

# THE SARASWAT SUBURBAN CO-OPERATIVE HOUSING SOCIETY LTD.

(Reg. No.2300 of 12.3.1919 changed to No.87 on 7.5.1921)

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19<sup>th</sup> July 2014

All Members

## **Subject: Redevelopment of the Society Buildings - An update**

You will recall that the Redevelopment Sub-Committee had convened meetings with various building groups to informally apprise the members of the various steps in redevelopment. In this context, it may also be recalled that this move was subsequent to receiving a representation from a cross-section of the Members that the Managing Committee (MC) consider the redevelopment of the Society buildings. The MC then reconstituted the Redevelopment Sub-Committee (RSC) under the Chairmanship of Dr. Shashi Marballi with Mr V. N. Kalbag; Mr. Prakash Bajekal and Mr. Prakash Bijoor as its members. The RSC then immediately took steps to understand the process of redevelopment and decided to meet members in smaller groups to apprise them of the process and understand their views and concerns on this important matter. The RSC has summarised the deliberations which is appended at ANNEXURE 1.

It may also be noted that the Society subsequently received a representation from over 25% of the members requesting that a General Body Meeting be convened to decide on the redevelopment of the Society Buildings. As conveyed to the General Body by the RSC during the course of its meetings, the process is governed by the Maharashtra Government Circular dated 3<sup>rd</sup> January 2009.

In this context, we request all members to carefully note the following points and take necessary action wherever applicable:

- 1) The RSC has observed that a vast majority of the Members are for an in principle agreement to proceed with the redevelopment of the Society Buildings. Having received the representation to convene a General Body meeting for this purpose, the Government circular stipulates that such a General Meeting must have a quorum of at least 75% of the members. This means that the meeting must be attended by at least 141 members.
- 2) In view of the above, it is absolutely necessary that each member or the Associate Member must attend the meeting to ensure that the quorum requirements are met. The RSC has found out that, there are 14 members not residing in India, 9 members not residing in Mumbai, 12 members who may not be medically fit to attend the SGM and two flats are in caught up in legal cases. The RSC is in constant communication with these members.

In cases where members are not able to attend the SGM, necessary immediate action must be taken by them to nominate Associate Members. The Society's Office will be glad to guide them through this process, which is very simple. However, the necessary action to nominate Associate Members must be taken on an urgent basis so that the Managing Committee can admit them well ahead of the SGM.

- 3) Members are also requested to note that the SGM will essentially have four agenda items – to accord an in principle approval to go ahead with the redevelopment of the Society Buildings (this needs to be passed with at least a 75% majority); if the in principle approval is accorded – to appoint an Architect/PMC (Project Management Consultant); to give a broad programme for redevelopment and to pass a budget for the redevelopment process.
- 4) We would like to emphasise here that the first item is to only accord an “in principle” approval to go ahead with the redevelopment process. The terms of reference for the PMC are being finalised by the MC based on its initial draft circulated to you all and the

feedback received thereto. The PMC will be coming out with a feasibility report which will stipulate what a member could get on redevelopment; additional flats that will be constructed and other related matters. The feasibility report, which will specify the road map of redevelopment, will again be placed before the General Body (with the same stringent requirements of quorum) when the final decision for redevelopment will be taken.

- 5) With regard to the SGM – the RSC has rightly informed us that we must hold the same somewhere in November. This has been necessitated so that proper spade work is done to invite quotes from prospective Architects/PMCs, evaluate them and then subsequently place the short-listed PMCs before the General Body. It will also give enough time to members to complete the process of nomination of Associate Members.
- 6) Members are also requested to ensure that they have their share certificates in proper order. If any member has misplaced or damaged the share certificates, please inform the Society office immediately.
- 7) Please check the society website [www.saraswatcolony.org.in](http://www.saraswatcolony.org.in) for updates.
- 8) A dedicated e mail id -- [sschs.redevelopment@gmail.com](mailto:sschs.redevelopment@gmail.com) -- has been created for members to communicate with the MC and RSC.
- 9) Updates on the redevelopment process will be sent to members by e mail. Only those members who do not have an e mail id will receive a hard copy.
- 10) However, notices/circulars of a statutory nature will be delivered as per the provisions of the bye-laws (pasted on notice boards/hand delivered).

