

# The Talmakiwadi Co-operative Housing Society Ltd.

(Regd. No. B 227 dt.5-4-41)

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29 June 2024

## **Note for Special General Body Meeting held on 14 July 2024**

Dear Members,

On behalf of your Managing Committee (MC), it gives me great pleasure to welcome you all to this Special General Body Meeting (SGM) of the Talmakiwadi Cooperative Housing Society Limited (TCHS).

As you may be aware, this SGM has been convened by your MC in response to a letter dated 16 May 2024 submitted to TCHS on 17 May 2024, by some members of the Society (which was attached to the Notice of the Meeting circulated to all).

The letter was signed by forty five individuals, of which the signature of one individual was invalid as the said person was neither a member nor an associate member of TCHS. Subsequently we received intimation from eleven members that they would like to withdraw their signatures from the letter requesting the MC to convene the SGM.

The letter inter alia purported that self-redevelopment has not been moving at the desired pace since the last SGM which had been convened on 29 October 2023. Further the letter stated that the self-redevelopment model appears to be a complex model hence it is taking more time to get clarity in regards to the risks involved as well as the legal and tax liabilities in the model.

The Managing Committee of TCHS was also called upon to convene an SGM since the signatories would like TCHS to simultaneously work on a builder led model by floating tenders and inviting bids from 'A' Grade Builders. The letter further states that in the opinion of the signatories, exploring both the models simultaneously will help the General Body (GB) to look into both options objectively and take an informed decision.

We will in the current SGM request the signatories of the captioned letter to come forward and apprise the General Body in the SGM as to their thought process/rationale and outline their plan to take this Agenda item forward. This would then be opened up for discussion amongst the GB members to arrive at a decision on this Agenda item.

Since the captioned letter also mentions that self-redevelopment is not moving at the desired pace, the Redevelopment Sub-Committee will highlight the work done by them thus far and also how they plan to take the project forward.

By way of a background, the GB had in the first SGM held on 22 January 2023, voted overwhelmingly for self-redevelopment. In the same meeting, Mullerpatan Prasad & Nikhil Vaidya Architects (MPNV) were appointed as Project Management Consultant with their scope of work being to prepare and present a Detailed Feasibility Report to your Managing Committee for discussion at an ensuing GB meeting.

Accordingly, a second SGM was convened by your Managing Committee on 29 October 2023. In this meeting, Mr Prasad Mullerpatan & Mr Nikhil Vaidya representing MPNV Architects presented their Feasibility Report to the members prior to the SGM.

Subsequently few members urged upon the members to also consider Builder model of Redevelopment which was rejected by the members by majority.

In the same meeting, MPNV Architects introduced us to their team who would be partnering with them for the project. There had been a few changes to the collaborators of MPNV which they acquainted us with during the SGM held on 29 October 2023. They introduced Mahimtura Consultants Private Limited (MPCL) in place of Raje Consultants and C P Associates (who were represented by Mr Sameer Patil) in lieu of Ambre Consultants. Initially Raje Consultants was introduced by MPNV to us as being one of the best in the industry and that they were managing the Bullet Train project. However, MPCL is an established entity which has been in the business for close to 75 years spanning three generations. Mr Sameer Patil is an Architect by qualification and was an ex-employee of Ambre Consultants and used to conduct Municipal Liaison work for their firm. He has now branched out to set up his own firm (C P Consultants) as a Municipal Liaison Architect and carries with him the experience he has garnered when working with Ambre Consultants.

A Sub Committee was formed from amongst the members present and directed to look into the details of the plan and provide a road map on the journey of the project. The Sub-Committee was also directed to undertake a Due diligence of the partners identified by MPNV.

During earlier discussions of the MC with MPNV Architects a pure self-redevelopment proposal was also discussed. However the MC thereafter communicated to MPNV Architects that they were not comfortable to mortgage the land of the Society for raising finance and to undertake the risk of selling the surplus inventory. To align with this requirement from the MC, MPNV Architects suggested a Hybrid model under self-redevelopment wherein an Investor would be introduced by them who will fund the project and once the approvals are in place, a Contractor/Brand would come in under a Barter Scheme and construct the Rehab Tower for us without any payment from TCHS. In turn, TCHS would provide them with a pre-agreed area on the front side of our existing plot on 99 years lease where they will construct a Sale Tower and sell the flats in that building to garner their profits.

