

Ref. No.: MCHI/SEC/11-12/197

February 21, 2012

To,
All Core Committee Members of MCHI.

Dear Friends,

Enclosed herewith please find the draft letter to be sent to CMIE (Centre for Monitoring Indian Economy Pvt. Ltd.)

This letter is in regards to the study to be undertaken by CMIE on the impact of slow approvals on the Real Estate Sector and GDP of Maharashtra State, which we could then present to the State Government of Maharashtra.

Please do study the letter and if you need to add any further points, you could do so by return email. We shall also discuss this letter in today's Weekly Core Committee Meeting.

Thanking you,

Best Regards,

For Maharashtra Chamber of Housing Industry

Sd/-

Boman Irani

Hon. Secretary.

20th February 2012

Shri Mahesh Vyas

Managing Director & CEO

Centre for Monitoring Indian Economy Pvt. Ltd., (CMIE)

Mumbai.

India.

Dear Sir,

Subject: Study on the impact of slow approvals on the Real Estate Sector and GDP of Maharashtra State

Maharashtra Chamber of Housing Industry (MCHI) is a premier association of Real Estate Developers in India. Established in 1982, MCHI has been playing a key role in the organised development of real estate in Mumbai Metropolitan Region (MMR). Members of MCHI account for providing 80 % - 90% of residential accommodation in MMR.

MCHI helps both the Central and State governments in meeting their objectives of providing shelter. MCHI works towards raising awareness among the general public, real estate and construction industry while providing them with exhaustive information on projects and new developments in and around Mumbai. With over 540 well-recognized and reputed member developers, MCHI is affiliated with leading industry associations like FICCI, IMC and CREDAI.

Shelter is a basic human need, which has become a major challenge in a country, which is fast urbanizing. Maharashtra is one of the most urbanized states in the country. Whereas nationally 27% of the population was in the urban areas, in Maharashtra, the figure was 42% (Census 2001). Housing in urban areas assumes much greater significance, as it relates not only to basic shelter needs but also provides a facility to the citizens to access services and be part of the development process. Housing implies not only construction of bricks and mortar; it includes the supporting infrastructure, access to transport and employment opportunities.

Maharashtra, though being one the most progressive State, has seen virtually zero addition to its housing stock in the last one year. This is primarily due to lack of approvals coming in from various state and central authorities. Not only has this added to the woes of homeless, but has also impacted at various other levels, like:

- Steel consumption
- Cement consumption
- Labour & Job-creation
- State Revenues, like:
 - Excise collection
 - VAT collection
 - Stamp duty
- Centre Revenues, like:
 - Service tax
 - Income tax
- Growth of about 500 other industries related to real estate sector

As MCHI, we are keen to assess the impact of this slowdown in approvals on the GDP of Maharashtra State, as well as on India's GDP and bring the same to Government's attention. It is with this intent that we write in to your esteemed organization which has the capability to take on this study. We would like to partner with you as an Industry body to assess this impact. Through the offices of our esteemed member developers, we can give and provide access to any data that may be required by you and is accessible to us.

To take this forward, I suggest we schedule a meeting amongst us at a mutually convenient time. My co-ordinates are mentioned below.

Yours sincerely

Boman Irani

Secretary

Contact No. 9821033773