

S. S. Hussain I.A.S. (Ex)

Chief Executive Officer

Ref. No. MCHI/CEO/16-17/043

August 03, 2016

Sub: Notification issued by UDD dtd. 15th July, 2016 regarding sanctioned modification to Development Control Regulations for Municipal Corporations in Maharashtra State & CIDCO in respect of IT/ITeS Policy-2015 under Section 37(1AA) (c) of the Act.

Dear

Please refer to the notification on the above subject and please also see our representation continuously on the subject, with the Principal Secretary for Industries and the other departments, concerned.

Our request was that, the related FSI of 3 for the whole state does not help the growth of Mumbai, as well as inviting the industries and the manufacturing units back, which have left Mumbai or are trying to establish in Mumbai, so that we can re-establish/get the prime hub for manufacturing and employment in the country. Unless, we incentivise and are comparatively better off, it will not be attractive enough for the industries and the construction activity for the same. Therefore, our request is once again that our demand for FSI for Mumbai, where the situation and the ground reality is entirely different from the mofussil towns in Maharashtra, be considered as 4 or 5 FSI.

While Mumbai City still remains the commercial capital of the country, it is fast losing out on being the preferred IT/ITeS destination to other metros/cities that do not have as well established secondary business districts as Mumbai. Mumbai thus cannot be the looser. The following fact files and Development processes clearly shows its importance:-

1. Mumbai Metro Rail Project with a total outlay of \$5 billion USD is likely to have a spread of 146.5 kms thereby easing commuter travel woes.
2. Mumbai has allocated Rs.73,367 crore for various infrastructure projects in 2016 which will further boost urbanization with an unprecedented potential to create job opportunities.
3. Mumbai as a city is lucky to have pre-established secondary business districts (SBDs) spread across MMR with excellent infrastructure and only requires supporting government policies to boost job creation.
4. Supportive policies are required to establish these SBDs as preferred IT & Communication hubs with pricing / rentals being the most important demand driver for IT/ITES companies.
5. While the average annual new Grade A office supply has increased significantly in cities like Bengaluru, Hyderabad and NCR, Mumbai's average supply has decreased considerably by 50%, primarily owing to demand - supply mismatch.
 - a. With cost being the major demand driver, most new-age companies' / e-commerce start-ups prefer Bengaluru, Hyderabad & NCR over Mumbai despite Mumbai being the commercial capital due to high cost in Mumbai.
 - b. Rising land cost, raw material costs and ever increasing property taxes are only making Mumbai that much lesser competitive.

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6. Post all Mills being closed & industry being move out, the only major source of employment generation are IT & financial services.
7. For every 50 Sq.fts. of IT space created, one white collar & two blue collar jobs get created.
8. With high land costs in Mumbai, **it is only higher FSI that will make Mumbai IT Buildings competitive compared to other cities.**
9. Urbanization propels economic growth by advancing employment and entrepreneurship opportunities, making it an important player in the processes of inclusion and growth. Hence, urbanization planning and incentives should focus on inclusion, which is more sustainable, prosperous and build economically competitive cities - with simplified approach. We feel that our request for higher FSI, specially for Mumbai, will also be helpful to support related business looking to relocate in the city.

Hence, there is a strong case for separating the two for the treatment and grant of higher FSI for Mumbai and MMR, which will be attractive enough (4-5 FSI) for all the concerned units as it is allowed in the recently sanctioned notification dtd. 29th July, 2016 in respect of the subject regulation for Exhibition-Cum-Convention Centres in the DCR for Gr. Mumbai, 1991, where in case of plots in Residential (R2)/Industrial (I1, I2, I3)/Commercial (C1, C2) Zone, the Floor Space Indices may be permitted to be exceeded up to 4.00.

Copy of the brief representation is enclosed for your ready reference and kind consideration, please.

Yours


(S. S. Hussain)

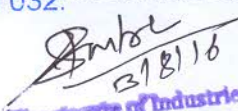
To,
✓ **Shri Apurva Chandra (I.A.S.)**
Principal Secretary (Industries)
Department of Industries, Energy and Labour
Government of Maharashtra
Mantralaya, Mumbai

CC to :

✓ (1) **Dr. Nitin Kareer (I.A.S.)**, Principal Secretary - I, Urban Development Department,
Government of Maharashtra, Mantralaya, Mumbai - 400 032

✓ (2) **Shri Milind Mhaiskar (I.A.S.)**, Secretary to Chief Minister,
Government of Maharashtra, Mantralaya, Mumbai - 400032

(3) **Shri Surendra Kumar Bagde (I.A.S.)**, Development Commissioner (Industries)
Department of Industries, Government of Maharashtra, Mantralaya, Mumbai
400 032.


31/8/16
Directorate of Industries
New Administrative Bldg.
Opp. Mantralaya 400 032

✓ P. A. to Secretary,
Chief Minister's Secretariat,
Mantralaya

Urban Development Department,
Mantralaya, Mumbai

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