

The Talmakiwadi Co-operative Housing Society Ltd.

(Regd. No. B 227 dt.5-4-41)
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Update on Talmakiwadi Redevelopment

At the 77th Annual General Body meeting held on 19 November 2019, a Redevelopment Sub committee was formed with a mandate to study the different aspects of Redevelopment of Talmakiwadi, seek advice from experts in respective fields, advertise for enlisting of PMCs, short list Project Management Consultant agencies for finalisation and appointment by General Body and submit their report to the Managing Committee.

An update was provided by the Redevelopment Sub committee (RSC) to the General body on 24 September 2022. **At the AGM it was decided that a Special General Body meeting to take a decision on the Redevelopment would be held on Sunday 22 January 2023 in the morning followed by another meeting where the PMCs shortlisted by the Sub committee will make a presentation to the members and the members will rank the PMCs for selection.**

In the backdrop of this it was opined that the Managing committee issued a detailed note to provide guidance to the members. Going forward regular updates would be provided.

COMMENTS MADE IN AGM HELD ON 24 SEPTEMBER 2022

- Today our buildings are not in bad / dilapidated / unsafe conditions. Thereby, we do have some time on our hands and we can bargain for maximum benefits and the best developers and have an upper hand. Once our buildings get in bad shape, dilapidated, unsafe condition we would be left with little scope and time for bargaining.
- A large amount of hard earned money spent every 3-5 years on repairs and maintenance literally goes down the drain as we do superficial repairs whereas the basic structure remains weak.
- Lack of lifts is a major problem faced by senior citizens.
- Most of the residents are Senior citizens who may face hardships during relocation.

Notification issued by Government of Maharashtra for Redevelopment Process

The Government of Maharashtra had issued a notification dated 3rd January 2009 which was subsequently updated on 04 July 2019. The GR provides directions under Section 79a of the MCS Act 1960 and lays down steps to be followed by a Society undertaking redevelopment.

The Managing Committee (MC) and the RSC is committed to follow the directive. All major decisions will be taken at Special General Body Meetings (SGM).

1. Quorum for the SGM shall be 2/3rd of the total number of members of the society. Our society has 217 tenant members as of 31 March 2022 hence 145 members need to attend the meeting to make up the quorum for the meeting. The quorum should be formed at the stipulated time of the meeting and there is no scope for extension of commencing the meeting with delay.
2. If quorum is not fulfilled, the said meeting is adjourned and by giving 7 days notice, the said meeting shall be again arranged within next 1 month. If again quorum is not fulfilled in the said meeting then the meeting shall be cancelled by assuming that the members are not interested in the re-development of the building of the society and the said subject cannot be brought for the approval before the Special General Body Meeting for up to next 3 months.

(Therefore, members should attend all the meetings that may be convened from time to time, come prepared and participate freely. Members will be kept informed at every stage of the project)

3. The Agenda of the meeting should be given to each member of the society before 14 days of the meeting and its acknowledgement should be kept with the office record.
4. Before calling the said meeting, the managing committee of the society shall call at least 3 quotations for preparing Project Report of the re-development work of the society from the Project Management Consultant on the panel of Government/Local Authority comprising of registered Architects from the Council of Architecture under the Architect Act, 1972 and one expert person amongst them shall be selected in the Special General Meeting.
5. The primary decision regarding whether the re-development of the society to made or not will be sanction in this General Body Meeting with not less than minimum 51% members of the total number of members of the society shall be necessary for the said decision. For this, any type of approval, opinion, remarks whether written or oral of any absent member shall not be considered in the General Body Meeting.
6. Society shall create a web site and all type of information in respect of the re-development like notice, minutes of the meeting and report of the Project Management Consultant etc. shall be kept on that web site. The said information shall be available to the members of the society. Notices and minutes of the meeting regarding the said project shall be sent to the members by e-mail/in person/registered post. Each member will have to submit his e-mail ID and contact particulars for sending notices and minutes of the meeting through e-mail in respect of the said project. Registrar will also be communicated about the said web site.
7. Suggestions and communication through the minutes of the meeting of the Managing Committee and Special General Body Meeting regarding the re-development shall be necessary to communicate to the concerned Registrar's office within 15 days of the said meeting through e-mail and hard copy. The acknowledgements in this regard should be kept carefully by the said societies.
8. A dedicated e mail address will be created for members to communicate with the MC and the RSC.
9. Subject-wise business in the said Special General Meeting shall be transacted as follows:-
 - a. To take primary decision by considering the demand of the members and the suggestions received regarding making the re-development of the building of the society.
 - b. To select expert and experienced Architect/Project Management Consultant on the panel of the Government/Local Authority for the work of re-development of the society and to fix the scope of work to be done by them and terms/conditions.
 - c. To submit the frame work of the programme of the re-development of the society.

