

Note for General Body on Raising of Seed Capital Funds for booking of new flats

1. Talmakiwadi CHS passed unanimous resolution to redevelop the society as per the DCPR 2034 guidelines issued by the Government of Maharashtra. The members have also selected Self Redevelopment model.
2. The General body had appointed a Sub committee to study the aspects of Self Redevelopment specially the Hybrid model suggested by MPNV.
3. MPNV Architects have committed the following benefits to the society
 - a. Additional area of 55% on existing area or 585 sq.ft. whichever is higher
 - b. Hardship allowance of Rs.21,342/- per sq ft of existing area after the completion of the project
 - c. Members and tenants of TCHS and KSA will be housed in the Rehab Towers
 - d. Commercial tenants will be housed in the Sale Towers
 - e. Rentals during the period of shifting at the time of construction
 - f. Corpus of Rs.100 crore to the society after the completion of project
 - g. Top quality construction
 - h. Top class Amenities and State of the art facilities
 - i. Leeds Platinum certificate for the entire project
 - j. 50,000 sq ft area to be provided to TCHS out of which 5000 sq. ft area of Commercial property will be provided in the Sale Towers which can be given on rentals to earn consistent flow of revenue for the society
 - k. The balance 45,000 sq ft residential area will be provided to the Society in the Rehab building out of which part area 20,000 sq. ft. area can be utilised by the society to sell additional area of bedroom with attached bathroom admeasuring 150 sq ft which can be purchased by a member for Rs.20 lakh + GST, and
 - l. Balance area of residential area of 25,000 sq. ft. in Rehab Towers will be provided in the form of new flats in the Rehab Tower which can be sold by the society to members, their relatives and members of the community.
4. For both Pure Self Redevelopment and Hybrid Redevelopment, the application for the project approval for IOD will have to be made by TCHS. It is estimated that the cost that would be incurred by the society till the stage of IOD would be around Rs.50 crore.
5. As per DCPR 2034 guidelines, Rehab area as per FSI calculations cannot be transferred from Rehab area to Sale area.
6. It is proposed that the society will raise the funds from members and others by sale of additional area of 150 sq. ft. and the new flats from the allocated area mentioned above. A separate note for the Sale of additional area of 150 sq ft is attached for consideration.

7. There are certain regulations which the society needs to adhere to the provisions under RERA Act while selling any area from the project.
8. Following are the provisions under RERA Act
 - a. It is mandatory to register project under RERA if the area is more than 500 sq. metres.
 - b. As per Rule no. 3. of RERA Act No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.
 - c. For registering the project under RERA the promoter needs to have the Commencement Certificate issued by the BMC. Commencement certificate is issued after the IOD is sanctioned.

Based on the above provisions, the society cannot accept booking of new flats from anyone without registering the project with RERA.

The RERA Act provisions are not applicable to members of society hence the area can only be sold to the existing members of the society.

9. Bookings for flats to non-members can be taken only after obtaining Commencement Certificate. If the GB selects Pure Self Redevelopment model the flats in the Sale Tower will be marketed and sold by TCHS whereas in the case of Hybrid model the flats in the Sale Tower will be sold by the Contractor. In both cases the additional flats in Rehab towers will be sold by TCHS.

(I) Sale of additional flats in Rehab building

As per the proposal submitted by MPNV Architects after Redevelopment the Contractor/Constructor will offer TCHS additional area of 25,000 sq.ft., comprising of flats which will be sold to members of TCHS, their family members and non-members interested in buying additional flats.

Past experience of Talmakiwadi

When the buildings in the society were constructed in 1938, since loan from SVC Bank was not sanctioned by the Government authorities, Loan stock Bonds were raised by the society to finance the construction cost. These Loan stock bonds were later repaid by the members. ***The Bye-laws of Talmakiwadi society under clause nos. 35 and 36 has a provision for issuing bonds.***

While we need to raise the Seed money for the initial cost to be incurred on the project till the stage of IOD, there is a constraint on Sale of flats to non-members till we get RERA registration.

Hence we propose to accept expression of interest along with Interest free deposit money from members and/or their family members for which we will need to seek approval from General body and Deputy Registrar.

Family member includes husband, wife, father, mother, grandparents, brother, sister, son, daughter, son-in-law, daughter-in-law, grandson and grand daughter

The society will consider borrowing funds in the event there is a shortfall or in the event the society needs additional funding to meet the cost of approvals and expenses till the issuance of IOD and Commencement Certificate and/or commencement of sale of units in the proposed new construction.

