

MINUTES OF THE SPECIAL GENERAL MEETING (SGM)
HELD ON 28th JANUARY 2024
AT SARASWAT COLONY, SANTACRUZ WEST, MUMBAI

Members present: 66

The Chairman called the Meeting to order and commenced the meeting with the customary prayers led by Shri Niranjana Nagarkatte (Flat 1/1).

Chairman welcomed all Members to the meeting and took up the Agenda for discussion.

DISCUSSION OF AGENDA

Based on the recommendations of the Redevelopment Sub-Committee (RSC), to consider and approve the appointment of M/s ANS Legal Services, D-10, Parle Colony, Sahakar Marg, Vile Parle (E), Next to Noble Medicals, Mumbai 400057 as the Legal Consultant for the Redevelopment of our Society as per the Scope of Work accepted by them and their quote dated 18th October 2023 both of which are annexed to this notice.

Chairman said that since the notice had been issued in advance, it may be considered as read.

Leave of absence was granted to Mrs. Uma Kilpady (F/10)

This SGM has been specially convened to appoint a lawyer for the Redevelopment of the Society as recommended by the RSC. A background note had been included in the notice which the Chairman briefly explained. He then requested the Chairman of the RSC Dr Shashi Marballi to take over and brief the General Body. Thanking the Chairman and mentioning that Chairman had briefly covered what has also been mentioned in the notice, he requested Dr Laxmi Rao, the Chairman of the Legal Sub-Committee (LSC) to brief the House on the procedure that had been adopted to recommend the Legal Consultant.

Dr Laxmi Rao briefed the House and said that from the time the LSC had been constituted, offers had been invited from ten (the LSC decided on this number) law firms/individual lawyers. They inspected their backgrounds and took opinions from those who had hired their services. The six LSC Members chose two each from amongst the list. The highest number of votes at this time went to Adv Nitya Sha (M/s DSA – Divya Shah Associates); the second went to Adv Nikhil Salina (M/s ANS Legal Services).and the third went jointly to M/s P Vas & Co and M/s Divekar Bhagwat & Co. This result was placed before the RSC who were briefed by the LSC as to how they had arrived at these four firms. These four were then put to vote before the RSC Members – 14 members opted for M/s ANS Legal; 2 members for M/s P Vas & Co and 1 member for M/s Divekar Bhagwat & Co and no votes for M/s DSA. As per her opinion, the two best were M/s ANS Legal and M/s DSA. The advantage that she saw in Adv Nikhil Salian of M/s ANS Legal was that besides the redevelopment services, he also works on the co-operative front which was a distinct advantage if we encounter any issues during redevelopment. Therefore, most of the LSC members voted for M/s ANS Legal at the first position and M/s DSA at the second. Merits being equal, the preference goes to the one who offers the lowest quote. M/s ANS offered ₹10 lakhs both for developer-driven and self-redevelopment modes. M/s DSA offered ₹54 lakhs and ₹60 lakhs for developer-driven and self-redevelopment models respectively. The gap was quite huge.

The other advantages that she saw in M/s ANS Legal was that they were readily available; they were located in suburbs (Vile Parle); easily accessible and willing to visit us when need arises rather than we visiting their office. She also made inquiries with Societies he has been dealing with. Adv Salian has given a huge list and she named a few large Societies with huge number of Members viz Gujarat Society (10,500 sq-m. 224 members); Sardar Patel CHS (11000 sq-m; 105 members plus another Society and tenants within it may be around 50

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persons more); RBI Employees Snehadhara CHS (20,000 sq-m; 192 members); Central Government Employees Seema CHS (7,224 sq-m; 128 members); Neel Shantiniketan CHS (4,700 sq-m; 92 members); Gee Jumbo CHS (3,625 sq.-m; 103 members); Avon Arcade CHS (2,800 sq-m; 92 members) & Laxmi Ratan CHS (4000 odd sq-m; 84 members). In addition, Adv Salian has informed that in his list is Shalimar CHS, which is in his huge list, he was pitched against M/s Kanga & Co, a big name, and secured 80% votes in his favour. Another important point about Adv Salian is that he practices in redevelopment; co-operative matters right from the Deputy Registrar to the Law Minister; he practices in civil matters in the City Civil Court and High Court in Mumbai.

