHI

Suggestions - 1) Removal of Limit of Rs 2,00,000 for the interest paid on Home loans while filing the deduction of Income Tax

2) Double taxation on all Society Redevelopment as the GST is charged on Free Component as well also premium for society redevelopment is too high need to be reduced by 50%

3) Some relief are required for Employers, others, we need to start laying of our Staff.

Shri. Devendra Fadnavis - Welcomed the suggestion to lead with concerned authorities.

Mr. Suhas Merchant, President –CREDAI PUNE

RERA has given the extension of 3 months that's needs to be increased to 1 years also under Rera projects completion that cannot be increased for more than 1 years should be revised to 4 - 5 years.

Once the agreement is Registered under Rera we cannot change the price, this should be done away with as the same was allowed under MOFA

Some powers need to be delegated to Divisional Commissioners to take decision according to the situation so that Labours are benefited like Labour Department should offer Ration to the labourers instead of offering Midday meals such powers that don't have. If RR can be set aside for 1 years

Shri. Devendra Fadnavis - The suggestion for setting RR is too bold and logical thinking is required to implement the suggestion. However, he welcomed such out of the box thinking.

Mr. Anant Rajgaonkar, Treasurer – CREDAI

With regard to urbanisation and creating social infrastructure please give your views as India rank 120 on the health index

Shri. Devendra Fadnavis - Whatever may be the situation infrastructure development

work should not be stopped as the entire economic development depends on the Development of Infrastructure.

Mr. Jayesh Shah, Special Projects - CREDAI MCHI

Proposed the Vote of Thanks. Requested DF to take up the issues with both State and Central Governments.