CALI FISCAL GRID
Case Study:
Mumbai Property Tax Solution

How Mumbai Taxes Only 9-10lac Property Units While the Physical Fiscal-Units are about 28 Lakh and Can Expand to 55 Lakh Under CALI FISCAL GRID

Draft note for Government of Maharashtra / BMC discussion

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Metric	Number	Meaning
Legacy visible property-tax base	Approx. 9-10 lakh properties / tax-ledger units	Source-backed by recent public reporting; use as BMC visible assessed billing universe, not total physical units.
Physical fiscal CLA base	Approx. 28 lakh existing units	Derived from Census 2011 household count: Mumbai City 6.74 lakh + Mumbai Suburban 21.06 lakh = 27.80 lakh households. This is a conservative residential proxy before commercial/unit-level additions.
CALI FISCAL GRID future fiscal CLA universe	Approx. 55 lakh units	CALI FISCAL GRID projection after unit-level discovery, vertical atomisation, SRA/redevelopment, commercial usage tagging, exempt/under-assessed unit mapping, and fractional revenue atoms.

1. Executive conclusion

Mumbai is the strongest possible case study for CALI FISCAL GRID because the city already has a very large property-tax collection, but its fiscal-unit architecture is still building- and account-ledger centric rather than atomised at the unit level.

The central argument is simple: BMC's visible property-tax base may be around 9-10 lakh assessed/billed properties, but Mumbai's physical residential household base alone is about 27.80 lakh households. When commercial premises, offices, shops, mixed-use units, SRA/redevelopment units, unauthorised or no-OC buildings, exempt units, and unit-level fiscal atoms are added, the addressable fiscal universe is much larger than the current tax ledger.

Therefore, CALI should not present 9 lakh and 28 lakh as contradictory numbers. They describe two different layers:

i. **9-10 lakh** = legacy visible assessed/tax-ledger properties currently in the BMC property-tax billing universe.
ii. **28 lakh =** estimated existing physical residential fiscal units, using Census households as a conservative proxy.
iii. **55 lakh =** future CALI FISCAL GRID -discovered full fiscal CLA universe after atomising land, buildings, units, commercial use, exemptions, arrears, redevelopment and fractional fiscal liabilities.

2. Why this is a powerful case for Government of Maharashtra

Mumbai has the scale, revenue pressure, data complexity and vertical built form that make it ideal for the first CALI FISCAL GRID fiscal-grid pilot. If CALI FISCAL GRID can show that BMC's tax base is not a flat list of buildings or accounts but a multi-layered grid of fiscal land atoms, the same operating model can be extended to Thane, Pune, Nagpur, Nashik, Navi Mumbai, Pimpri-Chinchwad and all other Maharashtra urban local bodies.

The government's case is not merely that property tax can increase. The deeper case is that Maharashtra can create India's first state-level municipal fiscal grid: a live atomic database of parcels, buildings, units, occupancies, usage categories, exemptions, liabilities, arrears and valuation signals.

i. It converts the municipality from a billing department into an AI-native fiscal intelligence authority.
ii. It finds missing units without immediately increasing rates on compliant taxpayers.
iii. It creates a fairer tax base by identifying under-assessed and unassessed units.
iv. It links property tax, building permissions, water/sewerage, trade licences, fire NOCs, shops and establishments, registry and redevelopment data into one land-revenue intelligence layer.
v. It allows the State to scale from Mumbai to a Maharashtra-wide municipal revenue grid.

3. The source-backed figure of 9-10 lakh: what it really means

The 9-10 lakh number should be used carefully. It does not mean that Mumbai has only 9-10 lakh physical units. It means that the current property-tax billing or assessed-property universe publicly visible in reporting is in that order of magnitude.

Public reporting in 2025 stated that BMC raised property tax bills for over 9 lakh properties for FY 2025-26. Subsequent reporting in April 2026 stated that property tax was levied on over 10 lakh properties across Mumbai. For a proposal note, CALI should therefore describe this as a 9-10 lakh visible legacy tax-ledger base.