THE COMMON APPREHENSIONS / QUESTIONS ASKED:

1. What benefits (extra area and corpus fund) will redevelopment give us?

The extra area and corpus will depend on the area available for free sale. In self development, we keep all the profits, but are also liable for all the expenses of the project.

When done through a developer, the profits are shared between the society and the developer. The developer is liable for **ALL** the expenses of the redevelopment project. Our share will be in terms of additional area (carpet area) and a corpus fund. The idea for the corpus fund is to offset the increase in the property taxes, maintenance and outgoings. There is always a debate on quantum of additional area and corpus. As you increase the additional area which each individual member gets, the corpus reduces.

We have to achieve a balance between the two.

The feasibility report will give us an idea of the benefits.

Corpus Fund:

The money is paid directly to the existing members. The amount and schedule of payment is decided at the SGM and incorporated in the agreement.

Is the amount taxable?

There is no clarity on the matter. The matter is under judicial review. However, there is an opinion that if the money received by the members is called "Hardship or Inconvenience Compensation" it is free of tax. It is up to us to negotiate the additional area and the corpus fund. Each society will have its own calculations. Do not compare with what other societies have got out of their redevelopment.

2. Is shifting mandatory? Are there possibilities of avoiding shifting especially for senior citizens, schools going children while construction in progress? Temporary Alternate Accommodation:

During the construction of our buildings, the members will have to shift to a Temporary Alternate Accommodation for the period of the construction. Displacement of residents, especially senior citizens, is a major concern in redevelopment projects. The PMC should advise us on the matter.

Ideally we would prefer to go for phase-wise construction with shifting of members to within available area in the society from few buildings before demolition of building and barricading the area to reduce the impact of air and noise pollution. However if in the opinion of the PMC this is not possible the members will have to shift.

Normally developers give us a temporary alternative accommodation. Most developers prefer to give us the money for the rent, brokerage and shifting expenses.

Brokerage: The one time brokerage is equivalent to one month's rent.

Shifting: The Developer has personnel to help residents to shift to the alternate accommodation. Members may use their own persons. The Society as a whole can negotiate with a moving company for all the members. Shifting expenses both ways shall be paid by the developer. Infrastructure of volunteers should be formed to assist senior citizens in finding alternate accommodation, shifting to and from the premises and proper follow up once the member has shifted to check up on the member's well being.

Change of address: This will be required to receive bills of MTNL, bank a/cs., share certificates, Mutual Fund investments etc. Your CA will have to be informed of the change of address to file the yearly tax returns.

3. A) What happens during redevelopment is being done? Will there be some sort of compensation given during the entire construction period? If so, will it be monthly or lumpsum as project starts?

B) While redevelopment is going on, how will we be taken care off in terms of interim accommodation till the entire project is finished and handed over to us? Will we be given a monthly amount to pay for rented interim accommodation or will we be accommodated elsewhere (close by or far off in terms of location) or both?

