

**MANAGING COMMITTEE
2019-2020**

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
Raajesh 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

CREDAI-MCHI

Ref. No. MCHI/PRES/19-20/623

August 10, 2020

To,
Shri Iqbal Singh Chahal (I.A.S.)
Hon'ble Municipal Commissioner
Municipal Corporation of Greater Mumbai
Maha Palika Bhavan
Mumbai 400001



Sub: Request not to Levy Property Taxes/LUC Taxes for certain commercial categories, due to Corona Pandemic Lock down period starting from 1st April 2020 till the actual Lock down end for these users.

Respected Sir,

We on behalf of our members are making this representation to your good self in view of the present conditions faced by our members.

As you are aware that the outspread of Covid-19, commonly known as "Corona Virus", began early in December, 2019. On 30th January, 2020, The World Health Organization (WHO) declared the outbreak as public health emergency for public concern and subsequently as a 'pandemic' on 11th March, 2020.

State of Maharashtra had directed Private Offices to function with 50% Staff with effect from 20th March 2020 as well as several allied businesses including the Malls and Shopping Centre were closed down with effect from 15th March 2020 vide Notification bearing No. Corona 2020/Sr.No.58/Arogya 5 dated 14th March, 2020.

Subsequently, on 24th March 2020, the Hon'ble Prime Minister of India announced a 21 day nationwide lockdown with effect from 12 AM on 25th March 2020 until 14th April 2020, wherein the state borders were also sealed and all transportation services were suspended. Therefore, the lives of a staggering population of 130 crore citizens of India was suddenly halted with no foreseeability on the impact of this lockdown on the livelihoods, businesses and economy.

That the national lockdown was further extended from time to time in different phases, i.e. on 03.05.2020, 17.05.2020 and 31.05.2020 in wake of the continuous rise of coronavirus infections. The lock down was once again extended beyond 31.05.2020 - until 30th June 2020 albeit with certain relaxations.

In the State of Maharashtra too the lockdown has been extended from time to time since the National Lockdown was announced and the Lockdown still continues until 31st August 2020 albeit with certain relaxations.

CREDAI-MCHI

Maker Bhavan II, 4th Floor, 18, V. Thackersey Marg, New Marine Lines, Mumbai - 400 020.
Tel: 42121421, Fax: 4212 1411/407 Email: secretariat@mchi.net Website: www.mchi.net

Because of the diverse Central and State Government Orders relating to the Lockdown:

- i. All businesses and commercial and private establishments including development and construction work as well as allied activities such as mall and retail activities came to grinding halt, severally affecting (i) sales, (ii) collecting moneys under agreements for license already entered into, while having to continue bearing all the fixed and variable expenses, including paying labour without their being able to do any work, and bearing the cost of capital employed and debt raised.
- ii. As the Development and Construction activities stopped as well as the allied activities and businesses including the sale of flats as well as functioning of Malls and Hotels came to a grinding halt large numbers of workers left for their villages due to lockdown. On March 24, 2020 the national lockdown was imposed with immediate effect and earlier the State of Maharashtra had already directed the Private Offices to function with 50% staff which included the offices of developers and with effect from 15th March 2020, the Malls and Hotels were directed to remain shut.
- iii. On account of the Lockdown, most businesses are inoperative and therefore, incapable of carrying out their obligations to third parties. Despite these restrictions and difficulties, they are expected to bear the burden of interest and fixed expenses for the said period.
- iv. Despite having made timely payments to their respective borrowers prior to the Virus and having paid timely taxes to the Government, such businesses are currently facing colossal damage and loss due to the Government lockdown. Their inability to continue development and construction business as well as allied businesses such as those of mall and shopping centres while continuing to bear the fixed expenses related to their businesses, has left them in a very vulnerable state. In view of the devastation the Virus and the Lockdown has had on business and commerce, it would take considerable time for them to start functioning on what was considered a normal basis. Regaining normalcy would include proper functioning of public transport, trains, domestic and international airlines, contractors, suppliers, agencies, shops & establishments supplying & providing the necessary materials and services, free movement and finally, the return of the migrant labourers.

In view of the COVID -19 situation and the sudden lockdown imposed by the Central and the State Government, the real estate sector, the retail sector as well as the Hotel Industry has been seeing a downturn in the market and have been facing financial difficulties due to the overall state of the economy. Many commercial activities had to be shut down and many of which are still closed as on date. These activities mainly are, Offices of Developers, Malls, Multiplex, Clubs, Hotels, Restaurants, Bars and Auditoriums which falls in various user Category.

Sir, though the Lockdown began from 22nd March 2020, mostly all such users had already paid their Property Taxes till 31st March 2020 for the financial year 2019-20. As per the provisions of MCGM Act, MCGM issues P.Tax bills from 1st April of every year, accordingly the P.Tax Bills for the financial year 2020-21 are now expected to be issued by MCGM which are payable on half yearly basis.


Sir, as your good self is very much aware that due to Corona Pandemic Lockdown Guidelines of Central & State Government including MCGM, all these commercial activities/users have been without Beneficial Occupation from 1st April 2020 till date and continue to be non-functional/ marginally functional due to the continued lockdown, restricted laws and restricted public transport and travel, accordingly there is no business and no income is earned by these commercial properties due to Total Lockdown & hence these users are not in a financial position to pay Property Tax and LUC Tax to the Corporation from 1st April 2020 till such time that normalcy is achieved (i.e. all restrictions are removed).

Sir, as the Lockdown due to Corona pandemic is officially declared by Central as well as State Governments, including Govt. of Maharashtra, due to which the above cited properties are without beneficial use. Therefore, as elaborated herein above, it is our humble request kindly not to levy Property Taxes/LUC Taxes on all above stated properties from 1st April 2020 till the lockdown period ends and normalcy is completely resumed.

It is respectfully submitted to the Hon'ble Municipal Commissioner Sir for his kind consideration and for issuing appropriate directions to Assessment (Property Tax) Department & oblige to our request.

Thanking you,

Your sincerely,
For CREDAI-MCHI


Nayan A. Shah
President


Bandish Ajmera
Hon. Secretary