This is consistent with BMC's own Building ID page, which states that more than 2.3 lakh buildings are assessed by BMC for property tax and assigned a 15-digit Section Account Code. BMC also notes that more than 1.5 lakh assessed buildings have already been plotted on the digital map. The important point is that BMC's existing architecture is still heavily building/account-code oriented, not a complete unit-level fiscal atom grid.

Evidence	Source / figure	How CALI should use it
Property-tax bills / levied properties	Public reporting: over 9 lakh properties affected by BMC property-tax hike in FY2025-26; later reporting says property tax is levied on over 10 lakh properties across Mumbai.	Use as visible legacy assessed / billed property-tax ledger base.
BMC assessed buildings	BMC MyBMC Building ID page: more than 2.3 lakh buildings assessed by BMC for property tax; unique 15-digit SAC number; more than 1.5 lakh mapped.	Use as proof that the present architecture is building/account-code based, not fully unit-atom based.
Exempt small properties	Public reporting in 2026: around 3.6 lakh properties under 500 sq ft are exempt from property tax.	Use to show that even visible property records include non-taxed or exempt categories that CALI FISCAL GRID can tag and monitor without necessarily taxing them immediately.

4. The source-backed figure of 28 lakh: how it is derived

The 28 lakh figure is not invented. It is a conservative derivation from Census 2011 household data for the two districts that make up Mumbai under BMC jurisdiction: Mumbai City and Mumbai Suburban.

The Maharashtra Population Census Abstract 2011 gives 6,74,339 households for Mumbai district and 21,05,604 households for Mumbai Suburban district. Together this equals 27,79,943 households, rounded to 27.80 lakh or about 28 lakh.

Component	Households	Source basis
Mumbai City district	6,74,339	Mumbai City district demography / Census 2011; also reflected in Maharashtra PCA 2011.
Mumbai Suburban district	21,05,604	Maharashtra Population Census Abstract 2011.
Total Greater Mumbai household proxy	27,79,943 ≈ 28 lakh	Mumbai City + Mumbai Suburban households.

Why this is a good fiscal-unit proxy: every household occupies a physical premises that consumes municipal services and sits inside a parcel-building-unit structure. Therefore, household count is a conservative proxy for existing residential fiscal CLA units. It excludes many non-residential fiscal units such as shops, offices, hotels, warehouses, schools, hospitals, industrial units, clubs, restaurants and mixed-use commercial spaces. Therefore, 28 lakh should be treated as a conservative lower-bound estimate of existing physical fiscal units, not an inflated number.

5. Reconciliation: 9 lakh vs 28 lakh vs 55 lakh

Number	Layer name	Meaning	CALI interpretation
9-10 lakh	Visible legacy tax-ledger units	Properties/accounts currently billed, levied or visible in BMC's property-tax system.	This is the system's present fiscal visibility.
28 lakh	Existing physical fiscal CLA units	Residential premises already existing on the ground, based on Census household proxy.	This is the minimum physical fiscal universe that CALI FISCAL GRID should discover and reconcile.
55 lakh	Future CALI FISCAL GRID fiscal CLA universe	Full unit-level grid after atomising buildings, units, redevelopment, SRA, commercial use, mixed use, exemptions, fractional units and new construction.	This is the future operating universe for CALI FISCAL GRID .

The key message for government: Mumbai does not have a small property-tax base. Mumbai has a large property-tax base that is not yet architected as a complete AI-native fiscal grid. CALI FISCAL GRID does not merely increase taxes; it increases fiscal visibility, fairness and compliance by identifying the true unit universe.

6. Why the current system can miss fiscal units

The missing-unit problem is not a failure of individual municipal officers. It is an architectural problem. Legacy municipal systems were built around assessment records, buildings, manual surveys and account codes. Mumbai's built form has become far more complex: vertical buildings, redeveloped societies, SRA projects, no-OC structures, mixed-use premises, subdivided commercial units, informal extensions and rapid changes in occupancy. A static account-ledger system cannot keep up with this dynamic fiscal reality.

