

23 June 2025

Dear Member of Talmakiwadi,

Further to our emails dated 17 March 2025, 28 April 2025 and 07 May 2025, we now provide the fourth update on our Redevelopment Project, which is primarily focused on the Project Management Consultant (PMC) pre-selection process.

At the outset, it is imperative to mention to our members (the General Body) that the Managing Committee (MC) is aware of a view being promulgated amongst some members and residents that the MC is against the Self-Development Model. We wish to assure our members that the MC has always respected the General Body's mandate, which currently requires various options available for redevelopment to be placed before the members at the ensuing SGM, to enable them to make an informed decision on the Model through a democratic process. In the context of the Redevelopment Project, the MC is aware of its obligations which include the execution of decisions made by the General Body and will continue to do so.

Both Self-Redevelopment as well as Builder Models have their own advantages and challenges. The MC, having been involved with redevelopment for some time now, has elucidated them below. Though the compilation is not exhaustive, it may give our members some idea on how the two models stack up.

**Advantages of Self-Redevelopment:**

- Members can be offered more additional area than under the Builder/Developer Model.
- Members may be able to purchase extra area/new flats at concessional rates as decided by the General Body.
- Greater control over qualitative and quantitative aspects of the Project (Construction Quality, Flat Layouts, Amenities, Incremental Area and Corpus).
- Option to construct a composite building for existing and new members who would be admitted through sale. This ensures uniform construction quality as well as optimal utilisation of the Plot Area for common amenities.
- The land remains under the control of the Society throughout the Project life cycle.
- Concessions in stamp duty are available.
- A single window approval process (proposed by the State Government in 2019 though it remains to be formally implemented).
- Substantial corpus to the members and the society to take care of future maintenance expenses if the society is in a position to sell the inventory of flats at the projected price point.

**Challenges in Self-Redevelopment:**

- Self-Redevelopment is a relatively nascent concept, Very few societies have been able to implement it successfully and take projects to the completion stage. Moreover, completed projects are significantly smaller than TCHS.

- The Society is the promoter and is entirely responsible for all aspects of the Project, including all compliances. This responsibility devolves completely on the MC as the elected representatives of the members.
- Finance has to be arranged by the Society and requires to be tied up upfront to kick-start the Project. Banks and NBFCs do not sanction loans for the stage up to IOD. Post IOD, banks and NBFCs typically insist on mortgage of land for financing the project. The members have thus far not accorded approval to mortgage our land. Financers may also insist on 100% approval from the members for Self-Redevelopment. Hence alternative arrangements and members' contributions may have to be solicited – the former may be more expensive than finance from banks and NBFCs.
- Obtaining all approvals is the Society's Responsibility, though PMCs and consultants may be appointed to perform these tasks.
- Sale of inventory (sale component of flats) has to be managed by the Society. The risk of any downturn in the market or fall in demand rests with the Society and can adversely impact profits and corpus distribution.
- As per the MahaRera website, as on date there are 44 projects in our area which have been registered on the portal. Apart from these projects, there are also some projects which are in the initial stages and may subsequently register on the portal. Many of these comprise projects of top brands operating in Mumbai. This situation presents an inherent risk of excess inventory in the market which may in turn result in pressure on the sale price and reduction in realizations and profit margins.
- In case the society is unable to sell the flats as planned due to headwinds in the market or any other factors, there is a risk of non-repayment of the loan availed as per sanction terms. This may result in the society's account being classified as NPA and the lending financial institution initiating recovery proceedings against the society.
- Requirement for a dedicated and knowledgeable team (with adequate back-ups) to work on the Project throughout its life cycle.
- The corpus is payable only at the end of the Project.

**Advantages of Builder Model of Redevelopment:**

- A tried and tested model compared with Self-Redevelopment.
- Being a prime South Mumbai freehold plot, the Society is in a strong position to negotiate with top tier Builders/ Developers for benefits (Flat Layouts, Amenities, Incremental Area and Corpus).
- The society will not be required to raise finance and sell the inventory of flats and this risk is passed on to the Builder.
- Obtaining all Approvals, and Sale of inventory (Flats) and all Compliances are the Builder's Responsibility.
- All Litigations/Disputes are required to be managed by the Builder.
- The Builder is responsible for payment of rent and shifting charge as embodied in the Permanent Alternate Accommodation Agreement (PAAA).

- Corpus is paid to members in stages during the project life cycle as mutually agreed between the Builder and the society.
- If a top tier Builder/Developer is selected, he is likely to deliver on the Project to protect his brand/reputation in the market.
- Day to day involvement of the team, though higher initially, may taper off after the documentation is finalized and executed.

