



Ref. No. MCHI/PRES/20-21/119

February 15, 2021

To,
Shri Rajeev D Nivatkar
Collector
Mumbai - 400001

Sub : Cartelizing by Cement and Steel Manufacturers and steep revision and request for immediate intervention for SURVIVAL of Real Estate Sector in the Maharashtra.

Respected Sir,

Greetings from CREDAI-MCHI

CREDAI-MCHI is an apex body consisting of members from the Real Estate Industry among Mumbai Metropolitan Region (MMR). It is the most prominent and the only recognized body of Real Estate Developers in Mumbai and MMR. We bring together members dealing in Real Estate Development on one common platform to address various issues facing the Industry. With a strong Membership of over 1800 leading Developers in Mumbai, CREDAI-MCHI has expanded across MMR, having its own units in the region of Thane, Kalyan-Dombivli, Mira-Virar, Raigad and Navi Mumbai. CREDAI-MCHI is recognized by Government of Maharashtra and the Central Government and helps in meeting their objectives of providing housing, which is a basic necessity.

With reference to the above subject, we are deeply concerned the cartelizing by **Cement and Steel Manufacturers and steep revision finally affecting the cost of construction and in turn the home buyers.**

1. In the present unfortunate Global situation, all industries are combatting extra-ordinary situations and Real Estate is no different. Being the 2nd largest employer in the country, the entire Real Estate fraternity is working tirelessly to gear up construction activity across the State.
2. We would like to bring to your kind attention to the cartelization by the Cement and Steel manufacturers by imposing a sudden increase in their selling price across the State.

The Real Estate Industry is already facing sluggish market situation over the last couple of years and current crisis, because of COVID-19 or even otherwise, such an abrupt increase in prices will be a bolt on the blue for the developers and will lead to increase in the construction costs and overall project cost. With the thin margins, many developers may be constrained to stop construction work, there by impacting the delivery of the projects, leading to penalties under RERA, other authorities and so on. Needless to say, this will have a cascading effect on the homebuyers also.

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Raw Material Price in the last 2 years

Cement Price (50 Kg)		Steel Price per Tonne	
Jan, 2019	Rs. 360	Jan, 2019	Rs. 40,000
Feb, 2019	Rs. 390	May, 2019	Rs. 38,000
May, 2020	Rs. 410	Jun, 2019	Rs. 36,000
Dec, 2020	Rs. 420-430	Jan, 2020	Rs. 40,000
All figures are for leading brands of 53 grade cement bag		Sept, 2020	Rs. 45,000
		Nov, 2020	Rs. 55,000
		Dec, 2020	Rs. 58,000

3. Sir, this unexpected increase in the prices is highly unethical and amounts to unfair and restrictive trade practices. Controlling this price rise is highly essential for the construction to be started in full swing and to get the country's economy back on its growth path.
4. We shall be grateful if the issue of price rise of cement, steel and other raw materials can be taken up by your good offices with the concerned ministries at State and Central level at the earliest.

May we request you to kindly arrange to give us time as per your convenient day, date and time, so that our team can meet you in person and explain.

Thanking you,

Yours Faithfully,
For CREDAI-MCHI



Deepak Goradia
President



Pritam Chivukula
Hon. Secretary