Rent for the temporary alternate accommodation:

The rent for the alternate premises is based on the Carpet Area of the member's existing premises, market rate prevailing in the area and the period of displacement. The calculation is as follows:

Carpet area of existing premises X Rent per sq. ft. per month X period of displacement The rent should be from the date the members vacate their flats.

- Members should vacate their flats ONLY after the Commencement Certificate is obtained.
- The rent should be paid for the full period of completion of the project and in advance.
- Typically, a lump sum is paid up front and the rest by post dated cheques. If any delays are expected, the rent must be revised at least 6 months prior to the agreed date of completion. This will give Society time to take action if the rent is stopped by the developer. Penalty / increase and extension of the rent should be agreed upon in case of delays in the project.
- The portion of the rent not utilized is taxable. – **(check with CA)**
- Adequate notice should be given to residents to shift to alternate accommodation taking into consideration monsoon, school and college year etc. This has to be done mutually and built into the agreement. It has been suggested that an interest free security deposit should be taken from the developer against bouncing of rent cheques. The deposit should be kept with the Society. In case a rent cheque bounces, the money should be deducted from the security deposit.
- After the existing members have moved into their newly constructed flats, the balance, if any, of the security deposit should be returned to the developer.
- All the points regarding the temporary alternate accommodation must be clearly mentioned in the Agreement to be signed with the developer.

If we do the redevelopment ourselves (self development), the money for shifting and rent is on us.

4. If the developer delays the project for whatever reason or abandons it completely, how do we protect ourselves against these catastrophes?

A bank guarantee is taken from the developer so that in case the developer delays the project or abandons it, the members are able to complete the project after encashing the bank guarantee.

As per the directive of 04 July 2019, the bank guarantee should be 20% of the cost of construction.

Will it be enough to complete the construction in case the developer withdraws?

There is an opinion that the bank guarantee should cover the cost of construction of the entire project and not just the existing area.

We have to select a developer who is financially strong and has deep pockets.

The bank guarantee is on a receding value depending on the progress of the project.

5. What is going to be the amount we have to spend for the feasibility report?

General body has approved Rs.7 lakh towards the feasibility reports. Charges by the PMC/ Architects depend on their standing in the industry and the scope of work. All expenses incurred in the redevelopment process can be recovered from the developer.

6. The FSI which is being provided free of cost, does it include car parking space or with respect to the area of the flat only?

Each member is assured of one car parking space. Any additional space will depend on the area available and the design. It is for us to decide. We do not know if it is free of FSI.

7. **A) What is the system of allotment of flats to existing members in the new buildings?**
B) If members have flats in different buildings or if family members have flats in different buildings at the time of redevelopment can those be clubbed or next to each other or bcz it's going to be building-wise and clubbing would not be possible?

Allotment of flats to existing members in the new buildings is one of the causes of delays in the redevelopment projects. A lot depends on the design of the project. It is for us to decide. However, once decided, we should not deviate from the procedure.

8. **Take opinion from the legal experts be taken before any agreement / MOU is signed with any parties.**

We have to appoint an Advocate experienced in redevelopment work to guide us through the legal intricacies of the redevelopment process and to safe guard our interests. No agreement / MOU should be signed with any party without proper legal opinion. The final authority to approve any agreement is the General Body and the individual member.

9. **What is the maximum number of floors that can be constructed?**

The feasibility report will give us an answer. However, the height should be similar to the other buildings being redeveloped in our area.

10. **What is the approximate expected rise in property tax payments outgoings for the new constructions?**

At the moment we do not know. It will definitely be higher than the present.

