

THE SARASWAT SUBURBAN CO-OPERATIVE HOUSING SOCIETY LTD.

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

10/4 Saraswat Colony, Santacruz (West), Mumbai-400054

Tel: 2660 3802 Email: saraswatcolony@mtnl.net.in

16th April 2014

All Members

Subject: Redevelopment

We wish to inform you that a large cross-section of the members have requested the Society to take steps towards redevelopment of our Society. The Managing Committee (MC) has subsequently reviewed the matter and re-constituted the Redevelopment Sub-Committee under the Chairmanship of Dr Shashi Marballi with Mr V N Kalbag, Mr Prakash Bajekal and Mr Prakash Bijoor as its members. The Sub Committee has started the groundwork of understanding the rules and regulations pertaining to redevelopment and is also meeting experts and members of other societies who have undertaken redevelopment so that it can take all relevant facts and advice on board.

Redevelopment of our Society is a very large and complex project. It entails obtaining a complete understanding of the rules applicable to redevelopment, the extent of additional FSI available and evaluating and deciding on the various options and modalities of undertaking the project.

Needless to mention, it has to have the approval of the members who have to be kept informed at every stage of the project so that there is transparency in all its aspects and the unpleasant experience of many other societies – infighting, bitterness, litigation, delays and cost overruns – is avoided and the project is completed expeditiously and in a spirit of mutual trust and cooperation.

The Government of Maharashtra has issued a notification dated 3rd January 2009 which lays down various steps to be followed by a Society undertaking redevelopment. This notification is intended to ensure that there is clarity on the approval process by members and so on, so that disputes at a later stage are minimised. The MC/Redevelopment Sub Committee is committed to follow this and any other applicable guidelines in its endeavour to ensure a fair and transparent process and to give members every opportunity to voice their concerns and suggestions.

The process of redevelopment starts with discussions with members of the Society to ascertain their views on the matter. The Redevelopment Sub Committee intends to meet members in small groups so that every member gets an opportunity to freely express her / his views.

Members are encouraged to do their own research, talk to others they may know whose societies have undertaken redevelopment etc.

Since it is a large and complex project, every suggestion and every bit of advice to ensure the project goes off smoothly and members derive maximum benefit, is welcome.

A schedule of the meetings is attached herewith.

...PLEASE TURN OVER...

The Redevelopment Sub Committee has compiled a document with the assistance of Mr. Satyendra Kalbag, Consulting Architect, which gives a brief description of the redevelopment process.

This document, along with the Government notification mentioned above, is being circulated to the members for their perusal.

It has been observed that generally meetings – whether of individual buildings or general body meetings – do not have attendance in large numbers. Members are requested to note that Redevelopment is a particularly serious matter and unless the requisite attendance is there, resolutions cannot be passed and it will not be possible for all members as a group to benefit from the collective wisdom of all. Therefore, the Sub Committee urges the members to attend all the meetings that may be convened from time to time, come prepared and participate freely.

Only the full co-operation and active participation of every member can make the project a success and enable us to get the maximum financial benefit.

Thanking you

Yours faithfully



(V N Kalbag)
Hon Secretary

Enclosed:

- 1) Schedule of Meetings
- 2) A note "Redevelopment of Society's Buildings – An Overview)
- 3) Copy of circular issued by Government of Maharashtra

COVERING LETTER POSTED ON ALL NOTICE BOARDS FOR ADVANCE INFORMATION OF ALL MEMBERS.

ENTIRE NOTICE WITH ENCLOSURES MAY BE ACCESSED FROM
<http://saraswatcolony.org.in/redevelop.pdf>

Circular issued by Government of Maharashtra may be accessed from
<http://saraswatcolony.org.in/circularmah.pdf>

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SCHEDULE OF MEETINGS FOR DISCUSSING REDEVELOPMENT

Venue	:	Shri Anandashram Hall (Club), Building No. 5, Saraswat Colony.
Time	:	8.30 pm
Schedule	:	
Monday, 28 th April 2014	:	Buildings F and 1
Tuesday, 29 th April 2014	:	Buildings 2, 3 and 4
Wednesday, 30 th April 2014	:	Buildings 5, 6 and 7
Thursday, 1 st May 2014	:	Building 8 and B Block
Friday, 2 nd May 2014	:	Building 9
Saturday, 3 rd May 2014	:	Building 10
Sunday, 4 th May 2014	:	Building G
Monday, 5 th May	:	Building 11
Tuesday, 6 th May 2014	:	Building 12 and 13

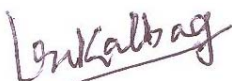
1. Members are encouraged to do their own research.

Since it is a large and complex project, every suggestion and every bit of advice is welcome.

2. Please suggest names of Advocates, Architects, Structural Engineers and Project Management Consultants (PMCs) experienced in redevelopment work.

