

06 August 2024

Communication no. 1 – TCHS Redevelopment

This email is one of a series of communications that the Redevelopment Sub-Committee would like to send to you via the Managing Committee, in order to apprise you of the many features of the self-redevelopment project as well as give you periodic status reports on the progress of the project.

At the outset, we are pleased to inform you that as approved by the General Body, the Redevelopment Sub-Committee has been reconstituted, and this reconstitution has been approved by the Managing Committee.

Accordingly, the Redevelopment Sub-Committee comprises of the following Members:

1. Mr Gautam Padukone (Chairman)
2. Mrs Deepa Andar (Hon. Secretary)
3. Mr Ajit Bhat.
4. Mr Anand Hoskote
5. Mrs. Aparnaa Kalbag
6. Mr Devdutta Chandavarkar
7. Dr. Hem Dholakia
8. Mr Ravindra Bijoor
9. Ms Shruti Gokarn
10. Dr. Uday Andar

The Managing Committee has also recommended the inclusion of Mr Vinay Balse, Mr Rajesh Bhat and Mr Ashok Hattangadi in the Redevelopment Sub-Committee. The Sub-Committee has informed us that they will review this recommendation going forward.

In this email, we would like to explain the procedure that we plan to follow for working out the sizes of each of your individual flats. We are sure this is a question that has been in your minds for a long time. You have waited for a long time to get an answer, and we appreciate your patience. Thank you very much.

Please note that whatever is mentioned here is only the procedure that we would like to follow. We will separately communicate with each one of you to show you the complete working for each of your individual flats. We will apply this procedure to each one of your flats, and show you the complete working separately and individually.

Please also note that some of the parameters mentioned below are based on the project workout prepared by MPNV, basis an in-principle agreement/acceptance that they had mentioned having obtained from 3 to 4 top “A” grade brands in the second SGM held on 29 October 2023. The figure of 55% extra area as well as the offer of the additional 150 sq. ft. for Rs 20 lakhs plus applicable GST, are both based on their calculations. If at a later date, MPNV is not able to get 3-4 top “A” grade brands or the General Body does not wish to appoint them as Project Management Consultant (PMC) for the entire project, and appoint someone else, the

percentage may have to be reworked with the percentage and any other offer, if any, that the new PMC offers. The reason for mentioning this is to inform the General Body that the letter appointing them as PMC for the complete project, has not yet been issued to MPNV. It needs to be clarified that the PMC was insisting on appointing them for the entire project but some consultants suggested that we should only give them a limited mandate of going through the tendering process. MPNV was initially not in favour of the proposed limited mandate but eventually agreed to this requirement from the MC, a few days before the SGM dated 14 July 2024. We have now issued an appointment letter to Adv. Lakshmi Murali, Prop. Lakshmi Murali & Associates, as our Legal Consultant for the Project, and await their formal acceptance in writing (discussions have taken place and an in-principle agreement reached). We will then issue an appointment letter drafted by the Legal Consultant with a limited mandate to MPNV as mandated by the General Body at the last SGM held on 14 July 2024.

Please Note: All the procedures explained below or figures/calculations mentioned above are based on the Feasibility Report given by MPNV and as presented to the General Body by MPNV in the SGM held on 29 October 2023. These procedures are also based on their assertion that that they would be able to get 3 to 4 “A” Grade brands to accept their Projections and the Scheme presented by them to the General Body in the above mentioned SGM.

While explaining the procedure, it may become necessary to demonstrate the working with an example. Please note that this is only an example for illustrative purposes. Your individual case will have different numbers.

Existing Carpet Area:

The starting point of all calculations is the existing carpet area of each flat. Here, we have two sets of figures. One set is the area mentioned in your monthly maintenance bill. This is area on the basis of which all of us have paid our monthly maintenance amounts. This includes various add-ons where some members have built lofts or included some common areas. The Managing Committee is aware of these changes, and has collected service charges as per their calculations. But if these changes have not been registered with the Municipal Corporation of Greater Mumbai (MCGM), then they are not in their records. This is the second set of figures. We have to currently rely on the MCGM records as the benchmark and not our own set of figures. This is mandatory. Hence, it is possible that as per the MCGM records, your carpet area may differ from the value in your maintenance bill. We will take the MCGM areas as our starting point.

For redevelopment, even the MCGM set of figures is not accepted by the State Government. The Maharashtra Housing and Area Development Authority (MHADA) is the agency appointed by the State Government to measure and certify the existing carpet areas of each flat in our Society. We will have to make an application to MHADA to conduct this measurement and pay the prescribed fees. MHADA will then depute their engineers for taking the measurements. This cost will be paid from the project; individual members do not have to pay anything for this.

Is it possible that, after MHADA certification, our existing carpet areas may be reduced? After speaking to various experts in the field, we feel it is extremely unlikely. The process that MHADA follows is that apart from the flat carpet areas, they measure the common carpet areas in the building also. For example, the areas occupied by common corridors,

staircases, common toilets, etc., are presently not included in the MCGM records. MHADA measures the areas of these also, and divides it amongst the flats on that floor. Given that most of our buildings have significant common areas, we have been advised that the carpet areas of individual flats are more likely to increase rather than decrease.

Experts have also informed that based on their experience, the increase may be to the tune of 15 to 17%. However, for the purpose of our calculations, we have been conservative and considered an increase of only 10%. This is an approximation. The exact carpet area of each flat will be finally known only after MHADA certification.

