

**PRESIDENT**  
Nayan A. Shah

**IMMEDIATE PAST PRESIDENT**  
Mayur Shah

**PRESIDENT-ELECT**  
Deepak Goradia

**VICE PRESIDENTS**  
Boman Irani  
Harish Patel  
Nainesh Shah  
Domnic Romell

**ADDL. VICE PRESIDENT**  
Sukhraj Nahar

**HON. SECRETARY**  
Bandish Ajmera

**TREASURER**  
Mukesh Patel

**SPECIAL PROJECTS**  
Parag Munot  
Sandeep Raheja  
Jayesh Shah  
Sanjay Chhabria  
Rasesh Kanakia

**HON. JT. SECRETARIES**  
Navin Makhija  
Sandeep Runwal  
Shailesh G. Puranik  
Dhaval Ajmera  
Pratik Patel

**JT. TREASURERS**  
Nayan Bheda  
Munish Doshi

**CO-ORDINATORS**  
Tejas Vyas  
Shailesh Sanghvi  
Pritam Chivukula

**COMMITTEE MEMBERS**  
Jagdish Ahuja  
Jitendra Jain  
Deepak Gundecha

**INVITEE MEMBERS**  
Praful Shah  
Rajesh Prajapati  
Sachin Mirani  
Nikunj Sanghavi  
Rajeev Jain  
Shyamal Mody  
Digant Parekh  
Rushank Shah  
Samyag Shah  
Jayesh C. Shah  
Sunny Bijlani  
Sahil Parikh  
Naman Shah  
Suhail Khandwani  
Ricardo Romell  
Harshul Savla

**PAST PRESIDENTS**  
Dharmesh Jain  
Vyomesh Shah  
Paras Gundecha  
Pravin Doshi  
Mohan Deshmukh  
Mofatraj Munot  
Rajnikant Ajmera  
Late G. L. Raheja  
Late Lalit Gandhi  
Late Babubhai Majethia

**CREDAI-MCHI UNITS**  
**PRESIDENT, THANE UNIT**  
Ajay Ashar

**PRESIDENT, KALYAN DOMBIVLI**  
Deepak Mehta

**PRESIDENT, MIRA VIRAR CITY**  
Ashit Shah

**PRESIDENT, RAIGAD**  
Kiran Bagad

**PRESIDENT, NAVI MUMBAI UNIT**  
Vijay Lakhani

Ref. No. MCHI/PRES/19-20/637

To,  
Shri Sanjay Kumar (I.A.S.)  
Chief Secretary of Maharashtra  
Chairman Empowered Committee IT-ITeS  
Mantralaya, Mumbai 400 034.

August 21, 2020

**Sub: Suggestions for Survival & Sustenance of the Real Estate Industry in Mumbai**

Respected Sir,

We, at the onset, would like to sincerely thank you for calling a meeting in such a short notice and this shows your commitment towards resolving the issues.

Please find below our suggestion for Empowered Committee for IT/ITES Parks

**1. Reduction in ASR - RR 2020-2021**

We humbly request that across all categories viz: Land, Office, Shops, Apartments /Service Apartments may be reduced by 30% and for approved users in IT Parks further 20% lower rates than the commercial rates.

**2. LUC Charges**

Sir, the current Land Under Construction (LUC) charges insisted by MCGM for project are exorbitantly high and are multiple times that area generally charged post receipt of Occupation Certificate to the building.

IT/ITES Concession policy of MCGM in respect of taxation is discriptive. Different standards are being applied by different offices for allowing concessions, though it is ought to be allowed since the inception of the business. Sometimes it's from the date of LOI, sometimes from the date of RC. This is not justifiable.

Vacant premises not capable of habitation, are taxed at full rates as if it is beneficially & permanently occupied. This clearly demotes the construction sector.

(At present this matter is sub-judice in Supreme Court on petition filed by Central Mumbai Developers Welfare Association)

**3. Introduction of Zero Premium IOD/CC up to plinth level**

It is prayed & requested that payment of all premium / charges / fees etc should be linked with the progress of construction of proposed building. For construction work up to plinth level of proposed building including basement if any, no FSI is consumption is involved, hence, no Premium / Charges / Fees shall be insisted till the grant of CC above plinth level.

Thereafter Premiums may be insisted in stages in proportion to the Commencement Certificate requested for construction work above plinth level. This will provide timely assistance and would be a great development friendly step by Government.

**4. IT Parks - Property Tax demands**

Sir, your good self being the Chairman of Empowered Committee for Private IT/ITES parks, we have to bring to your kind attention that the concerned MCGM department have been causing hardships to the Developers and Unit holders raising False demands for vacant premises.

**4A. Beneficial Occupation**

The MCGM Officers are insisting for number of times, that "the date of Occupation Certificate / Water Connection / Physical Occupation is considered as the date of assessment, whichever come earlier". This might be the practice of the department for aiming to collect the revenue, but the words - "Occupation Certificate", "Water Connection" or "Physical Occupation" are nowhere mentioned in the MMC Act 1888. Hence, we feel that no one shall be penalised by applying such imaginary principles for assessment of properties. It is given to be known that assessment of our properties is being revised by applying these imaginary principles.

The department is also very keen on valuing the said part of land at Commercial rates, even though it has **No construction potential**.

Sir, for Private IT/ITES Parks Property Tax cannot be levied at Commercial rates but must at all times be assessed at IT Rates at par with Residential rates as approved under the Policy based on the principal of Beneficial Occupation.

With this reference we would like to request as below.

- A. Even if the occupation certificate is granted, the property shall be assessed by MCGM for collecting the tax only when it is physically occupied for conducting the business.
- B. In case of IT/ITES Parks, to claim the property tax at IT rates at par with Residential rates, the individual unit need to obtain certificate to that effect from Director of Industries. This takes some time. During the intermediate period the property shall be taxed at Residential rate only being unit in IT/ITES park and not at Commercial rate.
- C. In situations like Covid19 the already occupied units may get vacant and remain such for considerable period. In such event, the property taxation shall be suspended till it is reoccupied for the business.

**5. Exit Policy for IT/ITES Parks**

Sir, a lot of Private IT/ITES Parks have been constructed over the last 2 decades. This has led to some level of non-compliance at certain instances and at certain projects. Many parks have also outlived their purpose especially With the DCPR 2034 in place, the premium for IT/ITES Parks and Commercial users is brought at Par so as to curb these non-compliances.

It is prayed that ongoing or previously completed IT Parks should be given a One-Time Option to convert to Commercial User as per DCPR 2034 to be regulatory compliant. This Transition/ Exit Policy may be formulated by collecting Top-Up premium on such RR rates at which premiums were previously paid:-

- i) Post Completion of 3 years, on payment of 10% premium
- ii) Post completion of 5 years, on payment of 5% premium.

Once the transition of such IT Parks is completed, prospectively the other benefits given for IT/ITES Parks Viz:- relaxation in Property Tax, Electricity Duty and other concessions may be withdrawn.

We hope you shall consider the above, thanking you in anticipation of a favourable response.

Thanking you,

Yours Sincerely,

For CREDAI-MCHI



**Nayan Shah**  
President



**Bandish Ajmera**  
Hon. Secretary