#### **Challenges in Builder Model of Redevelopment:**

- Members may be offered lesser additional area and corpus than what they may receive under Self-Redevelopment. These parameters are also a matter of negotiation by the society with the Builders.
- For purchase of extra area/new flats, the members would generally have to buy from the Builder at prevailing market rates or at discounts offered at the builder's discretion.
- Since the society hands over development rights to the Builder, it will not have the same degree of control over the Project (Construction Quality, Flat Layouts, Amenities and Corpus) as under Self-Redevelopment.
- The Builder appoints all professional and technical consultants and will have complete control over them and the society will not be able to influence them.
- The society will have to appoint its own site supervision team to ensure that the project is running to schedule and the qualitative and quantitative parameters as agreed and documented with the Builder are being met.
- Concessions in stamp duty admissible under self-redevelopment will not apply, adding to the cost.
- Replacing a Builder if required may involve long drawn out litigation. Hence, robust due diligence on and eventual selection of the best Builder is imperative.

#### **STATUS OF PMC SHORTLISTING:**

As mentioned in our Update No. 3 of the 7 PMCs who had been shortlisted by the RSC, the RSC subsequently delisted 2 PMCs. At the request of the Managing Committee (MC), the RSC scheduled in-person meetings with the remaining 5 shortlisted PMCs at their offices between 05 June 2025 and 18 June 2025, which were attended by some RSC and MC members.

The purpose of these joint meetings was:

- To engage with the key persons at each PMC, assess their office premises in terms of staffing, infrastructure, robustness of succession planning, their overall bandwidth and capability to handle a large and complex redevelopment project like ours.
- Discuss the preliminary Feasibility Reports (PFRs) and where required, to suggest changes to the PFRs based on the MC's review and feedback provided to the RSC, so that the FRs could be shared with the RSC & MC by 30 June 2025 for a final review.

The MC has tabulated and attached to this email numeric data relating to the 5 PMCs based on information shared by the RSC with us in March 2025 in an Excel File <http://www.talmakiwadi.com/wp-content/uploads/2025/06/PMC-Analysis-23-June-2025.xlsx>.

Apart from this, the MC has summarized below its impressions on each of the PMCs post the in-person meetings with them.

**1) R M WARRIER & ASSOCIATES (RMW) - met on 05 June 2025:**

- RMW is a Proprietary Firm incorporated on 01 January 1997 with Mr. Ravindra Warrier (Age c.66 years) as the Proprietor.
- The firm offers Architectural & PMC Services including concept designs and presentation drawings, obtaining permissions from BMC/MHADA/other statutory authorities, coordinating with all consultants, liaison services, structural engineering and construction management. They would coordinate with all other consultants/agencies with whom we have tie-ups for these services.

**Strengths:**

- Mr. Warrier has 38 years of experience as an architect. His associate (whom we did not meet) is reported to have 35 years of experience.
- They have a Civil Engineer with 20 years of experience to manage liaison work, site management, surveys, preparation for approvals and architectural drawings.
- The firm is empanelled with MHADA since 2009 for preparing and revising existing MHADA layouts and obtaining approvals for the same.

**Weaknesses:**

- The firm operates from a small residential flat in Andheri (West).
- No Conference/Meeting Rooms to have discussions/view presentations.
- Key Man Risk as the Proprietor is over 65 years of age and there does not appear to be tangible succession plan.
- Only 6 employees (excluding the Proprietor there were 3 employees present in the office on the day of the visit, of which one was a support staff). Desks were available to seat only 3 persons apart from a small cabin which was presumably the Proprietor's desk. Hence, RMW's model may be to outsource a significant amount of work to other consultants creating dependency on them to perform to RMW's and the clients' expectations.
- They have completed only one redevelopment project 14 years ago, before the redevelopment guidelines were released. Subsequently, their work was focused on architectural support, with schools and commercial enterprises also being their clients.
- They have never undertaken any project management activities after the above project.

**MC View:**

Based on the above, RMW does not appear to have the scale, bandwidth or experience to handle a project of our size and complexity. Also, the Key Man Risk on the Proprietor is significant given the life cycle of our Project being 5 to 7 years. The MC has therefore informed the RSC that we should **not** move RMW to the final list of PMCs who would present to the General Body.

## **2) ANIL NAGRATH & ASSOCIATES (ANA) - met on 06 June 2025:**

- ANA is a Proprietary Firm incorporated on 01 April 1974 with Mr. Anil Nagrath (Age c. 75 years) as the Proprietor.
- The firm offers landscape design and construction management services and collaborates with other professionals/consultants for liaison services, structural engineering, development management, etc.