i. **Building-level architecture:** BMC's own Building ID architecture begins with assessed buildings and SAC numbers. But property-tax liability often needs to be understood at flat/shop/office/unit level.
ii. **Census reality is bigger than tax-ledger reality:** Census households alone are about 28 lakh, while the visible billed property universe has been reported around 9-10 lakh properties.
iii. **Vertical city problem:** A single assessed building can contain 10, 50, 200 or 1,000 fiscal units. Without 3D parcel-building-unit indexing, the revenue base is compressed.
iv. **Redevelopment lag:** Old chawls and societies become towers; SRA and redevelopment add many new units, but the tax ledger may update slowly or incompletely.
v. **Commercial-use leakage:** Residential premises may be used partly or fully for offices, clinics, tuition centres, restaurants, warehouses or services, but usage tags may not update.
vi. **Exemption and under-assessment opacity:** Exempt units, low-value units and small flats may be valid policy categories, but they must still be mapped, tagged and monitored.
vii. **No-OC / irregular building universe:** Public reporting has highlighted large numbers of buildings/residents affected by OC regularisation issues. Such categories need intelligence-led classification rather than remaining fiscal blind spots.
viii. **Data silos:** Property tax, water connections, building plans, trade licences, fire permissions, shops and establishment data, registry records and electricity-linked occupancy signals sit in separate systems.

7. Missing tax estimate if Mumbai has 28 lakh current physical fiscal units

This estimate should be presented as a model, not as a final audit finding. The purpose is to show the order of magnitude of potential fiscal leakage and justify an urgent CALI FISCAL GRID audit.

Base year used: BMC Budget 2025-26 states property-tax revenue for FY2024-25 was revised to Rs 6,200 crore; public reporting later said FY2025-26 collection reached Rs 7,610.9 crore. For a conservative government note, this model uses Rs 6,200 crore as the base collection.

Step	Formula / assumption	Result
Visible legacy base	Current tax-ledger base used for modelling	9 lakh units
Physical fiscal CLA base	Census household proxy	28 lakh units
Potential missing physical units	28 lakh - 9 lakh	19 lakh units

Current average collection per visible tax-ledger unit	Rs 6,200 crore / 9 lakh	Approx. Rs 68,889 per unit/year

The missing 19 lakh units cannot automatically be taxed at the same average as the current assessed base, because many may be smaller, residential, exempt, low-value or already partially embedded inside building-level accounts. Therefore, three scenarios are more credible:

Scenario	Taxability assumption for missing 19 lakh units	Annual missing tax potential	Total property-tax potential at 28 lakh mapped units
Conservative	Missing units yield 25% of current average tax per visible unit = Rs 17,222/year	Approx. Rs 3,272 crore/year	Rs 9,472 crore/year
Balanced	Missing units yield 40% of current average tax per visible unit = Rs 27,556/year	Approx. Rs 5,235 crore/year	Rs 11,435 crore/year
High but plausible	**Missing units yield 60% of current average tax per visible unit = Rs 41,333/year**	**Approx. Rs 7,853 crore/year**	**Rs 14,053 crore/year**

Policy-safe conclusion: if the 28 lakh physical fiscal-unit base is validated, Mumbai may be missing an annual property-tax opportunity of roughly Rs 3,000-8,000 crore even before rate increases, land revaluation, arrears recovery, commercial-use correction and future 55-lakh CALI FISCAL GRID atomisation are considered.

If the newer FY2025-26 reported collection of Rs 7,610.9 crore is used as the base instead of Rs 6,200 crore, the unit average and missing-tax estimates would increase by about 23%. This should be kept as an upside scenario, while the formal government note may use the more conservative Rs 6,200 crore base from BMC budget documentation.

8. Why 55 lakh is a credible future fiscal CLA COUNT in CALI FISCAL GRID

The 55 lakh number should not be presented as today's existing household count. It is the future fiscal CLA count after CALI FISCAL GRID creates a full parcel-indexed, building-indexed and unit-indexed fiscal grid. It includes both discovered physical units and fiscal revenue atoms created by usage, liability, arrears, exemptions and sub-unit revenue relationships.

i. Residential flats and apartments currently visible or invisible in the tax ledger.
ii. Shops, offices, godowns, restaurants, hotels, clinics, schools, hospitals, industrial premises and mixed-use premises.
iii. Units inside redevelopment and SRA projects that are not fully integrated into the legacy tax ledger.
iv. Exempt units under policy, which still require tagging for monitoring and future policy design.
v. Fractional fiscal atoms such as shared commercial use, amenity areas, parking, FSI-linked liabilities, terrace/advertisement revenue zones and common-area liabilities where applicable.

vi. New units from redevelopment, densification and vertical expansion over the next decade.