In case you require any further information, you are welcome to contact the Society office (26603802) or Dr. Shashi Marballi (26604063 / 9820114647).

We look forward to your active participation and involvement in handling this important matter.

Thanking you  
Yours faithfully

Sd/-  
(V. N. Kalbag)  
(Hon. Secretary)

Encl: As above

**ANNEXURE 1: Summary of discussions of member groups with Redevelopment Sub-Committee between 28<sup>th</sup> April & 6<sup>th</sup> March 2014**

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**1. OPENING REMARKS**

All meetings commenced with opening remarks by the Managing Committee (MC) representative giving a background on redevelopment. It was informed that the MC had received representation from a cross-section of the members to consider redevelopment of the Society. The MC since reconstituted the Redevelopment Sub-Committee (RSC) and Dr. Shashi Marballi was the unanimous choice at its Chairman with Mr. V. N. Kalbag; Mr. Prakash Bajekal and Mr. Prakash Bijoor as its members. It was also emphasized that the MC was committed to carry this task forward in the most transparent manner.

RSC has since done considerable spade work. It was felt that the RSC meets members in smaller groups to explain the redevelopment process and also understand the views and concerns of the members. Involvement and participation by all members was also requested.

**2. BRIEFING BY DR. SHASHI MARBALLI, CHAIRMAN, RSC**

The RSC's job is to assist the General Body and the MC. The General Body is the decision making body and the MC is the executing body. The RSC will act as a facilitator in the process. The redevelopment can be undertaken by the Society, either on its own (self development) or by entering into a contract with a developer.

The Government of Maharashtra has issued a notification dated 3<sup>rd</sup> January 2009 which 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). However, a lot of work will be done in small group discussions like the present one with a specific agenda.

The directive of 3<sup>rd</sup> January 2009 has laid down stringent quorum requirements. For example, at the 1<sup>st</sup> SGM (to take the preliminary decision on redevelopment), the Quorum for the SGMs shall be 3/4<sup>th</sup> (75%) of the total number of members of the society i.e. 141 members make up the quorum for the meeting. If there is no quorum, the SGM shall be adjourned for 8 days and the meeting shall be convened accordingly. If there is no quorum at the adjourned SGM, the notice for the meeting shall stand dissolved and it will be considered that the members are not interested in the redevelopment of the society's buildings.

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. Groups of residents of our society will assist the MC and the RSC in legal, financial matters etc.

All documents pertaining to the redevelopment process will be uploaded on the society website [www.saraswatcolony.org.in](http://www.saraswatcolony.org.in).

A dedicated e mail address [sschs.redevelopment@gmail.com](mailto:sschs.redevelopment@gmail.com) has been created for members to communicate with the MC and the RSC.

It is important members air all issues openly and discuss them, no matter how unpalatable or unpopular that opinion maybe to others.

**2.1. State Government and Municipal notifications, acts and circulars affect the redevelopment.**

A few of them are given below:

**2.1.1. Sanctioned Development Plan Remarks for our plots pertaining to CRZ II**

“As per the decision received from Maharashtra Coastal Zone Management Authority as in their 76<sup>th</sup> Meeting held on 30.07.2012 and as per the comprehensive plan & list of CTS forwarded to MCZMA, the plot under reference is situated beyond 500 mt setback line from HTL of Sea and beyond 150 mt CRZ setback line from HTL of Creek”

The remark is valid for the period of one year from the date of issue. We owe a depth of gratitude to Mr. Sunil Kaikini who made this application on our behalf when he was doing it for his plot.

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### **2.1.2. Regulation for Inclusive Housing – 08.11.2013 (gist of notification given below)**

As per the provisions regarding Inclusive Housing incorporated in the Development Control Rules of Greater Mumbai:

For a plot of land admeasuring 4,000 sq. mts. or more being developed for a housing scheme consisting of one or more buildings, Economically Weaker Sections / Low Income Groups Housing in the form of tenements of size ranging from 30 to 50 sq. mts. (hereinafter referred to as ‘affordable housing tenements’) shall be constructed at least to the extent 20% of the basic zonal FSI, subject to following conditions:

- i). The built up area of the EWS /LIG tenements constructed under the scheme shall not be counted towards FSI.
- ii). The Planning Authority shall ensure that the Occupation Certificate for the rest of the development under the scheme is not issued till the Occupation Certificate is issued for the affordable housing tenements.
- iii). Within 6 months of obtaining the Occupation Certificate for the affordable housing tenements, MHADA shall either purchase such affordable housing tenements or allot the tenements to allottees selected by MHADA.