We hence seek approval of the General Body to authorise the managing committee to raise funds to the extent of Rs.30 crores (Rupees Thirty Crores Only) and from members and their family members and/or unsecured loans.

In order to provide the members with an opportunity to book additional flats in the Redevelopment project at a concessional rate it is proposed that the society may consider issuance of Deep Discount Bonds with the approval of the General Body.

The deep discount bonds will also help in mobilising funds for raising funds for Seed Capital and repayment of unsecured loans availed for raising the Seed Capital.

It is estimated that the process of obtaining Commencement Certificate (CC) will be around 18-24 months from the date of approval by the General Body. RERA registration can be applied for after CC approval. Booking of flats from non members will be accepted after RERA registration.

Talmakiwadi Cooperative Housing Society Ltd may consider offering subscription of Unsecured Redeemable Bonds. The Bond will be structured with features to meet the needs of different types of investors and keeping the requirements of the project in mind.

Generally financiers charge higher rate of interest for Real estate project finance as compared to financing of manufacturing industry. Moreover unsecured finance is charged higher rate of interest than secured loans which are charged against land & building security.

The Bonds will be offered subject, inter alia, to the terms of this Prospectus, the Application Form, the minutes of the meeting the General Body, Bye-laws of Talmakiwadi Cooperative Housing Society, the provisions of the Act and the Bond Certificates. The Bonds shall also be subject to other terms and conditions contained in the Letter of Allotment and the applicable laws and regulations.

The Bonds will be allotted on First Come First Serve basis and the issue will be closed once the Limit approved by the General Body is reached.

TCHS Deep Discount Bond Series A

The present market rate is Rs.60,000/- per sq.ft. Assuming we give a discount of 20% to the members as an Early Bird offer and their family members who will book a flat in the Rehab Towers at Rs.48,000/- per sq.ft.

A set of 5 nos. Deep Discount Bond of the face value of Rs.48,000/- each (aggregating Rs.240,000) will be issued at a discounted price of Rs.38,000/- each bond (aggregating Rs.190,000 per set). The five Bonds in the set will have option for redemption in terms of finished area in the proposed sale flats. In case bond holder wishes to not to redeem the bonds against developed sq.ft. of the sale flats, each bond will be redeemed in cash at their face value at the end of 2nd year from the Deemed Date of Allotment i.e. on 01/10/2024. **(Effectively member would be buying a new flat @ Rs.38,000/- per sq.ft. by paying the money upfront)**

The value of the bond is based on the current ready reckoner price with nominal appreciation over two years. Irrespective of the market value per square foot of the flat at the time of obtaining the CC, the bond holder will be entitled for redemption of One square foot per bond in terms of the carpet area at Rs.48,000/- per sq.ft. net of TDS. As per the IT Rules TDS @10% on interest will be deducted.

An application can be made for a minimum of one set or in multiples thereof and no application can be made for an individual Bond forming part of a set.

Deemed Date of Allotment

A common Deemed Date of Allotment for the entire Issue has been fixed as 01 October 2024.

Market Lot

The market lot will be a set of five Bonds upto the end of 2nd year from the Deemed Date of Allotment (01/10/2024).

Terms of Payment	
Type of Bond	Full amount payable on Application (Rs.)
TCHS Deep Discount Bond – Series A	Rs. 190,000 for a set of 5 Bonds

Exercise of Option

The investors will have to clearly indicate their option at the time of making an application and no change of option will be permitted.

Opting for redemption in terms of cash

In case the investor wishes to opt for redemption in terms of cash, on the maturity date, the society redeem the bond against submission of the original bond duly discharged and issue a Cheque/ DD to the investor. The society will record the redemption in their register.

Redemption against area

Equivalent square ft of the RERA carpet area of the sales flat will be made available for the bond holders. The Sale agreement will be executed and registered after the RERA registration.

The bond holder who wishes to opt for redemption in terms of developed square feet area against each bond will be required to first apply for nominal membership of the society by filling in the application form and purchasing one share of the society. After admission as a member, the bond holder will enter into flat purchase agreement with society at rate approved by the GB immediately after the RERA registration. Each bond will be equivalent to 1 square ft of the developed flat RERA carpet area. For any number of bonds submitted by the bond owner at the time of flat purchase agreement, equal square feet area will be reduced from the net RERA carpet area of the flat for payment purposes.