The applications for permission for the project will be done by and in the name of TCHS and the project would qualify for Self Redevelopment project.

This proposal also provided the following salient features:

- An incremental carpet area of c. 150 square feet to members of TCHS at a cost of Rs. Twenty Lakhs plus applicable taxes and levies, on a “first come, first served” basis. This would enable TCHS to raise funds in the form of “Seed capital” for expenses relating to requisite approvals.
- A hardship allowance to be paid to members @ Rs. 21,342/- per square foot on existing carpet area (aggregating to c. Rupees Two Hundred Crores). **This was primarily intended taking into account that many of our members were senior citizens who depended on their savings and any retirement related benefits received from their erstwhile employers to defray the incremental maintenance that would result from moving to a new flat post redevelopment. This hardship allowance, if invested by the members, would also provide them regular income akin to an annuity to improve their standard of living.**
- A corpus of c. Rupees One Hundred Crores to be paid to TCHS which should be able to cover the annual recurrent maintenance of the new rehab tower and taxes.
- An Area of c. 45,000 square feet would be made available to TCHS in the rehab tower as area for sale as incremental area to members at the above concessional rate and sale of balance area (post considering members’ requirement for incremental area) as new flats for sale to members, their family members and to non-members who qualify for purchase of flats in TCHS in terms of the Society’s bye-laws. This area will include Fitness Centre, Club house, Amenities, etc. as detailed in the presentation made by MPNV. As per DCPR 2034 some of these facilities are not included in FSI whereas few facilities like Letter box room, Telephone junction box room are included in FSI. There is a limit of free FSI for certain facilities like Yogalaya or Fitness Centre is allowed free of FSI equivalent to 2 (two) percent of the total Built Up Area (BUA) of the building. Additionally, a society office of 20 square metres is provided free of FSI. In case the total area of these facilities exceed the allowable free FSI the same will be adjusted in this area.
- An Area of c. 5,000 square feet would be made available to TCHS in the rehab tower as commercial space for TCHS to lease out and generate a regular income stream.
- It was reiterated that the land/plot would remain in the ownership of the Society as it would not be mortgaged. As mentioned above, a part of the land/plot would be given on 99 years lease to the brand for construction of Sale Tower.
- TCHS would not require to sell the inventory in the sale tower as that would be independently managed by the Contractor/Brand.

In this meeting, a Redevelopment Sub-Committee (SC) was also formed from within the GB, which was expected to support the Managing Committee with the Redevelopment Project. It was also decided by the GB that we would issue an appointment letter to MPNV post completion of due diligence of their collaborators.

Subsequent to the SGM, the SC and some MC members collaborated to complete the due diligence exercise for the following collaborators of MPNV:

- Mahimtura Consultants Private Limited MCPL): PMC Coordination, Structural Design, MEP & HVAC.
- KDBY Architects: Landscape Design.
- C P Associates: Municipal Coordinators & Liaison Architects.

- Aditya Enviro: Environmental/LEED Consultants.

Since the Hybrid Model was a new concept presented by MPNV during the SGM, the MC and SC engaged with some persons who had the requisite expertise in the field of redevelopment, to seek more information on how the model works, the structure and the Roles and Responsibilities of the various stake holders.

A Note from the Redevelopment Sub Committee is attached separately to this Note.

Appointing of Legal Consultants, Tax Consultants and GST Consultants were three important tasks which were taken up by your MC.

#### **Legal Consultant:**

Your MC had previously met with M/s. Mulla & Mulla and Craigie Blunt & Caroe, M/s. Khaitan & Co., M/s. Jaykar & Partners and M/s. Law Point. After the last SGM members of the MC & the SC also met Adv. Nikhil Salian of A.N.S. Legal Services (who has been appointed by Saraswat Suburban Cooperative Housing Society Limited, Santacruz) and Adv. Lakshmi Murali & Adv. Nilakshi Kalambi of M/s. LMN Legal Solutions.