### **Strengths:**

- Mr. Nagrath has over 53 years of experience as an architect.
- They had prepared a draft concept of how to visualize our project including floor plans of flats, which was pro-active. Their focus is on community living and environmentally friendly designs.
- The firm claims to have completed 2 self-redevelopment projects

### **Weaknesses:**

- The firm operates from a residential building in Chembur.
- No Conference/Meeting Rooms to have discussions/view presentations.
- Key Man Risk as the Proprietor is nearly 75 years of age and there does not appear to be a tangible succession plan. The next in line in the firm with architectural experience (Shreya Nagrath) has only 14 years of experience.
- The 2 self-redevelopment projects completed by the firm are significantly smaller than ours. In both cases, the projects were self-financed by the members of the societies.
- Only 10 employees (of which 3 are the Proprietor and family and 4 are students pursuing architectural studies). Hence, ANA may be outsourcing a significant amount of work to other consultants, so there is dependency on the consultants to deliver.
- Their role has been predominately in the capacity of architects.

### **MC View:**

The MC believes that ANA, though experienced in architecture and design, may not have the scale or bandwidth to handle a project of our size and complexity. Also, there is a significant Key Man Risk (Proprietor) for a large Project over a time period of 5 to 7 years. We have therefore advised the RSC that this PMC should **not** be moved to the final stage of presentation.

## **3) I M KADRI ARCHITECTS (IMK) - met on 12 June 2025:**

- IMK is a Partnership Firm founded in 1957 by Mr. I M Kadri. His son Rahul Kadri now runs the firm with a Team of 47 staff including Architects & Engineers.
- The firm has corporate offices in Mumbai (Worli) and Bangalore (Koramangala) and has been in the PMC business for over a decade.

- Constructed a number of iconic residential buildings in South Mumbai such as Grand Paradi, Brighton, Zahra, Swapnalok, Petit Hall, Haveli House, Buena Vista and Jeevan Manek.
- IMK has been involved in 30 million sq. ft. of construction area across 38 cities and 4 countries.

**Strengths:**

- A well-established firm with rounded capabilities and specialized staffing, thereby able to provide a dedicated Project Team with back-ups and succession planning in case of attrition.
- Has collaborations with dependable construction and real estate firms (Shapoorji Pallonji, L&T, K Raheja Corp., Kalpataru and Lokhandwala Infrastructure) as well as Structural, Legal, MEP, Financial and Marketing consultants.
- Adequately resourced to handle large projects.
- They have completed 4 Builder-led Redevelopment Projects albeit of a smaller size than ours. They also have a large self-redevelopment Project in hand at Marol which is at a nascent stage.
- Robust pipeline of 77 residential projects as a PMC in various stages (7 Self-Redevelopment, 68 Builder and 2 Hybrid) at various stages.
- Owners of the firm are reputed and well networked.

**Weaknesses:**

- IMK's experience as a PMC in redevelopment projects is low compared to the firm's overall experience.
- As with most PMCs, some critical activities may have to be outsourced. However, considering the firm's standing, IMK may be competent to handle this as their consultants are reputed entities.

**MC View:**

The MC believes that IMK being a reputed firm with a large compliment of staff and reputed consultants as partners, may be able to handle a project of our size and complexity.

**4) MASTERS MANAGEMENT CONSULTANTS (INDIA) PVT. LTD. (MMCPL) - met on 13 June 2025:**

- MMCPL is a Private Limited Company found by Mr. Jaspreet Singh Saroya in 2004 and has 196 employees, most of whom are professionals.
- The firm has offices in Mumbai, New Delhi, Kolkata & Jaipur and overseas presence in Bangladesh, UAE and South Africa and h delivered 34.6 million sq. ft. of projects.
- MMCPL is able to offer Development Solutions, Construction Process Management, Cost Consultancy and Design Services (Architectural as well as MEP) through an in-house team.

**Strengths:**

- A firm with 2 decades of experience and staffed professionally with capability to provide a dedicated Project Team with back-ups and succession planning in case of attrition.
- Has collaborations with dependable construction and real estate firms (Godrej Properties, Shapoorji Pallonji, L&T, Runwal Homes & Hiranandani Developers.
- Capability of handling Self-Redevelopment as well as Builder led Redevelopment across the entire gamut of activities involved.

**Weaknesses:**

- Promoter appears to be overly focused on marketing for business.
- Basis details submitted to the RSC in March 2025, residential redevelopment projects in pipeline are very few.
- Though quite some key activities relating to redevelopment are internally managed, there would be dependence on consultants.

**MC View:**

MMCPL in terms of its set up is large and therefore may have the scale to manage a Project of our size and complexity seamlessly.