11. **In the redevelopment of our society, will the plots be sold to the developer?**

The Mumbai District Co-operative Housing Federation Ltd. has published a booklet on redevelopment. It says:

“The developer undertakes the work of redevelopment because of additional floors can be constructed by purchasing “Transfer of Development Rights”, herein after referred to as TDR. The CHS’s architect will have to examine whether the TDR is purchased as per BMC Rules and is sanctioned by BMC competent authority. It should be purchased in the name of the CHS at the cost of the Developer by executing a suitable agreement by the CHS and the Developer. It attracts payment of Stamp Duty and Registration with the Sub-Registrar of Assurances. Stamp Duty and Registration charges should be paid by the Developer in the name of the CHS. Entire cost of TDR should be borne by the Developer as he includes its cost in the price of the flats for sale to new purchasers. Some CHS raised a query that whether in context of additional TDR, resulting thereby in additional construction area of the same plot the additional amended conveyance is necessary. The answer is “No” as a plot’s area remains the same as per the Conveyance Deed. As the Conveyance of Land is in name of CHS and building is constructed as per FSI or TDR prevailing at that time purchased by the developer in the name of the CHS, the entire property shall be owned by the CHS and hence, conveyance for additional constructed area is not necessary”

If the members opt for Self Redevelopment there is no question of Developer.

12. Amalgamation of Plots in case of Redevelopment

TCCHS has 2 plots which will need to be amalgamated for Redevelopment. In case KSA and BVES opt to join in the Redevelopment their plots will also have to be amalgamated. PMC will guide on the process and timeframe.

13. Will the Society be required to go into voluntary liquidation?

Liquidation of the society is not necessary. Whether we do the redevelopment ourselves or through a developer the society remains the same. The purchasers of the new flats are inducted into the society as new members for whom there is a prescribed procedure. The directive has laid down step by step procedure to be followed.

14. What are the initial costs of the project?

We have yet to work out an approximate budget for the redevelopment process. However, some of the major expenses are: Stationary and photo copies, Appointment of the Architect / PMC, expenses for procuring official documents and expenses for the SGM

15. What will happen to the statutory funds lying with the society?

All statutory funds lying with the society should be liquidated and brought to zero. The money in these funds should be returned to the individual members as per their contribution. The funds rebuilt again when the new members are admitted.

16. Can you give us some information on the taxation aspect of the redevelopment process?

As many matters of taxation of redevelopment projects are under judicial review, opinion of taxation experts will have to be obtained.

17. Is there a lock in period before an existing member can sell the redeveloped flat?

Generally in case of MHADA Redevelopment lock in period is stipulated. We will have to seek the opinion of the advocate.

18. Is there any time frame validity period for appointment of PMC?

In terms of the Circular of 04 July 2019, the PMC shall be issued an appointment letter within 30 days of the SGM.

19. Will existing legal cases affect redevelopment process?

Ideally, all legal cases should be resolved before we begin the reconstruction. It may be noted that the member registered in the records of the Society can attend the meeting and vote at the meeting. In case the SGM decides to go ahead with the decision of Redevelopment with the requisite majority the individual legal cases cannot stall the redevelopment process.

20. If an existing member is not inclined to have additional FSI, what options are available to the member? Will the member get additional corpus for additional FSI due but relinquished by the member?

It will depend on the number of members, the design of the project and the GB.

21. Would it be possible to have one or two entire towers exclusively for present members of the colony, a separate society maintaining Chitrapur Saraswat identity, specially in view of Datta Jayanti Utsav and other such functions held annually?

There could be a dilution of the Chitrapur Saraswat identity when the new members are admitted. Various designs are possible to ensure a separate area for existing members. We have to ensure that the flats constructed for sale are not superior to ours. Legal opinion will have to be taken on this matter.

22. Regarding registration, and stamp duty, will the developer do that for us?

It is the responsibility of the developer to complete all the statutory requirements.

23. Do we have an idea of the timeline for completion of the project?

As mentioned in the AGM held on 24 September 2022, we have received feasibility report from only 1 PMC. Feasibility reports from 2 more PMCs are awaited. Once these reports are received we will have rough idea of the timelines for completion of the project.