With regard to the quotes received from other law firms, Dr Rao informed that M/s Divya Shah Associates Had quoted ₹60 lakhs for self-redevelopment and ₹54 lakhs for developer model; M/s P. Vas & Co. had quote ₹40 lakhs and ₹30 lakhs for self and developer respectively; Adv Gautam Bhagwat ₹30 lakhs plus ₹20,000 per agreement; M/s Wadia Ghandy had initially quoted 1.25 crores which they, with good offices of Shri Sunil Burde, reduced to ₹50 Lakhs (plus additionally ₹35,000 per meeting if the meeting is with Adv Dhawal Mehta; ₹18,000 per meeting if meeting is with Senior Associate and ₹10,000 per meeting if the meeting is with Junior Associate) and M/s Markand Gandhi quoted ₹50 lakhs plus.

Dr Rao further felt, with her limited experience of eight years in legal practice and twenty years as a judge, that Adv Salian has a very sharp mind and is quick at giving advise. Secondly, he has got good experience both in redevelopment and co-operative law. Accessibility and availability of Adv Salian is excellent. In comparison to other law firms/lawyers, he is willing to visit us in our office which others generally want us to visit their office.

With regard to the issue that a big Society like ours must use the services of a big law firm – Dr Rao stated that such firms having posh offices and a large manpower may not be easily accessible (offices are in town) and available. Their fees are also very steep. Such firms, who may not generally deal with co-operative matters etc, are generally preferred by and suit large corporates.

Referring to Shri Gokul Manjeshwar's (who was not present at the meeting) email about using the services of a large and reputed firm, Dr Rao mentioned that we will need to pay a fees exceeding Rupees one crore. Wondering where the funds would come from, she felt that each Member may have to pay at least rupees fifty thousand. However, with regard to the issue of any litigations arising with the builders who use services of reputed law firms, she was of the opinion, which was also confirmed by Adv Salian, that we can appoint a reputed Counsel to represent us. Adv Salian may recommend a few and the appointment will be of our choice depending on the fees and other considerations. She was, therefore, of the opinion that we do not require a big firm at this stage.

With regard to the work that will be required to be done – regarding the Tender Document, the work was completed by M/s P vas & Co. She felt that Adv Salian was sharper and we should engage him for the time being for the Development Agreement and for the agreements of the Members – Permanent Alternate Accommodation Agreement (PAAA).

Dr Rao then invited questions from the House.

Mr Shivanand Mudbidri (Flat 5/4) referring to the testimonials submitted by Adv Salian, wanted to know how many Societies have completed the redevelopment process successfully. Dr Rao stated that almost all of the Societies are under post tender stage. When he gave a talk here, Adv Salian mentioned that a couple of Societies that had been completed had gone in for self-redevelopment. They (referring to some Vireshwar Society) faced shortage of funds. A couple of rich members provided the funds and the buildings were completed. Shri Mudbidri also consented with the point that if at all there are any litigations, we can put up a good Counsel.

Shri Milind bajekal (Flat 2/7) referring to all the positives about Adv Salian wanted to know whether there were any negatives in his case. Further appreciating that Adv Salian will attend

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himself personally and visit us when need arises, what happens if for some reason he is not able to attend. Dr Rao stated that Mr Paresh Clerk (Gujarat CHS) who accidentally visited us when on 5th November 2023 when Adv Salian was delivering his talk had given an excellent opinion about Adv Salian. She added that generally no one gives any negative opinion and the negative points, if any, get unfolded only later after you use the services. Further, as per her reports, he was a man of integrity. Despite his capability and competence, if he for example gets indisposed, Shri Bajekal wondered how we would be attended. Dr Rao clarified that he has a team of two capable assistants who will ensure that nothing goes wrong. Responding to Shri Bajekal's question on the scope of work, which he had not clearly understood, Dr Rao clarified that once the tenders are received, we need to scrutinize and short-list four developers and have their presentations. Thereafter, there will be a pros and cons discussions amongst the members after which there will be voting on whether we want a developer-driven or a self-redevelopment model. The Advocate's main role, according to her, will start at this point of time. Subsequently, the Development Agreement (DA) will have to be drafted with inputs from all of us and the PAAA. The other issues pertaining to Membership (regularization of Provisional Members) will also be taken care of through his advice. Shri Sethuram (Flat 10/25) clarified that the Terms of Reference/Scope of Work had also been circulated to all members (along with the SGM notice) from which the role will be clear.