A comparative table providing details of quotations received is appended below:

<b>SR. NO.</b>	<b>NAME OF THE FIRM</b>	<b>QUOTATION RECEIVED</b>
1	Khaitan & Co.	Rupees Eighty Lakhs only (In 2 stages of Rupees Fifty Lakhs and Rupees Thirty Lakhs only) plus applicable GST.
2	Jayakar & Partners.	Rupees Twenty One Lakhs only plus applicable GST.
3	Adv. Dharmin Vinod Sampat.	Rupees Thirty Lakhs only plus applicable GST.
4	A.N.S. Legal Services (Adv. Nikhil Keshav Salian).	Rupees Twenty Lakhs only plus applicable GST.
5	LMN Legal Solutions.	Rupees Eighteen Lakhs only plus applicable GST.

After completing our due diligence and personal interviews with the representatives of the above shortlisted legal firms, your Managing Committee concluded that LMN Legal Solutions have the requisite expertise to handle our project.

Adv. Lakshmi Murali has been on the panel of SVC Cooperative Bank Limited for the last 30 years and the feedback from the Bank on her dealings has been positive. Her partner Adv. Nilakshi Kalambi has prior experience of nearly 2 decades, having worked in the Legal

Departments of Kotak Mahindra Bank Limited (as Associate Vice President), The Hongkong & Shanghai Banking Corporation Limited (as Associate General Counsel), Citibank (as Director & Head Legal – Consumer Banking) and with SVC Cooperative Bank Limited (as Deputy General Manager heading their Legal Department).

We recommend their appointment for our Redevelopment Project at a fee of Rs.18 lakh + GST for the entire Project with milestone based payments.

**Income Tax Consultant:**

We have received quotations from M/s. Kapure & Kapure and M/s. A V Arolkar & Co for the role of Tax Consultant

We have met both the firms and recommend appointment of M/s. A V Arolkar & Co. for the assignment at Rupees Twenty Five Thousand only as one-time fee for initial assessment & planning, Rupees Five Thousand only per hour for Tax Advisory Services and Rs. Five Thousand only per session for on-going support (for major changes, if any).

Their quotations are attached along with this note.

**GST Consultant:**

We have received a quotation from M/s Kapure and Kapure and M/s. Nimkar & Associates for the Role of GSCT Consultant, which are tabulated below:

A comparative table providing details of quotations received is appended below:

SR. NO.	NAME OF THE FIRM	QUOTATION RECEIVED
1	Kapure & Kapure.	Charges for filing GST Returns: Rupees Seven Thousand Five Hundred only per month plus applicable GST.  Annual Returns Filing Charges: Rupees Twenty Five Thousand only plus applicable GST
2	Nimkar & Associates.	Charges for filing GST returns: Rupees Eighteen Thousand per annum plus applicable GST.  Consultancy Charges: Rupees One Thousand Five Hundred per visit.

M/s. Nimkar & Associates are GST Consultants for Kanara Saraswat Association, Shree Trust, and Karla based Trusts affiliated to Shri Chitrapur Math. We recommend the appointment of this firm as GST Consultant.

### **Fund raising for Self Redevelopment:**

In the Background Note circulated to members prior to the SGM held on 29 October 2023, your Managing Committee had highlighted aspects of fundraising for our Self Redevelopment Project where fund raising by issuing Deep Discount bond was one of the options mentioned.

Since our plot size is more than 500 sq. metres, the society as promoter under self-redevelopment, cannot advertise or accept booking of any flat from a non-member as per RERA guidelines, unless the Society registers itself under RERA. However, the extant RERA guidelines exempt existing members of the Society from their purview. Hence, the Society can raise amount for the Seed Capital, which is the funding required to complete the IOD (Intimation of Disapproval) and Commencement Certificate (CC) stage from its members.

As per MPNV the amount of Seed Capital required to get the IOD/CC stage is estimated to be approximately Rs. Fifty Crores.

These funds are proposed to be raised by way of:

1. Sale of incremental area of 150 square feet to the existing members.
2. Sale of new flats (pre-booking) to members and their family members.

Detailed Notes for approval of the above have been attached separately for deliberation and adoption.

At the joint meeting of the MC and SC it was decided that a survey be conducted to estimate the demand from existing members of the Society for purchase of 150 sq. feet of incremental area at Rs. Twenty Lakhs + GST, as well as how many members, their children and members of the community would be interested in purchasing additional flats in the Rehab Tower from the area that would be allocated to the Society.