24. In case we are not able to attend the SGMs for various reasons, is there a proxy available?

No proxy is allowed at the SGM. Only Members or in their absence, an associate member authorised by the member can participate in the meetings. Documents to make an Associate Member are available in the society office. Adequate notice for the SGM will be given to members.

It may be noted that all decisions in respect of Redevelopment will be taken by the SGM only. There will be many SGMs which will need to be convened over a period of time.

- a) First SGM would decide to take a decision to go in for Redevelopment and appointment of PMC/ Architect
- b) Subsequently SGMs will need to be called to select the Contractor based on the bids received in response to the tender floated by the PMC
- c) Any change in the plans/ decisions will need to be approved by SGMs hence there may be many SGM meetings that will need to be called.
- d) At the time of signing agreements / deal structures, the member will have to be present.

In all these SGMs the quorum of 2/3rd of the members is mandatory and as mentioned in the Circular of 04 July 2019, authorised person from Registrar's office will be deputed to attend the meetings. It is hence important that the member/ associate member attends all the SGMs in person.

25. In case a member wants a larger area or additional flat, what will be its cost?

Some societies have negotiated a clause of the first right of refusal for the free sale flats be given to the existing members. The concessional cost on the area additional area / flat to members can be decided by the GB.

26. Do we have records of Approved plans of our buildings?

No we donot have copies of the approved plans which were approved in late 1930's. We have also checked with the BMC and the documents are not available in their records as well.

27. What type of amenities can we expect? Are we looking at a luxurious type apartment complex?

It is for us to decide. We have to decide on certain basic amenities / facilities. The best way to decide is to visit societies which have been redeveloped find out the amenities / facilities they have.

- i) Are the facilities adequate for the number of members?
- ii) Are the members actually using these facilities?
- iii) What is the cost of maintenance?

28. Who will look after the maintenance or any repair work of the new buildings?

When the existing members move into the buildings that are constructed for them, they have to take charge of the building. The corpus fund will help offset these expenses. There is a defect liability agreement up to 3 years which is signed with the contractor. If there is any defect noticed up to 3 years from occupation by the members, then the contractor is liable to rectify the defects at his cost. It has been suggested that an interest free security deposit should be taken from the contractor against non compliance of the defect liability. The deposit should be kept with the Society. In case the contractor does not rectify the deficiencies, the amount should be deducted from the security deposit. After 3 years, the balance, if any, of the security deposit should be returned to the contractor. After 3 years, the responsibility of maintenance of the building is on the members.

29. On completion of the redevelopment project, the new members will be admitted. If something happens to me will my legal heir considered as new member?

The flat belongs to you. Your legal heir(s) will be considered as existing members.

30. Are we going to get any updates on the 3 PMC reports?

Yes all reports will be uploaded on the society website

31. Feasibility report?

Will be uploaded on the society website

32. What is getting planned for redevelopment, self development or through any builder?

Will be decided by the General Body

33. Who is eligible for SGM, who can become associate member?

Please refer the circular issued by the society on 15 November 2021 based on the Amendment to the MCS Act issued vide Gazette notification no.23 of 2019 dated 23 July 2019 by the Government of Maharashtra.

We reproduce herein below the criteria mentioned in the amended Act for admission of Associate members

Section 154 B-1 (18a) has defined Associate Member as follows:

“Associate Member means husband, wife, father, mother, brother, sister, son, daughter, son-in-law, daughter-in-law, nephew, niece a person duly admitted to Membership of a housing Society on written recommendation of a Member to exercise his rights and duties with his written prior consent and whose name does not stand in the share certificate”

Associate membership form is available in society office

34. Can one with multiple flats vote twice?

One member holding more than one flat will have only ONE vote

35. What happens to Udyog, Hall, Datta Mandir, Gym, Play center, Health Center, Ambulance etc during and after redevelopment?

Of the activities mentioned in the question, Ambulance was sold off by the concerned institution and was not functioning for many years. All eligible tenants and members will continue with their activities post Redevelopment.