With this as our starting point, we will do our calculations. We have offered to our members an increase of 55% over their existing carpet area, which (from now on, in this workout) will be the MHADA certified area.

Additionally, the government has also mandated that the redeveloped flats should have a minimum carpet area of 585 sq. ft. for any flat which has a carpet area of less than 35 sq. metres. (374.76 sq., ft.). Hence, the offer to the members is to be read as 'minimum 55% percent increase over their existing carpet area or 585 sq. ft., whichever is higher'.

To summarize, each member is entitled to receive an increase of 55% extra area or a flat of 585 sq. ft., of carpet area, whichever is higher. This is the entitlement of each member. No member will be asked to pay anything for this; it is completely free.

Fitment:

We are in the process of formulating a Fitment Policy which will be subject to approval by the General Body, to account for the fact that Talmakiwadi currently has more than 70 different sizes of flats.

However, it must also be mentioned here that in the presentation made by MPNV to the General Body in the SGM held on 29 October 2023, they had proposed multiple flat sizes such that the variance in sizes would be plus/minus 5% of the entitlement of a member. Therefore, applying the above condition individually to all the flats would lead to a huge number of individual sizes of flats. It would be difficult to design customized individual flats of each size, and try to fit them into one or even two rehab towers. Hence, it would defeat the purpose of our having a fit for purpose and optimally designed building for occupation by our members post completion of the project.

We may propose that we design six different sizes of flats and fit all our members into the below six sizes. Fitting six sizes of flats on each floor is difficult but not impossible. Please note that, at a later date, members and their family members owning multiple flats at present, would like to be allocated flats together. At the time of allocation, we will do our best to adhere to such requests. This also means that we may have to try and have flats of all the six sizes on each floor of our building. We believe this may be possible with six sizes of flats, but not more.

The six sizes of flats proposed are (all Carpet Areas):

Type A	433 sq. ft.
Type B	585 sq. ft.
Type C	735 sq. ft.
Type D	885 sq. ft.

Type E 1035 sq. ft.

Type F 1185 sq. ft.

Individual flat drawings as per the above carpet areas have not been worked out yet. The Sub-Committee intends to engage in-person with MPNV (once they are appointed as PMC as per decision taken as the last SGM held on 14 July 2024) and work out drawings of each flat size, in detail. This will show us the layout of the complete flat, the sizes of each room in the flat, with designated areas like dining area, etc. It is possible that the final carpet areas may vary slightly from the values shown in the table, but they will be close to those numbers.

Due to the large variation in existing flat sizes, a substantial number of members may not be entitled to an area that corresponds exactly to one of the sizes above. Such members will have to be accommodated or fitted into one of the existing sizes. This is the choice of each member, i.e., your individual choice.

This is only a proposal presently which has been worked out to optimise the areas. We are in the process of consulting legal and tax consultants to check for compliance under the Maharashtra Co-operative Societies Act, MCS Rules as well as from an Income Tax perspective. We will therefore be seeking expert advice from our Legal and Tax Consultants before we share the final proposal with you.

Additional area of 150 sq. ft. Carpet Area at a discounted rate:

In the previous SGMs, MPNV has offered to our members, as a part of their Presentation and Feasibility Report, an additional carpet area of 150 sq. ft. at a concessional price of Rs 20 lakhs plus applicable GST.

Please note that this is entirely voluntary, and is the individual choice of each member. Only those members who wish to purchase the additional 150 sq. ft. of carpet area need to apply and later pay for the additional area. Other members do not have to pay anything.

This offer works out to a rate of Rs 13,333/- per sq. ft. of carpet area as against a reported market rate of Rs 60,000/- per sq. ft. of carpet area in Tardeo area.

You will notice that the sizes of flats from Type B onwards get incremented in steps of 150 sq. ft. of carpet area. This has been deliberately planned, to accommodate requests of incremental 150 sq. ft. of carpet area by the members.

For example:

If a member has chosen a Type C flat (735 sq. ft.) and wishes to purchase an additional 150 sq. ft., of carpet area he will be automatically accommodated into a Type D flat (885 sq. ft.). Thus, all members who wish to purchase the additional 150 sq. ft. of carpet area may be bumped up by one size from their present size.

We have received several applications from members desiring to purchase this additional 150 sq. ft. We will first fit all our members in one of the types of flats as per your choice, and then bump up those who have applied for the additional area.

The final area available to the Project and therefore to the individual members are subject to measurement and certification by MHADA as explained earlier. This activity will enable us to let

each of you know the exact carpet area that can be made available to you, given that the Areas may undergo a change post MHADA certification. Once the MHADA measurement exercise is over, we will communicate with all of you individually, informing you exactly what your carpet area would be as per MCGM, and your entitled area after application of the 55% or minimum 585 sq. condition. We may also request you to choose the size of the flat that you would like to have, and let us know. If you have also applied for the additional 150 sq. ft., you will be eligible for the next size of flat from the flat that you have chosen, as illustrated above.

In any of you have any queries regarding any of the points made above, please feel free to write to us at tchs.redev@gmail.com

This is the official email ID of the Redevelopment Sub-Committee, and the Sub Committee will answer all your queries individually.

Once again, thank you for your cooperation and patience.

Best Regards,

For The Talmakiwadi Co-operative Housing Society Limited

Shivdutt Halady

Hon. Secretary