Shri Vivek Kalbag (Flat 10/28), recognizing the efforts of the LSC, opined that they must have taken a couple of months to decide on the recommendation of the lawyer. However, he opined that they were not given any information about what criteria were used for the selection. The criteria used could have been tabulated and given to the members. With whatever information has been given, it becomes difficult for members to arrive at a decision. Secondly, he wanted to know the Managing Committee's (MC) view on this issue. Thirdly he inquired whether proper due diligence was done in this case. He felt that proper information had not been given and this was being done in a hurry and felt that the decision has to be postponed. Dr Rao clarified that they had followed the proper procedures and the criteria had been tabulated and is available in the file. However, how much of it would interest the Members was not thought about at that point of time. She added that interactions were arranged on 16th and 17th December 2023 with the four law firms where most of the RSC Members were present. All the four firms were good and the best of the lot had to be chosen and the lowest in quote was chosen. She requested Shri Sethuraman who was active in the selection to clarify further on this issue. Shri Sethuraman clarified that the LSC had recommended the selection which was approved by the RSC after going through the consideration of the various criteria. He felt that this was enough and did not find any merit in postponing the decision and left the final decision to the General Body.

Shri Prakash Bajekal (Flat 10/12) inquired whether site visits had been undertaken. Dr Rao stated that site visits are relevant when it comes to selection of developers/contractors and is not applicable to lawyer. Shri Bajekal clarified that out of the list of about eighty five Societies furnished by the lawyer only about eight or nine of them are registered with RERA and he had visited a few of them. The first one that he went was in Vile Parle East. This Society commenced redevelopment in about the year 2008. In 2011 one developer walked away and the project failed twice. Adv Salian was engaged by the Society for specific tasks and later they kept him away. The redevelopment today is complete. Two other Societies mentioned by Adv Salian were self-redevelopment projects and he (Shri Bajekal) had understood that Adv Salian does not support self-redevelopment. He quoted another project in Borivli where Adv Salian was the lawyer and nothing happened on the project. In 2017 they posted a notice that Adv Salian was not associated with them and now they have gone in for self-redevelopment. Dr Rao stated that Shri Bajekal must give the names of the Societies. Shri Sethuraman stated that we are not discussing the merits and demerits of self-redevelopment and failed to understand as to how site visits reflect on the capabilities of a lawyer.

Shri Bharat Hattikudur (Flat 9/3) wanted to know the schedule of payment of ₹10 lakhs to the law firm. Dr Rao clarified that it will be paid in stages (as stated in their quote).

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In response to a query from Shri Shivanand Mudbidri as to how many practicing lawyers work with him, Dr Rao said that he has two lawyers. She added that he has appointed few people to look after each institution like a couple of advocates for the Joint Registrar; a couple of advocates for the Deputy Registrar, he also has people to go to the High Court etc and he also attends himself wherever necessary. She also added that many people who attended his lecture in November 2023 informed her that they were impressed with him.

Shri Prakash Bajekal added that he had contacted a Society in Kandivli whose reference Adv Salian had given. He was given to understand that Adv Salian was not their lawyer. Dr Rao informed Shri Prakash Bajekal that he should have informed her so that they could cross verify. She quoted the example of West View where she was given to understand a similar case where he was not their lawyer though he had given reference of this Society. She contacted one Mrs Salankar of West View who confirmed that Adv Salian was an excellent lawyer whose services they had used for deemed conveyance. They were to appoint him for their redevelopment but the project got stalled at that time. Their MC later appointed a different lawyer and she was in the USA at that time. Shri Sethuraman further clarified that he had asked about West View when he had come to deliver the lecture. Adv Salian said that it was he who left West View since he was not happy with certain things that were happening there.

Shri Shivanand Mudbidri observed that Adv Salian of M/s ANS Legal appears to be very busy with so many Societies. In case he is not available at any point of time and we require him urgently, what is the fallback option he has and whether he has a team of lawyers to handle this. Dr Rao stated that she had posed this question to him and he had informed her that he cannot trust his juniors and associates to do what he can do. Adv Salian had committed to her that come what may he will see that he reaches out to us in case of any urgency even if it amounts to come late at night. Referring to the quotes from a large firm where meeting with the senior would cost much more than meeting a junior/associate, Dr Rao observed that a meeting with a junior will involve the junior making pencil notes and reverting to us after consulting the senior. In contrast to this, M/s ANS Legal would be preferred. Shri Mudbidri emphasized that he was only expressing his concern about Adv Salian's availability in case of any situation that requires urgent attention by the lawyer.