Therefore, the right phrase is: 28 lakh is the current physical residential proxy; 55 lakh is the full CALI FISCAL GRID fiscal CLA universe after discovery, atomisation, tagging and future growth.

9. Why Maharashtra should urgently implement CALI FISCAL GRID in Mumbai

Mumbai should be positioned as the proof-of-concept for the Maharashtra Municipal Fiscal Grid. The Government should not wait for full legacy-system replacement. CALI FISCAL GRID can ingest existing data as-is, reconcile it with maps, building IDs, unit signals and external records, and produce a risk-ranked missing-unit and under-assessment dashboard.

i. **Immediate revenue discovery:** Identify unassessed, under-assessed and wrongly tagged units without a blanket tax-rate increase.
ii. **Fairness:** Shift the burden away from compliant taxpayers by bringing hidden or under-classified units into the fiscal grid.
iii. **Auditability:** Create a defensible record of how a property, building or unit was discovered, tagged, valued and billed.
iv. **Policy intelligence:** Separate exemptions from leakages. Government can continue social exemptions but still know the true fiscal universe.
v. **State scalability:** Once Mumbai's model is validated, Maharashtra can roll out the same CALI FISCAL GRID architecture to all municipal corporations and councils.
vi. **Fiscal sovereignty:** A state-level land-revenue intelligence grid becomes a strategic asset for urban finance, infrastructure planning and revenue forecasting.

10. Proposed 120-day Mumbai CALI FISCAL GRID diagnostic pilot

Phase	Duration	Output
Phase 1: Data ingestion	Days 1-30	Ingest BMC property tax ledger, Building ID/SAC records, GIS layers, building permissions, water connections, trade licences, fire NOCs and ward boundaries.
Phase 2: Fiscal-unit discovery	Days 31-60	Create parcel-building-unit map; compare assessed units with household proxy, building footprint, vertical structures and ward-level anomalies.
Phase 3: Missing-unit and under-assessment engine	Days 61-90	Generate ward-wise missing-unit list, usage mismatch list, exempt-unit register, arrears map and high-yield audit queue.
Phase 4: Revenue recovery roadmap	Days 91-120	Submit fiscal impact model, enforcement dashboard, legal workflow, citizen notice templates and phased billing strategy.

11. Draft government-facing proposition

CALI proposes that the Government of Maharashtra and BMC implement CALI FISCAL GRID as an AI-native Municipal Fiscal Grid for Mumbai. The objective is not merely to increase property tax rates, but to identify the complete fiscal-unit universe of Mumbai and ensure that every parcel, building and unit is properly classified, tagged, exempted, billed or monitored according to law.

The preliminary evidence indicates that the current visible property-tax universe of approximately 9-10 lakh billed/levied properties is materially lower than the physical residential fiscal-unit proxy of approximately 28 lakh households. This gap justifies an urgent AI-native fiscal audit.

CALI FISCAL GRID can convert Mumbai into a live, parcel-indexed 3D fiscal digital twin, where every unit is represented as a Cognitive Land Atom and connected to valuation, usage, exemption, arrears, legal and revenue attributes.

If validated, even a conservative monetisation of currently missing or under-classified units can yield additional recurring annual revenues of approximately Rs 3,000-8,000 crore, before considering the larger upside from land revaluation, commercial-use correction, arrears recovery and future 55-lakh-unit atomisation. Mumbai can become the first Indian city to demonstrate that AI-native land intelligence can transform municipal finance without imposing unfair blanket burdens on compliant taxpayers.

13. Important caveat

This note is a strategic fiscal-intelligence proposal, not a completed statutory assessment. Final numbers will be validated by CALI through BMC's live tax ledger, ward-wise assessment books, Building ID/SAC database, property tax exemptions register, GIS/building permissions data, water and sewerage connections, trade licence data and field verification. The purpose of this note is to establish that the discrepancy is large enough to justify an immediate CALI FISCAL GRID diagnostic pilot.