Note: The Architects, Structural Engineers, PMCs should be on the panel prepared by the Government of Maharashtra or BMC

3. **Members are requested to give their suggestions / queries / views in writing to their Building Representative by Thursday, 24th April 2014.**



(V N Kalbag)
Hon Secretary
15th April 2014

1. Introduction to Redevelopment:

We are residing on islands of Mumbai surrounded by the sea. Due to salty weather and poor quality of materials and workmanship of civil works at the time of construction of the buildings, the life of the buildings have not been as it should be. Further the maintenance and repair costs of the buildings have increased and become exorbitant. To overcome these difficulties a relatively safe and cost free concept has been developed in Mumbai, especially in suburbs, by way of redevelopment of properties. The existing occupants of the old buildings owned by the Societies can get new flats absolutely free of cost by taking advantage of modifications in Development Regulations like transfer of development rights and fungible F.S.I. etc

The redevelopment can be undertaken by the Society, either on its own or by entering into a contract with a developer.

Each option has its own financial and operational implications.

These implications will be evaluated by the committee before making its recommendation.

2. Advantage and disadvantages of Redevelopment:

Advantages:

- Old buildings will be replaced by new buildings with additional area to the existing members, with good quality of workmanship and modern facilities/amenities without paying for the same.
- Society members will have well designed flats as per their requirements using latest technical knowhow in design and construction resulting in better aesthetics, infrastructure and ambience.
- Common facilities such as additional vehicular parking, passenger lifts, children's play area, gymnasium, generator, society office etc. will be available within the complex.
- The life of the new buildings will be much more than fifty years with minimum maintenance for first 20/25 years.
- The Corpus Fund which is being offered by the Developers will reduce the burden of increase in taxes and maintenance charges of the new flats.
- The appreciation of value of the flats of the Society in the newly constructed building.
- There will be no water logging in the compound.

Disadvantages:

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- There will be an increase in property taxes to be levied by MCGM as there will be a new rate of taxation for the new buildings.
There will be an increase in the monthly outgoings towards maintenance due to the fact that the new buildings will be provided with additional amenities.
This will be partially compensated by the benefit of a Corpus Fund which the Developer will offer to the members of the Society.
However in our case, this can be further compensated by proposing commercial user on one of the two plots and getting benefits in lieu of the same.
- Inconvenience and hardship will be faced by the members of the Society during the course of the construction of the building since members will have to stay away from their place of permanent residence.
In this respect also some sort of phased programme of construction can be worked so that the members, especially senior citizens, are not much inconvenienced.
- The final composition of the membership of the Society is likely to change with the admission of new members, who may not be from the Chitrapur Saraswat community

3. Comparison between major repairs and redevelopment:

Major Repairs:

- After approximately thirty five years, a building requires major repairs including structural repairs which may cost appr. Rs. 25 to 30 Lakhs per building of appr. 10,000 sq. ft. so as to keep the building in good condition for about ten to fifteen years. However after fifteen years further Rs. 50 Lakhs or more may be required to keep same repaired building in habitable condition. The cost is so prohibitive that the members may not be in a position to share the expenses.
- Repairs will take about 4 to 5 months during which the members will have to stay in the building itself thereby facing nuisance like noise, dust, scarcity of water etc.
- In spite of major expenditures, the repairs will always remain superficial since corrosion of steel within RCC slabs, beams, and footings will not be addressed completely.
- Even after carrying out the major repairs the value of the property will not increase to the extent it would increase after redevelopment.

Redevelopment:

- Expenses towards redevelopment are **NIL** as the full cost of redevelopment is borne by the Developer.

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- For the period of redevelopment, the members will be shifting to an alternate temporary accommodation, the expenses of which will be borne by the Developer.
- The members will get new flats with additional area and modern amenities absolutely free of cost.
- Any maintenance of the building including major repairs, if any, will be required only after 20/25 years.
- The value of the flat will enhance considerably after redevelopment.
- The environment in and around the building will be improved.

4. Concept of Redevelopment:

- 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>
Total F.S.I available	:	2.70

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

- i. New flats for the existing members with additional area and with modern amenities absolutely free of cost.
- ii. Members will receive monthly rent, brokerage and charges required to shift and re-shift household belongings from the time of vacating their flat till taking possession of their new flat.

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- iii. Corpus fund for the members to compensate to some extent the increased taxes and cost of maintenance for the new flats.
- iv. The normal specifications of the new buildings and amenities the Society can expect in the redeveloped building are listed below.

5. The Proposed Development:

Building:

- The redeveloped buildings will be designed as per Society members' requirements with regards to the layout of flats keeping in mind present day trends in the design and construction.
- The buildings will have a R.C.C. structure designed by experienced R.C.C. consultants taking into considerations the different I.S. codes of practice etc.
- The building will have an aesthetic elevation.

