

Ref. No. MCHI/PRES/19-20/542

July 8, 2020

PRESIDENT
Nayan A. Shah

IMMEDIATE PAST PRESIDENT
Mayur Shah

PRESIDENT-ELECT
Deepak Goradia

VICE PRESIDENTS
Boman Irani
Harish Patel
Nainesh Shah
Domic 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
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Ajay Ashar

PRESIDENT, KALYAN DOMBIVLI
Deepak Mehta

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Kiran Bagad

PRESIDENT, NAVI MUMBAI UNIT
Vijay Lakhani

To,
Shri Iqbal S Chahal (I.A.S.)

Hon. Municipal Commissioner
Municipal Corporation of Greater Mumbai (MCGM)
Mumbai - 400 001

Sub: Request for Assistance to Save Mumbai Real Estate Industry.

Ref: COVID-19, Natural Calamity and Lock Down & letter to Hon'ble MC dtd 14-5-20

Respected Sir,

Firstly, at the outset, we would like to thank you for your pro-activeness and tremendous effort put in by every member of your team at MCGM along with the State Government to contain the spread of this virus. We are confident that together we can fight this pandemic successfully and while we do our best to keep our citizens safe and healthy. MCHI and its members have made a valiant effort in assisting MCGM in the best possible manner by playing an active part in various initiatives of the MCGM and GoM.

Sir, as you are aware, this pandemic COVID-19 and the resultant Lockdowns is causing tremendous loss of business to various industries more so to industries like real estate amongst other industries. It may be please noted that the Real Estate industry was already under a severe slow down for almost 2 years before Covid19 happened. Thus the advent of the pandemic has further put an unprecedented strain on our businesses and liquidity/cash flow position.

Recent report by Liases Forus, Anarock, etc state that nearly 33% of projects in MMR could fall into a cash flow trap, while approximately INR 5 lacs crore worth of projects will be stalled in case they don't receive timely assistance from various government bodies. There is an 80% fall in launches over last year. All this data points to the fact that unless the GoM and MCGM do not lend a helping hand to the industry, we seem to be headed into a major recession which can possibly lead to big loss of revenue to local urban bodies like MCGM. This will have a cascading impact on the development of the city and its nearby areas including certain prestigious infrastructural projects. There will be a negative impact on the banking system and also a great loss of faith in the end consumers who are eagerly waiting for their dream home.

Unfortunately, there has been a disruption in our supply chain and most importantly, our labourers, who due to fear of contracting the virus, have fled the city to their home towns. We expect them to be back not before September 2020 or even later. Thus, with such a protracted delay we will not be in a position to start with full-fledged construction activities until November/December 2020. **Hence Real Estate sector will take minimum nine to twelve months to be in position to start generating cash flows and to start payment of various charges, cess, premiums, instalment facility, etc. granted to us.**

Thereby, like the RBI has announced certain financial easements with regards to repayment of loans and the interest thereon, **we would kindly request you to allow the extension of time for the payment of various fees, charges, premiums (including instalment facility) etc, as follows:**

1. **All payments/charges due under instalment facility or otherwise (viz. Development Charges, Cess, Fungible Premiums, OSD, sewerage charges, royalties etc) on or after 1st January 2020, shall be deferred until application of Occupation Certificate (OC)**
2. **No interest or penal interest shall be charged for the period of 1st March 2020 to 30th September 2020.**
3. **In case of projects under DCR 33(7) payment of all outstanding premiums viz. One Time Premium, Breaches, transfer premium, etc. levied by Estate Department should be payable after 31st March 2021.**
4. **Furthermore to revive the Mumbai Real Estate sector** including that of cessed buildings on estate lands and municipal tenanted plots etc under DCR 33-7:
 - A. **All premiums/charges such as One Time Premium, Capitalized Value, Fungible premium, Breaches, transfer premium etc. to be reduced by 90% on residual payment basis for all ongoing and future projects with a sunset clause of 2 years i.e. 30th September 2022.**
 - B. **All Premiums to be paid on a 10:90 scheme i.e. 10% upon issue of CC from building proposal department 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.**

Sir, our members are in dire straits and we look forward to your large hearted assistance to not only survive but also revive the real estate industry. We strongly believe in the slogan *"Revive Real Estate, Revive Economy!"*

We look forward to a meeting with your good self-wherein few of our senior members and office bearers would like to meet you for the above discussion.

Even with COVID-19, we are hopeful that with your support, Real Estate will be one of the major sector to contribute towards re-building State of Maharashtra.

Thanking you
Yours Sincerely,

For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary

CC

- 1) **Shri Sanjay Kumar (I.A.S.)
Chief Secretary, Government of Maharashtra**
- 2) **Shri Ajoy Mehta (Retd I.A.S.)
Principal Advisor to Chief Minister of Maharashtra**