This notification has been challenged in the High Court and a verdict is awaited.

### **2.1.3. Maharashtra Housing (Regulation and Development) Act 2012.**

The Govt. of Maharashtra has yet to decide a date for commencement of the act.

### **2.1.4. Supreme Court judgment in the MCGM Vs Kohinoor CTNL Infrastructure Company Pvt. Ltd. dated 25-7-2013.**

Part II of the judgment regarding Recreational Grounds and Fire Safety is of interest to us.

How the above mentioned notifications, acts and judgment will affect our project will have to be explained by the PMC and Advocate.

The above mentioned documents have been uploaded on to our website.

### **2.2. What is FSI?**

It stands for “Floor Space Index” and in respect of a plot of land, it denotes the area which can be constructed upon that plot of land.

As per the Development Control Regulations (DCR) for Mumbai Metropolitan Region 1999, the FSI is calculated as given below:

Total Covered Area on all Floors / Gross Plot Area = Floor Space Index

FSI in respect of the plot varies depending upon the location and the user zone of the plot.

Thus, based on the permissible FSI, some additional square feet of construction is allowed on each plot of land.

As per Modified Development Control Regulations published in 2012 and guide lines issued in that respect for suburbs / extended suburbs of Mumbai, the plots can be redeveloped as under:

1.By utilizing basic plot F.S.I.	:	1.00
2.Additional F.S.I. of by paying premium to M.C.G.M. / Govt.	:	0.33
3. F.S.I. in the form of T.D.R. purchased in the open market	:	0.67
4.Fungible F.S.I. allowed free of cost on existing area	:	0.35
5.Fungible F.S.I. by paying premium for additional constructed area	:	<u>0.35</u>
<b>Total F.S.I available</b>	:	<b>2.70</b>

The fungible F.S.I. on existing area is allowed free of cost.

### **2.3. What is fungible FSI?**

The Maharashtra Government has amended the Development Control Regulations (DCR) for Mumbai Metropolitan Region to reduce the arbitrary decision making in redevelopment of societies.

According to the new DCR Amendments, balconies, terraces, flower beds, niches voids etc. would now be counted in the FSI.

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To compensate for the loss of free-of-FSI areas, Fungible FSI to the extent of 35% for Residential Development and 20% for Industrial and Commercial Development have been allowed with premium.

No premium for Fungible FSI would be charged for members whose flats are being redeveloped.

To protect the interests of the existing owners, the Fungible FSI of the existing buildings would not be transferable to the free sale portion of the construction.

Fungible FSI can be used to make flower beds, niches etc. or to make larger habitable areas.

### **2.4. What is Cluster Development?**

One of the methods of redevelopment is called Cluster Development Scheme.

As per the Accompaniment to Government in Urban Development Department's Notice No. TPB 4307/2346/CR-106/2008/UU-11 dated 30th June, 2008:

**Cluster** means a group of conjoined mixed old cessed and non cessed buildings constructed prior to 1969 having a minimum area of 4000 sq. mtrs and a maximum of 1,00,000 sq mts.

**Cluster Development Scheme** means a scheme of development of cluster in the Island City of Mumbai having a minimum area of 4000 sq. mtrs and a maximum of 1,00,000 sq mts. which consists of a mix of old cessed and non cessed buildings and structures of different characteristics, herein referred to as "CDS".

For reconstruction or redevelopment of old buildings under cluster development in a joint venture with developers along with land owners and/or Co-op. Housing Societies of tenants, the FSI shall be 4.00 or the FSI required for rehabilitation of existing tenants / occupiers plus incentive FSI as given in Appendix-III-A, whichever is more.

### **2.5. What is TDR?**

TDR Stands for "Transfer of Development Rights". It is a certificate given by the Municipal Corporation to an owner whose property (either part or whole) is reserved for the purpose of public utilities such as road, garden, school etc.

The rights / certificate, which are equivalent to the area of the reserved portion, are obtained by the owner on surrendering the property to the Municipal Corporation.

These Transferable Development Rights are purchased and put to use while carrying out redevelopment of a society.