Additional amenities:

- Independent parking arrangements for all the members and visitors.
- Passenger and cargo lift/s by a reputed manufacturer.
- Well designed Entrance Lobby with name plates and letter boxes.
- Bore well facility, if permissible by M.C.G.M. and if water is available, for flushing water.
- Society office.
- Fitness centre for recreation and club house.
- Intercom facility for all the members and security system with close circuit T.V. system.
- Well lit and well paved compound.
- Servant's toilet, security cabin.
- Fire fighting system in the buildings.
- Rain water harvesting.
- Generator
- Any other amenities the members may desire.

6. Guidelines from Govt. of Maharashtra:

- Looking to the difficulties of large number of Societies in Mumbai, the Government of Maharashtra vide its notification on 3rd January 2009 has issued

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guidelines for redevelopment of properties in the suburbs and extended suburbs.

- This is mainly to bring awareness amongst the members of the Societies going in for the redevelopment of their Society's old building.
- They are general guidelines to the non-technical members to understand the procedures involved in the redevelopment process
- The brief guidelines mentioned in the said notification and necessary precautions which should be taken by the Society are as follows :
 - i. To start redevelopment process, the issue should be discussed with members of the Society to ascertain their views on the matter. Written suggestions on the redevelopment should be sought from members on the matter.
 - ii. The matter should be discussed in a Special General Body Meeting. convened for this purpose. The matter should be thoroughly discussed and a specifically worded resolution (Expression of Intent – EOI) should be passed for proceeding to redevelopment of Society's buildings.
 - iii. **This should be followed by written consent from each member of the Society.**
 - iv. Tender/Bid should be invited from reputed/experienced Architects/Engineers for appointment of Project Management Consultants (PMC) for studying the redevelopment of Society buildings scientifically and prepare a feasibility project report which shall include economy of the redevelopment and techno - financial offer for redevelopment, a very **realistic** idea of what the members shall get in the redevelopment.

The Tender/Bid should be for assignment in two stages:

First stage should be up to finalizing the Bid document for the Developer for redevelopment.

Second stage is for supervising the redevelopment and looking after the interests of the Society in general during the redevelopment process.

The feasibility report will set the tone and direction of the redevelopment that will follow.

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- v. It is better to frequently call Special General Body Meetings of the Society at least till actual construction of new buildings is started and ratify the important decisions taken by the Redevelopment Committee.
- It should be clearly kept in mind that after following procedures as per guidelines mentioned above, a Special General Body Meeting should be called in which a representative of Registrar of Societies will attend the proceeding of the said Special General Body Meeting which has to be video graphed. In this Special General Body Meeting the said representative will confirm the selection of Developer finalized earlier by the Society for the redevelopment of the Society's buildings.

This should be followed by written consent from each member of the Society.

- **It is the committee's endeavor to follow the guidelines in spirit and to the letter.**
- Further, in case of disputes and litigations etc the guidelines play a very important part.
- It may also be mentioned here that it is not essential to appoint either Project management consultants or Developers who have given better rates but before selection the Society should carefully consider the background, experience and capacity of the PMC or Developer as the case may be to deliver the goods.

**Note: The Architects/PMCs should be on the panel prepared by the
Government of Maharashtra or BMC**

7. Very Important points:

- a. Preferably there should be complete unanimity amongst the members of the Society as far as possible in all the decisions taken in respect of redevelopment of the buildings.
- b. Even if there are any differences amongst the members the same should be sorted out in the beginning of the process of redevelopment so as to avoid misunderstandings and further problems leading to avoidable litigations etc during the redevelopment.
- c. Appointment of an Advocate experienced in redevelopment work.

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- d. In 1st SGM meeting, if need be, a Redevelopment Committee may be formed comprising of five members or less. The Redevelopment Committee should be properly authorized to take decisions in the redevelopment matter. These decisions can subsequently be ratified by a Special General Body Meeting. Formation of this Redevelopment committee, preferably should have
- a. Technical member who is conversant with technical matters of redevelopment.
 - b. A member having background of accounting and is conversant with financial implications of the redevelopment process.
 - c. A member having background of law and is conversant with legal implications of redevelopment process.
 - d. The remaining members of the Redevelopment Committee preferably can/should be office bearers of the Society like Secretary and or Chairman/Treasurer.
- e. **1st SGM (to pass resolution to proceed with the redevelopment) and the SGM convened for Selection of the Developer**
- i. **Quorum for the above mentioned SGMs shall be 3/4th (75%) of the total number of members of the society.**
 - ii. **If there is no quorum, the SGM shall be adjourned for 8 days and the meeting shall be convened accordingly.**
 - iii. **If there is no quorum at the adjourned SGM, the meeting shall stand dissolved and it will be considered that the members are not interested in the redevelopment of the society's buildings.**
 - iv. **Fresh proposal for redevelopment cannot be considered for a period of ONE year.**
 - v. **If there is a quorum at the SGM, passing a resolution shall require the written consent of 3/4th (75%) of the members present at the meeting.**
- f. In the past, major problems have occurred in the allotment of flats.
A fair policy of allotment should be put in place and from which we should not deviate.