**Your Managing Committee is pleased to inform you that there has been an overwhelming response to the survey for purchase of incremental area and new flats, and is therefore optimistic that the entire area allocated to TCHS in the Rehab Tower is likely to be booked.**

### **Policy for Sale of Area allocated to TCHS**

A detailed proposed policy for Sale of area is attached for consideration of the General Body has been attached to this Note for deliberation and adoption.

### **Changes with regards to MPNV's original plans of January 2023 and what has been proposed:**

MPNV have informed us that post their recent discussions with their Municipal Coordinator & Liaison Architect, they have had to propose some changes to the Plans submitted by them previously. This was necessitated on account of allocation of Amenity Open Space (AOS)

abutting Javji Dadaji Marg (on the front side). As a consequence, the layout (including the Rehab Tower) has been shifted towards the rear of the plot. Also, the Recreation Ground (RG) that was originally proposed at the rear end of the plot has now been reduced and some portion of the RG has been allocated on the right side of the plot (when facing the plot from Javji Dadaji Marg).

Whilst we wanted to inform members about this change, it must also be mentioned that these plans are indicative and are subject to measurements by MHADA and subsequent approval by various regulatory authorities.

Your Managing Committee assures you that our endeavour is to ensure that the new Talmakiwadi complex is 'fit for purpose' and offers a good living experience to our members and residents.

#### **Admission of family members as Joint Members:**

As mentioned earlier in the note, the hybrid model for self-redevelopment presented by MPNV and approved by the General Body envisages a sale of incremental area to members of TCHS at a concessional rate, as well as sale of incremental area (new flats) to members and their family members, as defined under the extant rules.

Your Managing Committee has envisaged that many of our members are senior citizens and have retired from active service. Some of them may also require to raise finance for the purchase of the incremental area, which may be challenging for these senior citizens. To provide flexibility for such members to avail finance, we propose that members may at their discretion consider to have their family member admitted as a nominal joint member (as the family member may be in active service or self-employed) for the purchase of the incremental area and/or new flats.

Your Managing Committee has also received some inquiries and requests from a few members who have opted to purchase incremental area over and above their entitled area, to add the names of their earning legal heirs in the PAA agreement as joint members, so that they can avail of loan benefit from banks and financial institutions.

The provision of joint membership exists in our Bye Law No. 7 as amended in the General Body Meeting of the Society held on 17 September 1944 as below:

#### **QUOTE**

*A person may be admitted as a nominal member on payment of Re. 1/- only as entrance fee, A nominal member is one who is admitted as such for the purpose of joint holding of shares along with an ordinary member and shall exercise no rights or receive no advantages as a nominal member unless otherwise specifically provided for under these by-laws.*

#### **UNQUOTE**

A family member for this purpose as per extant rules includes husband, wife, father, mother, grandparents, brother, sister, son, daughter, son-in-law, daughter-in-law, grandson and grand-daughter of a member of the Society.

It may be noted that this provision is made solely for the benefit of those members who would be purchasing incremental area over and above their entitled area. Further, even after including the name of the earning family member of the member in the share certificate and the PAA agreement, the original member will continue to retain all his rights and interest as a member of the society.

We hence request approval from the General Body to permit members to add not more than one member of their family as a joint member on the request of the member, subject to the family member paying the admission fee and applying for nominal membership of the society by paying admission fee of Rs.100/-.

Those members who have purchased property in joint names or acquired ownership rights by way of Gift Deed in joint names and wish to add their names in the share certificates will also need to apply for nominal membership and submit their original share certificates for addition of their names.

Those members who would like to add the name of such family members are requested to provide details of such person to the Managing Committee in writing on or before 14 August 2024, subject to the above proposal being authorised by the General Body.

The Managing Committee looks forward to valuable suggestions from members on the path that we wish to adopt going forward vis-à-vis redevelopment of the Society and requests the members to participate actively in the Redevelopment Process.

Best Regards,

**For and on behalf of the Managing Committee of The Talmakiwadi CHS Ltd**

**Shivdutt Halady**  
**Hon. Secretary**

Mumbai  
29 June 2024