### **2.6. Project Management Consultant (PMC) and Feasibility Report:**

The government directive of January 2009 says that an Architect / PMC has to be selected at the 1<sup>st</sup> SGM.

Further, that the Architect / PMC should be selected from the panel of State Government / Local Self Govt. (for us it is the Municipal Corporation).

Now until January 2009 there was no entity called PMC in the construction industry. The construction industry uses the services of an Architect and a Structural Engineer. After the directive of January 2009, an entity called a PMC came into existence. So a PMC firm will have an Architect or a Structural Engineer as its head. Some of them also offer legal services.

The PMC's job is to prepare a Feasibility Report, wherein all the aspects of the redevelopment project will be covered. The PMC will interact with members through a detailed questionnaire or through group discussions or both. Based on the inputs the PMC will prepare a Feasibility Report of the redevelopment project.

## **3. THE COMMON APPREHENSIONS / QUESTIONS ASKED:**

### **3.1. 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. The minimum extra area each member will be eligible is 35% of the existing area.

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### 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.

### 3.2. 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. The Developer may 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.

#### 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.

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

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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 January 2009, 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.

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

At this point we really don't know. It depends on the standing of the PMC in the industry and the scope of work. All expenses incurred in the redevelopment process can be recovered from the developer.

**3.5. 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.

**3.6. What is the system of allotment of flats to existing members in the new buildings?**

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.

**3.7. 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.

**3.8. What is the maximum number of stories 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.

**3.9. Currently our buildings are scattered over four plots. Explore the possibility of having one gated community.**

One of the methods of redevelopment is called Cluster Development Scheme. At the moment we do not know whether it is applicable in the suburbs. This should be one of the questions we have to ask the PMC. At the least we should try to get the triangular plot within our compound.

**3.10. 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. When "Sujata" and "Shubh Jeevan" are ready, we will get an idea of what the property tax structure, municipal tax etc. will be.

**3.11. 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

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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”

**3.12. 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, like in the last redevelopment that was done in the late 70s and early 80s. 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.

**3.13. 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

**3.14. 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.

**3.15. 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.

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

We will have to seek the opinion of the advocate.

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

The PMC shall be appointed within 15 days of the SGM. As per the directive, the PMC should submit the feasibility report in 2 months. However, in our case it could be longer. The upper limit is for us to decide.

**3.18. Will existing legal cases affect redevelopment process?**

Ideally, all legal cases should be resolved before we begin the reconstruction.

**3.19. 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.

**3.20. Would it be possible to have few entire towers exclusively for present members of the colony, a separate society with rights on of the play ground triangular plot and maintaining Chitrapur Saraswat identity composition, further it would be possible for our Saraswat Club hall exclusive?**

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 the matter of exclusive rights to open areas and community halls.

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



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

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

There is no way to say how long the project will take.

**3.23. 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.**

However, the member may make a trusted person an Associate Member to 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. At the time of signing agreements / deal structures, the member will have to be present. If the member cannot be present, the Associate Member can do so on behalf of the member with the proper Power of Attorney.

**3.24. Is there a metro rail being planned along the Linking Road?**

At the moment we have no knowledge of the metro rail.

**3.25. 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 cost of the area additional area / flat to members can be negotiated with the developer.

**3.26. Do we have records of the land area or the plot area etc?**

We are in the process of searching for the documents in our files. If some documents are missing, the PMC should be able to obtain them from the relevant authorities.

**3.27. 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?
- ii). What is the cost of maintenance?

**3.28. Can we build anything on that open ground?**

It would be an ideal for us to use the central play ground to build our first building. There would be no necessity to relocate to a temporary alternate accommodation. However, the question is:

- i). Will the municipality allow us to build a structure on the open play ground?
- ii). What would be the reaction of the residents around the ground to a tall building in front of their flats where there was once an open space?

**3.29. 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 developer. If there is any defect noticed up to 3 years from occupation by the members, then the developer is liable to rectify the defects at his cost. It has been suggested that an interest free security deposit should be taken from the developer against non compliance of the defect liability. The deposit should be kept with the Society. In case the developer 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 developer. After 3 years, the responsibility of maintenance of the building is on the members.

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**3.30. 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.