**5) TOUGHCONS NIRMAN PVT. LTD. (TNPL) - met on 18 June 2025:**

- TNPL is a Private Limited Company found by Mr. Jayant Gaitonde and Mr. Nayan Dedhia in 2012 to provide architectural services to developers. In 2017 the firm forayed into redevelopment of Cooperative Housing Societies in Mumbai.
- The firm currently has 39 employees, most of whom are professionals.
- The firm provides Designing (Project Plans & Design), Liaison for Permissions and Approvals, RCC Consultancy & RCC & Structural Designing) - MEP, HVAC & Other Consulting and Finance (Procedural Guidance, Loan Procurement & Liaison, Facilitation of Bridge/Gap Funding) & end to end Project Co-ordination including Tendering, Preparation of BOQ, Construction Management & Supervision, Legal Consultancy including Vetting of Documents, Chartered Accountancy Services (for Tax & GST) and RERA Compliances.
- The firm manages Self Redevelopment, Hybrid & Developer Led Projects and has revived a previously stalled project by transforming it into a Self-Redevelopment Project.

**Strengths:**

- A firm with 12 years of experience in redevelopment but with directors having 3 decades of experience in the industry.
- Professionally staffed with capability to provide a dedicated Project Team.
- Ability to arrange finance for self-redevelopment projects.
- Capability of handling Self-Redevelopment as well as Builder led Redevelopment across the entire gamut of activities involved.

- They have successfully completed 7 redevelopment Projects (1 Self & 6 Builder) and have a decent pipeline of 62 Projects (4 Self, 56 Builder and 2 Hybrid).

#### **Weaknesses:**

- TNPL's experience as a PMC in redevelopment projects is low compared to the firm's overall experience.
- Though quite some key activities relating to redevelopment are internally managed, there would be dependence on consultants to some extent.

#### **MC View:**

TNPL is a corporate set-up and given the staff employed and infrastructure at its disposal, may be able to manage a Project of our size and complexity.

#### **Note:**

Post the 5 in-person PMC meetings, the MC in a joint meeting with the RSC on 18 June 2025, had mentioned that we should delist the first 2 PMCs (R M Warriar & Associates and Anil Nagrath & Associates) on account of the significant concerns listed above (Key Man risk on the proprietors, inadequate office infrastructure, very few employees and large size of our Project and significant time to completion (5 to 7 years)).

The RSC initially agreed to the above during the discussions, which the MC documented over an email the following day. The RSC subsequently responded to the MC that they disagreed with the MC's view and that all the 5 shortlisted PMCs ought to be allowed to present to the General Body. The RSC also mentioned that if the MC wishes to do otherwise, it is the MC's decision, **and the MC would have to face the consequences therefrom.**

The rationale for the RSC's view was as below:

- The RSC had promised the General Body that they would shortlist 5 to 7 PMCs from whom they had Preliminary Feasibility Reports (PFRs).
- The RSC had asked the 5 PMCs to prepare PFRs free of cost with the tacit understanding that they would be permitted to present to the General Body, which constituted a moral obligation to all the five PMCs to permit them to do so. The MC was not aware of this understanding and was of the view that no commitment should have been made by the RSC or the MC to any of the PMCs on next steps until the Due Diligence had been completed.

The MC is conscious that its primarily moral and fiduciary responsibility as well as allegiance is to the General Body and not to a prospective vendor. Moving these 2 PMCs to the final stage while knowing their very obvious limitations may potentially expose our Project to some risks that are similar to the selection of Mullerpatan Prasad & Nikhil Vaidya Architects (MPNV) whom we eventually had to disengage. The MC does not wish to get into a situation where this may occur.

The MC is therefore of the opinion that we should not go merely by numbers but only have the best PMCs present to the General Body. This will allow the PMCs sufficient time to make qualitative presentations as well as to take and respond to questions from the General Body members. Realistically, 3 PMCs presentations should take about 6 hours (90 minutes for each presentation and 30 minutes for Q&A) excluding a break for lunch, which would itself require a significant attention span from the members.



The MCs stand has been explained to the RSC in person and over email.

The MC has therefore formally intimated the following 3 PMCs (copying the RSC) that they have been invited to present at the ensuing SGM and has requested them to share their presentations by 30 June 2025 for the RSC's and MC's final review:

1. I M Kadri Architects (IMK).
2. Masters Management Consultants (India) Pvt. Ltd. (MMCPL).
3. Toughcons Nirman Pvt. Ltd. (TNPL).

We request you all to go through this very important update and write to us @ [talmakiwadi@hotmail.com](mailto:talmakiwadi@hotmail.com) if you have any queries or if you wish to seek any further information or details.

Best Regards,

**For The Talmakiwadi Co-operative Housing Society Limited**

**Shivdutt Halady**

**Hon. Secretary**