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Dharmesh Jain

IMMEDIATE PAST PRESIDENT
Vimal Shah

PRESIDENT-ELECT
Mayur Shah

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Deepak Goradia
Boman R. Irani
Harish Patel

HON. SECRETARY
Nainesh Shah

HON. TREASURER
Sukhraj Nahar

CEO
S. Shahzad Hussain
I.A.S. (Retd.)

SPECIAL PROJECTS
Bandish Ajmera
Rasesh Kanakia
Parag Munot

HON. JOINT SECRETARIES
Sandeep Runwal
Lakshman Bhagtani

JOINT TREASURER
Mukesh Patel

CO-ORDINATORS
Jagdish Ahuja
Pujit Aggarwal
Domnic Romell

COMMITTEE MEMBERS
Jayesh Shah
Nayan Bheda
Sanjay Chhabria
Shailesh Sanghvi
Tejas Vyas
Jitendra Jain
Deepak Gundecha

INVITEE MEMBERS
Sandeep Raheja
Munish Doshi
Navin Makhija
Rushank Shah
Pratik Patel
Rajeev Jain
Diipesh Bhagtani
Dhaval Ajmera
Shyamal Mody
Nikunj Sanghavi
Digant Parekh
Shailesh Puranik

PAST PRESIDENTS
Paras Gundecha
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Rajini S. Ajmera
Late G. L. Raheja
Late Lalit Gandhi
Late Babubhai Majethia

MCHI-CREDAI UNITS
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Ajay Ashar

PRESIDENT, KALYAN-DOMBIVLI
Praful Shah

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Vilas Kothari

PRESIDENT, NAVI MUMBAI
Prakash Baviskar

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To,
Shri Ajoy Mehta (I.A.S.)
Municipal Commissioner,
Municipal Commissioner of Greater Mumbai
Mumbai - 400 001

November 29, 2016



Subject : Mumbai – displaced as the Financial Capital of India by Delhi

Our Wish : Mumbai remains the Financial Capital of India and bounces back

Respected Sir,

The entire MMR region has lost its position of being Financial Capital to just Delhi EUA. To regain the lost spot by MMR as the Financial Capital, we must make it cost effective to do business, including retail, services and also manufacturing

As mentioned in the leading English newspaper “TOI” of Mumbai edition dated 28th Nov 2016, the latest analysis done by Oxford Economics, the Mumbai extended urban agglomeration (EUA), consisting of Mumbai, Navi Mumbai, Thane, Vasai-Virar, Bhivndi and Panvel, had a 2015 GDP of US \$ 368 billion when seen in terms of purchasing power parity (PPP), using a 2012 PPP conversion rate of Rs 15.5 per dollar. Against this, the Delhi EUA, consisting of Delhi NCR, Gurgaon, Faridabad, Noida and Ghaziabad, had a GDP at PPP of \$370 billion, taking it to 30th position in the global ranking. **The definition of Mumbai makes it roughly correspond to the Mumbai metropolitan region (MMR), while Delhi EUA is smaller than the National Capital Region (NCR).**

Further it is predicted by practically all including central government that Housing prices in 42 major cities across India would drop up to 30 per cent over 6-12 months after the demonetization of high-value notes, and Mumbai will be see the biggest drop in the prices and demand.

Sir, we have been impressing upon you in all our various meetings of last two years, that cost of doing business in Mumbai has gone to a level, where, it is not affordable to continue for any company to operate from Mumbai, and this is just being reconfirmed by the study published.

Sir, it is time to act, before it is too late, and becomes irreversible. We should work together to bring back the position of Mumbai.

RR rates, Premiums and LUC tax for entire Real Estate is very high. It is as high as 100% of the Ready Recokner Rate of the Land. . Ready Recokner Rate is increased every year and has resulted in a situation that premiums for any projects at Mumbai are now equal to land ASR rate. LUC and there after assessment tax of completed Real Estate are in range of Rs 5 per sq ft per month to Rs 30 per sq ft per month, compared to less than Rs one per sq ft at NCR and Bangalore.

To create any tangible impact on cost of doing business the real estate industry associations and many other industries are suffering as well. The gold market, diamond market, clothing market, entertainment, Medical, Educational, Retail and Mall and every other industry is leaving Mumbai for other states and cities.

Ready Reckoner Rates:

It is time to look at Ready Recokner rate not as revenue raising tool, but enabler of development of business growth. We request that RR Rate, for Land has to come down to 30% of the present rate and of the completed building by 50%. Also commercial premises are to be valued at not more than 60% of the Residential Rate, since commerce now can be located anywhere, and it goes to place, where price of real estate is low. Hence Mumbai to retain its position will have to compete with the real estate price of commercial and retail space of NCR and Bangalore, which is in range of Rs 5000 to Rs7000 per sq ft. Sir, we assure you, that if the Government brings down the taxes, premiums etc to realistic and affordable level, we will ensure that no business leaves Mumbai on account of price of Real Estate.

Assessment Rates (Property Tax):

No business can afford high recurring monthly taxes. NCR and Bangalore, levies Property tax in range of Rs 1 to Rs 2 per sq ft per month. Compared to that the assessment tax of commercial and retail space at Mumbai starts from Rs 5 per sq ft per month to Rs 35 per sq ft per month. This kind of property tax is impossible for any business to bear this kind of monthly outgo. We request you to issue directions on achieving reasonability in the assessment tax.

Thanking you,

Yours faithfully,
For MCHI-CREDAI



Dharmesh Jain
President



Nainesh Shah
Hon. Secretary



S. S. Hussain (I.A.S. Retd.)
Chief Executive Officer