**4. COMMENTS AND OBSERVATIONS**

- 4.1. The PMC whom we appoint has to look after our interests.
- 4.2. Establish contacts at the State and municipal level. It will help us to procure documents and for guidance.
- 4.3. We should expedite the first step where establishment of intent and not bring in other issues because it only delays things.
- 4.4. We should be very careful and get the authentic documents from the departments.
- 4.5. We need to speed up the process in which case if we can send out a sort of a questionnaire or something that would help us to focus to the issues people have got.
- 4.6. 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.
- 4.7. A large amount of hard earned money spent every 5 – 7 years on repairs and maintenance literally goes down the drain as we do superficial repairs whereas the basic structure remains weak.
- 4.8. Redevelopment is taking place around the society so if you could just contact them for their opinion.
- 4.9. Could you take care of only those building which are in a bad shape? If the members of a building of our society are happy with their building, can they opt out of the redevelopment program?
- 4.10. Our buildings were built during the times of cement shortages of the late 70s and early 80s. All kinds of spurious cement was used during the construction. As a result our buildings have a very poor quality of construction.
- 4.11. The Managing Committee or the Redevelopment Sub-Committee should not mention figures of additional area and corpus fund or any other benefits unless they are very sure of these figures. The members may construe it as a commitment and hold the committees to their words.
- 4.12. The ground floor residents are spending lakhs of rupees every year on renovating and furnishing flats damaged by rising dampness, for which there is no remedy. Every monsoon they have water entering their flats through the ground or the toilets. The only solution to their problems is to redevelop the society and raise the level of the buildings.
- 4.13. Lack of lifts is a major problem faced by senior citizens.
- 4.14. All members in this society should be treated equally and without any discrimination. This is reference to certain levies (sinking fund and repair fund) charged to F & G buildings which are not on par with the other buildings.
- 4.15. We should have a full time person who is equipped to handle secretarial work. As far as administration is concerned, have a separate cell. We have to think of a certain budget which in the worst situation is a loss but 99 % of the case it won't be because once the redevelopment decision is taken then every cost is recoverable. We can use knowledgeable persons like Mr. Subodh Kant, ex Municipal Commissioner, as consultants.
- 4.16. The proposal of trying to get additional FSI up to 4 should be avoided. An increase in the number of flats could put a great burden on the infrastructure of this area eg. water supply, traffic congestion, garbage collection etc.
- 4.17. Like in Talmakiwadi, we should have like health centre. Will it be free of FSI?
- 4.18. As done in the previous redevelopment, can we use one part of the ground to build transit accommodation?

**5. CONCLUSION:**

- 5.1. Total No. of flats represented : 136 and the Mahila Samaj
- 5.2. An overwhelming majority of members were in favour of proceeding with the redevelopment process.
- 5.3. The members expressed apprehensions and fears based on experiences of other societies that have redeveloped their properties.

**ANNEXURE 1: Summary of discussions of member groups with Redevelopment Sub-Committee between 28<sup>th</sup> April & 6<sup>th</sup> March 2014**

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- 5.4. The question of the extra area and corpus fund etc can only be answered by an Architect / PMC appointed to survey the property.
- 5.5. Based on the positive response of the members the MC and the RSC will start working towards conducting the first SGM.
- 5.6. **The quorum for the SGM shall be 3/4th of the total number of members of the society i.e. 141.**

5.7. The agenda for the SGM:

- i). To take a preliminary decision on redevelopment of the society's buildings after considering suggestions, recommendations, objections and directions given by members.

**Passing of the resolution shall require the consent, in writing, of 3/4<sup>th</sup> of the members present at the meeting.**

**ONLY after passing of the resolution, the SGM shall decide issues as under:**

- i). To appoint an Architect / Project Management Consultant to conduct feasibility study of the redevelopment.
- ii). To finalise the terms and conditions, scope of work and fee of the Architect / PMC.
- iii). Budget for the redevelopment project.
- iv). Out line of the program for redevelopment.

5.8. Many of our members may not able to attend the SGM:

- i). They are not in Mumbai. Some of our members stay out of India.
- ii). Members are not medically fit to attend the SGM.
- iii). The flats are caught up in legal cases.

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

**The date and venue of the SGM will be announced only after the MC and RSC are confident of the largest possible attendance.**

We owe a depth of gratitude to Mr. Arun Lajami for transcribing over 12 hours of tape recordings.

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

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

(Dr. Shashi Marballi)

(Chairman, Redevelopment Sub-Committee)