

Ref. No. MCHI/PRES/19-20/342

May 14, 2020

To,

**Shri Iqbal Singh Chahal (I.A.S.)**

Municipal Commissioner

Municipal Corporation of Greater Mumbai

Mumbai - 400 001

**Sub: Extension to Deferred Payment (instalments) of premiums and interest thereon****Ref: COVID-19, Natural Calamity and Lock Down**

Respected Sir,

Firstly, at the outset, we would like to Congratulate you for taking over as an New Municipal Commissioner of MCGM. Its truly commendable the pro-activeness and thought put in for every step taken by Municipal Corporation and Government to contain the spread of this virus. We are confident that together we can fight this Pandemic and we as an association and each of our member is available at all times at the disposal of the Corporation and Government to fight this Natural Calamity gripping our city and state and Country.

This Pandemic COVID-19 is going to cause an unprecedented impact on business and liquidity. RBI has already announced that all payment of loan and interest shall be differed by three months. The outbreak of Coronavirus is expected to further weaken the real estate segment especially residential real estate sector that has already been reeling from the adverse impact of the prevailing liquidity crunch, huge unsold inventory and weak affordability and subdued demand conditions.

Even after this lock down is lifted and the country resumes normal work, it shall take minimum of 3 to 4 months for even production houses to arrange resources, labour, materials and start production of raw materials required to carry on the project to normal level. This will further be marred with inevitable exponential hike in demand and steep shortage of material.

Entire supply chain and resources required for completion of a real estate project will take months to restore. The labours have migrated back to their villages and will return only after monsoon is over. The supply chain of materials required will also take months to restore. Hence Real Estate sector will take minimum six months, to be in position to start generating funds to start repayment of instalment facility granted to us.

**Sir, we would kindly request you to allow the extension of time for the deferred payments (instalment facility) granted, as follow:**

- 1. All payments due under instalment facility on or after 1st January 2020, shall be differed by 12 months. Any payment due shall be differed by 12 months.**
- 2. No interest shall be charged for the period of 1 st March 2020 to 30th September 2020.**

3. All property taxes dues of earlier as per recovery notices and for current year should not be collected till March 2021.

Also our other suggestion to revive the Mumbai Real Estate sector

- 1) All premium such as Fungible/ Open Space Deficiency/ Staircase premium to be reduced by 90% on residual payment basis & for all ongoing and future projects for next 2 years.

Back ending of pending installments until OC

- 2) Premium to be paid on a 10:90 scheme i.e 10% upon issue of CC and 90% before OC to be paid in proportion to the O.C granted. The amount deferred to be secured by lien / mortgage of sale units with **No Interest across MMR.**
- 3) The payment which is required to be made for I to R should be charged at the time of CC instead of IOD

Sir, the industry is in one of the worst slowdown and requires your support and request that relief be given to the sector.

Look forward to your continuous help and support.

Thanking you,

Yours Sincerely,  
For CREDAI-MCHI



**Nayan A. Shah**  
President



**Bandish Ajmera**  
Hon. Secretary