This is illustrated as below:

No of bonds surrendered by bond owner: 100

Net RERA carpet area of sale flat: 750 sq feet

Net chargeable area under flat purchase agreement at GB approved rate: 650sq ft

Above calculation is only for illustration purpose and does not represent actual size of sale flat or any limits on holdings of the bond holders in terms number of bonds.

Common Features, Terms and Conditions of the Bonds

Minimum Number of Bonds

The application must be made for one set of Bonds. There is no maximum limit on application. Applicants can apply for any or all types of Bonds using the same Application Form.

Status

The Bonds will constitute direct, unsubordinated and unsecured obligations of the Society and shall rank pari passu inter se and (subject to any obligations preferred by mandatory provisions of the law prevailing from time to time) shall also, as regards amount invested and any benefits thereon payable by the Society out of its own funds, rank pari passu with all other existing direct, unsubordinated and unsecured borrowings of the Society.

Form and Denomination

The Bonds in the nature of Promissory Notes are negotiable instruments and are transferable by endorsement and delivery.

Procedure for Redemption

The Bond Certificates, duly discharged by the Sole / all the joint holders (signed on the reverse of the Bond Certificate) to be surrendered for redemption on maturity should be sent by the Bondholder(s) by Registered Post with Acknowledgement Due or by hand delivery to the office of the Society or to such persons at such addresses as may be notified by the Society from time to time.

Payment on Redemption

Payment on Redemption will be made only on the surrender of Bond Certificate(s), duly discharged by the Sole / all the joint holders (signed at the reverse of the Bond Certificate). Society's liability to Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of Redemption in all events. Further, Society will not be liable to pay any interest, income or compensation of any kind from the date of such Redemption of the Bonds.

On the Bondholder receiving the amount as specified above in respect of the Bonds, the liability of the Society shall stand extinguished. Necessary entries will be done in the society register.

Transfer/Transmission of Bonds

Transfer of bonds are not permitted.

Joint Holders

Where two or more persons are holders of any Bonds, they shall be deemed to hold the same as joint members with benefits of survivorship subject to other provisions contained in the Bye-laws of the society.

Nomination

The Sole Bondholder or First Bondholder along with other joint Bondholders may nominate any one person to whom in the event of death of the sole holder or all the joint holders as the case may be the amount of the Bond may be paid. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders, Fresh nomination can be made only in the prescribed form available on request at the Registered Offices of the Society.

Succession

In case a nomination has not been made or the nominee predeceased the Bondholder(s) the provisions of this paragraph will apply.

In the event of the demise of the sole holder of the Bond or the last survivor, in case of joint holders for the time being, the Society will recognize the executors or administrator of the deceased Bondholder, or the holder of the Succession Certificate or other legal representative as having title to the Bonds, The Society shall not be bound to recognize such executor, administrator or holder of the Succession Certificate unless such executor or administrator obtains Probate or Letter of Administration or is the holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate Court in India. The Managing committee in their absolute discretion may, in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation.

Notices

Unless specifically stated elsewhere in this Prospectus, all notices to the Bondholder(s) required to be given by the Society shall be deemed to have been given if published in one English and one regional language daily newspaper in Mumbai and may, at the sole discretion of the Society, but without any obligation, be sent by ordinary post to the original sole/first allottee of the Bonds or if Notification and Mandate has been received by the Society pursuant to the provisions contained hereinabove, to the sole/first transferee.

Issue of Duplicate Bond Certificates

If any Bond Certificate(s) is/are mutilated or defaced or the cages for recording transfers by endorsement and delivery are fully utilized, the same may be replaced by the Society against the surrender of such Certificate upon payment by the claimant of such costs as may be determined by the Society. Provided, where the Bond Certificate is mutilated or defaced, the same will be replaced as aforesaid only if the Certificate number and the distinctive numbers are legible. No duplicate will be issued in respect of destroyed, stolen or lost Certificates.

Provided, however, that the Managing Committee may, at the direction of General Body through AGM, redeem only on due date of maturity or date of Early Redemption by Society but not earlier, such Bond Certificates which have been proven to be stolen, destroyed or lost, against such indemnity and subject to such terms and conditions as may be stipulated by the Society in their sole and absolute discretion.

Bondholder not a Shareholder/Debenture holder

The Bondholder will not be entitled to any of the rights and privileges available to the Shareholders of the society.

Who can apply

The following categories of persons are eligible to apply for the bonds:

- Member of the Talmakiwadi Cooperative Housing Society Ltd.
 - in their own names or in the name of their minor children as natural / legal guardians.
 - in single or joint names (but not exceeding two)
- Family members of the member of TCHS.