Shri Virendra Acharya (Flat 10/7), observed that we being novices in the field have appointed M/s Sumedha Gore Architects as our PMC, an expert in the field, who has recommended five very good law firms. He wanted to know why we added a couple of law firms on our own to this list and did not understand the need to do so. Shri Sethuraman clarified that the other lawyers have come through very good references and felt that there was nothing wrong in having a wider choice. Responding to Shri Acharya's query as to why we have not considered the PMC's recommendations, Shri Sethuraman clarified that the PMC had not recommended any lawyers but only suggested the names against our request. Dr Marballi further clarified that though some PMCs offer legal services, it is preferable to have the PMC and law firm independent of each other. In this case, the law firms recommended by the PMC were those whom the PMC had worked with and were only suggestive. The scope of work of the PMC and the law firms is totally different. He further clarified that the PMC, the lawyer and Chartered Accountant are three pillars of redevelopment whose services we require and they have to be independent of each other.

Shri Prakash Bajekal inquired about a remark made by Shri Rajiv Sanadi in the previous days RSC meeting about some voting that has taken place in the MC Meeting. Chairman expressed surprise at this question and why this issue had at all been raised. He clarified that no voting had taken place in the MC meeting and there were only discussions on whether there was enough justification to appoint Adv Salian. Shri Sethuraman said that as far as he can recollect there was no discussion on voting at all. Shri Sanadi clarified that he had not made any such statement and only stated that the LSC and the RSC had taken a view on this and did not understand why an issue was made out of this.

Chairman then read out the proposed resolution and requested the House for any changes. Shri Mudbidri suggested that the total amount of ₹10 lakhs also needs to be mentioned in the

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resolution. Shri Sethuraman pointed out that M/s ANS Legal had also accepted that Scope of Work forwarded to them with certain exceptions like litigations being excluded (which was common to all law firms). Shri Sumant Ullal (Flat 2/4) suggested that a cancellation of appointment clause also needs to be incorporated in the appointment letter/agreement. Agreeing to this, Chairman stated that the draft appointment letter would be circulated to members before issue.

The following resolution was then put to vote:

RESOLVED THAT, BASED ON THE RECOMMENDATIONS OF THE REDEVELOPMENT SUB-COMMITTEE (RSC) M/S ANS LEGAL SERVICES, MUMBAI BE AND ARE HEREBY APPOINTED AS THE LEGAL CONSULTANT FOR THE REDEVELOPMENT OF OUR SOCIETY AS PER THE SCOPE OF WORK ACCEPTED BY THEM AND THEIR QUOTE DATED 18TH OCTOBER 2023 BOTH OF WHICH ARE ANNEXED TO THE SGM NOTICE.

FURTHER RESOLVED THAT THE MANAGING COMMITTEE IS DULY AUTHORIZED TO TAKE SUCH ACTIONS AS MAY BE NECESSARY TO ISSUE A CONFIRMATION LETTER OR ENTER INTO AN AGREEMENT WITH M/S ANS LEGAL SERVICES ON SUCH TERMS AND CONDITIONS BASED ON THEIR QUOTE AND OTHER CONSIDERATIONS AS IT DEEMS NECESSARY.

FURTHER RESOLVED THAT THE PROFESSIONAL CHARGES PAYABLE TO M/S ANS LEGAL SERVICES SHALL NOT EXCEED AN AMOUNT OF ₹10 LAKHS (RUPEES TEN LAKHS ONLY).

PROPOSED BY: DR SHASHI MARBALLI (FLAT F/13; SECONDED BY: SHRI RAJIV SANADI (FLAT 5/2) ; FOR THE RESOLUTION 57; AGAINST 8; ABSTAINED 1 AND PASSED BY A MAJORITY.

Chairman stated that the appointment letter would be issued at an appropriate time as decided by the MC. Responding to Shri Ambrish Hattikudur's (Flat 10/19) whether another General Body meeting will be convened to approve the appointment letter, Chairman suggested that the appointment letter will be circulated to Members giving them 15 days time to respond. Responses, if any, will be considered and decided by the MC and the appointment letter will be issued subsequently. This was agreed to by the General Body.

The meeting was concluded with the customary concluding prayers led by Shri Niranjan Nagarkatte.

Place : MUMBAI
Date : 19/05/2024


(Dattanand Gulvady)
HON SECRETARY