36. What is the Effective FSI and the break up made of components for the cluster redevelopment in terms of 4 different entities respectively.

- a) Basic FSI
- b) Additional FSI
- c) Fungible FSI free of cost to Rehab and Saleable area for *Existing Members*
- d) Extra FSI given as *encouragement* for Self Development
- e) TDR for Road Widening
- f) For community Cultural organisation
- g) For Educational school institution etc?

The FSI would depend on the type of Model that we opt for. Presently we have 4 plots with distinct CS Nos belonging to 3 institutions. TCHS owns 2 plots, KSA owns one plot and BVES owns one plot. Individually each institution can independently opt for Redevelopment under schemes of DCPR 2034 where the FSI available is in the range of 3 based on the road width. However if all the 3 institutions come together Redevelopment under Cluster Development can be considered where the requirement is minimum area of 4000 sq mtrs for FSI of 4 which is higher than other schemes.

The feasibility reports which will be shortly uploaded on the website will provide the details on all these points.

37. Will there be any expenses we need to bear during redevelopment apart from legal expenses for registration and other expenses, especially if self development is thought of?

Presently members contribution will not be solicited since we have already made a provision of Rs.7 lakh in the AGM held on 24 September 2022. We will seek clarifications from the PMC on the cost to be incurred if one opts for Self-redevelopment.

38. How will the pagadi properties be dealt with?

Pagadi properties will be dealt with strictly under the provisions of Maharashtra Rent Control Act.

39. Will all be treated in the same manner for any compensation to be received, if any, whether the house is self occupied or given on rent or left empty?

Compensation is provided based on the area of the tenement. However members are requested to contact their Chartered accountant to seek their advice on tax implications on the monthly rent compensation received.

40. Two questions - both inter-related with the original identity of Talmaki wadi being a home for all amchis only and kept that way for decades.

a) The (Re)Newed Talmaki wadi name needs to be kept - Is this possible as the builder might give their own name - unless we as wadi-ites specify in the new builder contract that the wadi name should be kept as is?

b) Only Amchis are allowed to buy flats as of now. Will the same apply in the renewed Talmaki wadi or anyone can buy? That would be a shame as the general population can buy from other properties all over Mumbai, but only Amchis can buy here thereby giving us a sense of community. Especially since our community is smaller and spread out throughout the world.

The name of the Redeveloped society will continue to be Talmakiwadi.

Presently the Bye-laws of the society approved by the General Body restricts membership of the society to the community. The General Body would be the forum to decide on whether the membership should be opened to all or continue with the restrictive membership.

IMPORTANT POINTS TO BE ACTIONED ON PRIORITY

1. There are few members in TCHS records who are deceased and their nominee/ family member haven't submitted application for transfer.
2. Post 2019 amendment of the MCS Act nominees have been admitted as Provisional members. Such members are requested to submit their Testamentary documents so that they are admitted as Regular members and will be in a position to nominate Associate members who can attend the SGM.
3. Many of our members may not able to attend the SGM:
 - i) They are not in Mumbai. Some of our members stay out of Mumbai or abroad.
 - ii) Members are not medically fit to attend the SGM.

Members, who are not able to attend the meetings, should appoint a trusted person as an Associate Member to represent them at the meetings.

SGM would be held on 22 January 2023. The time and venue of the SGM will be announced shortly.

The information given is to the best of our knowledge and belief as on this moment.

While taking such an important decision as Redevelopment, it is important that members air all issues/ apprehensions that they have openly and discuss them with the members of MC or RSC so that in case any further expert advice needs to be taken the same can be sought for before the SGM.

If a member feels that some points have been missed out or information given is incorrect, please bring it to our notice.

For Talmakiwadi Co-operative Housing Society Ltd

Shivdutt Halady
Hon. Secretary

Mahesh Kalyanpur
Chairman