How to Apply

General Instructions

1. Applications should be in single or joint names (not more than two), on the prescribed Application Form.
2. Thumb impressions and signatures other than in English or any of the other languages specified in the 8th Schedule of the Constitution of India must be attested by Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.
3. Applicant's Bank Account Details - The name of the applicant's Bank, type of account and account number must be filled in the Application Form. This is required to the applicant's own safety and these details will be printed on the refund orders, if any. Applications without these details are liable to be rejected.
4. Applications under Power of Attorney - In the case of applications made under Power of Attorney, a certified true copy of the Power of Attorney or the relevant authority. as the case may be, must be lodged separately at the office of the Society simultaneously with the submission of the Application Form
5. PAN/GIR Number, Where application(s) is/are for a total value of Rs, 50,000 or more, the Applicant or in the case of an application in joint names, each of the Applicants, should mention his/her- Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income Tax Circle/Ward/District, In case neither the PAN nor the GIR No. has been allotted or the applicant is not assessed to income tax, the applicant shall mention 'Not Allotted' in the appropriate box provided for the purpose, Application Forms without this information will be considered incomplete and are liable to be rejected.
6. Joint Applications in the case of Individuals: Applications may be made in single or joint names (not more than two). In the case of joint application, all payments will be made out in favour of the first applicant. All

communications will be addressed to the applicant whose name appears first at the address stated in the Application Form.

7. All applicants must submit copy of the Aadhaar card as KYC document. In case of foreign national copy of passport/ OCI card should be submitted.
8. Multiple Applications - An applicant should submit only one application for the total number of Bonds required. Two or more applications in single name or joint names will be deemed to be multiple applications if the sole/first applicant is one and the same. Society reserves the right to reject in its absolute discretion.
9. A separate cheque/ Demand draft must accompany each Application Form.

For Further- instructions, please read Application Form carefully

Payment Instructions for Applications

(a) Payment by way of Cheque/Bank Draft/ NEFT/ RTGS - Payment may be made only by way of cheque/bank draft drawn on any bank. Further, outstation cheques, bank drafts payable at Mumbai, along with the Application Forms can be sent by post to Society office at 8/4 Talmakiwadi, Javji Dadaji Marg, Tardeo, Mumbai 400007. All cheques/bank drafts must be made payable to "Talmakiwadi Co-operative Housing Society Ltd." and crossed "A/c PAYEE ONLY" with "Deep Discount bond application money" mentioned on the back of the instrument. Members can also remit the amount through NEFT/ RTGS to the society account and send a mail to talmakiwadi@hotmail.com providing the UTR No. of the transaction and the Option selected.

Letters of Allotment / Bond Certificate / Refund Orders

Letters of Allotment/Bond Certificates/Refund Orders as the case may be, will be despatched by Registered Post at the sole risk of the applicant, to the sole/first applicant within 2 weeks of the closing of the respective subscription list or, in the event of unforeseen circumstances, within such further time as may be allowed for the Public or Placement Portions as the case may be by the Stock Exchange, Mumbai.

Utilisation of Application Money Placement Portion

The sum received in respect of the Placement Portion will be kept in separate bank account(s) and will be used for the self-redevelopment of the society only.

Income Tax provisions

The society will assume the role of a Developer. The Income tax exemption provided to the society is based on the Principles of Mutuality hence income generated by the society from the members is not taxable. It is hence important

to note that those who book the flats in the Rehab building, managed by TCHS, will first have to be admitted as nominal members of TCHS and will have to buy one share of the society before we accept any booking amount from them.

RESOLUTION PROPOSED

“Resolved that the members of Talmakiwadi Co-operative Housing Society Ltd hereby approve the proposal brought up by the managing committee to raise Deep Discount Bonds under Series A as per details mentioned in the “SGM Note 2 – Deep Discount Bond note” circulated to the members alongwith the notice and approves the proposal to raise funds from bonds of not more than Rs.30 crore from members of the society and their family members.

Further resolved that the new flats in the Rehab Towers will be sold to existing members of TCHS and their family members at Rs.48,000/- per sq. ft. The rate may be revised with General Body approval if required.

The General body further directs the Managing Committee to open a separate bank account for the purpose of Redevelopment and credit the proceeds to the new account and use the amount for the purpose of Redevelopment only.

Further the Managing Committee is hereby directed to seek approval from any authority in case it is required for the issue of Deep Discount Bonds to the extent of not more than Rs.30 crores (Rupees Thirty Crores Only).”