

14 August 2025

Dear Member/Associate Member of Talmakiwadi,

We refer to the Zoom Meeting held by the Managing Committee (MC) with the GB Members on Sunday, 10 August 2025, video recording of which has been shared separately.

In this Meeting, the MC had clarified that an Appointment Letter would be issued to Toughcons Nirman Pvt Ltd (TNPL) only after satisfactory completion of independent Legal & Financial Due Diligence.

In this regard, the following update is being provided.

- In the Knowledge Sharing Session (KSS) conducted by the MC on 26 July 2025, the MC had informed the members that they had received certain reports on adverse dealings of TNPL and their Promoter Directors on 25 July 2025 which merited further investigation into their dealings. There were reportedly allegations about TNPL having been disengaged as PMCs by 2 societies in Andheri and that the Developer in those cases had reportedly sent the societies a legal notice amounting to damages of Rs.188 crores due to business losses. Apart from this case there was also a case against one of the associated companies of TNPL before the Hon'ble Bombay High Court for which further investigation was warranted. Lastly, it was reported in the media that an FIR has been lodged against an associate company and a few individuals which needed to be looked into. Since Due Diligence was an important aspect that could not be overlooked, the MC had cautioned the members that any decision taken with regard to TNPL would be subject to satisfactory findings of Due Diligence.
- In the SGM held on 27 July 2025, the members selected TNPL as the preferred PMC through a voting by secret ballot, subject to satisfactory due diligence.
- The MC had retrieved a copy of judgement of Hon'ble Bombay High Court from the public domain regarding an Arbitration Petition No. 265 of 2021 against an associate company of TNPL, namely M/s Rishabraj Toughcons City Homes Private Limited (RTCHPL), where Malad Marat Co-operative Housing Society Ltd was the Petitioner. The copy of the judgement and the queries pertaining to their removal as PMC by the 2 societies as well as the claim of Rs.188 crore lodged by the builder against the societies and also the aspect of FIR were all sent on email to TNPL for their clarifications. TNPL clarified on 02 August 2025 vide their response that the promoters were associated with the said associate company (and other associate companies) earlier, but had resigned from the associate companies much before filing of the petition and FIR and that they were not involved in any unethical dealings.
- The copy of the judgment along with the explanation provided by TNPL was sent by the MC to Adv. Lakshmi Murali (our Legal Consultant) for her opinion. She replied on 07 August 2025 as under:

**QUOTE**

*It is evident that that proceedings are pending, though the Toughcons Nirman P Ltd and its Directors may have disassociated/retired from the Companies formed with other entities. And at this juncture, and without reading the case papers/complaints, it is not possible to assess the involvement of Toughcons Nirman P Ltd and its Directors. Since the General Body of members*

*have selected Toughcons Nirman P Ltd, you may engage them for limited (stage wise assignment) scope of work, for instance, for feasibility ; preparation of tender documents.*

#### **UNQUOTE**

- The MC requested Adv Lakshmi Murali to retrieve the details of the petition through the website manupatra.com or any other source. However, she replied on 09 August 2025 stating that that only reportable judgements were published on manupatra.com and since this was not reportable, she would not be able to find out the details.
- Meanwhile the MC obtained a Financial Due Diligence Report on TNPL and the Toughcons Group from an independent source. This report was without any adverse findings.
- Nonetheless, the MC was not comfortable to issue the Appointment Letter to TNPL until they had received complete clarity on all the pending issues. Hence despite the advice from our Legal Consultant, the MC did not proceed with issuance of the Appointment Letter.
- The MC conducted further investigation independently in the matter and a new case was unearthed. The respondent M/s. Rishabraj Toughcons City Homes Pvt Ltd had defaulted in the agreed terms of the Arbitration Petition No.265 of 2021. Hence the society (Malad Marat Co-operative Housing Society Ltd) had filed a Contempt Petition No. 13957 in 2022 before the Hon'ble Bombay High Court against RTCHPL, Mr. Jayant Manohar Gaitonde and Mr. Nayan Ravilal Dedhia (Promoter Directors of TNPL) who were all Respondents. In July 2023, a bailable warrant was issued by the Hon'ble Bombay High Court against Mr. Jayant Gaitonde and Mr. Nayan Dedhia for their failure to attend hearings (please see the attached Order Judgment dated 24 July 2023). Subsequently Mr. Gaitonde attended the hearing (please see the attached Order Judgment dated 17 August 2023). The last hearing in the said Contempt Petition took place in September 2023 with the Respondents attending on personal bond. **It is pertinent to note that this information was concealed by TNPL from TCHS and was found out independently by the MC.**
- On Monday, 11 August 2025, three MC members (Mr. Rajaram Pandit, Mr. Satyendra Kumble and Mr. Shivdutt Halady) met the Legal Firm and the Advocate who had fought the case on behalf of the Malad Marat Co-operative Housing Society Ltd against RTCHPL. The Advocate representing the said society mentioned that the findings of the MC were factually correct. He was surprised at the extent of independent due diligence conducted by the MC and complimented the MC for their efforts to unearth information which was not available in the public domain. He gave strong negative feedback about the Promoter Directors of TNPL. The MC members requested him to provide a written opinion on this matter and quote his charges for the same. However he appears to be reluctant to do so because despite repeated follow up, he has yet to submit the written opinion.
- The MC thereafter contacted the legal counsel from Desai Advocates who quoted a fee of Rs. 25,000/- for a written opinion. He was agreeable to provide a written opinion highlighting wrongful acts on the part of the Promoter Directors of TNPL as well as ongoing issues relating to compliance and transparency. **The MC convened an urgent meeting at 7:00 p.m. on 13 August 2025 and unanimously decided to formally seek a written opinion from Desai Advocates for our records.** This action was initiated by sending him an email on to commence his work. We expect this legal opinion to be received within a week

- **In view of the above developments, the MC in the above meeting unanimously agreed on rejecting TNPL as the Project Management Consultant (PMC) due to negative legal findings and lack of transparency.** The MC also decided to seek GB approval for this decision, since TNPL had been selected as the PMC by the GB Members in the SGM held on 27 July 2025. The MC also agreed that a short SGM (using the Hybrid Mode) be convened tentatively on Saturday, 23 August 2025 or at an alternate suitable date. However, it came to light this morning (14 August 2025) that both KSA and BVES Halls were not available prior to 26 August 2025 for conducting the SGM.
- As per the GR dated 04 July 2019 issued under Section 79(A) of the MCS Act, the Society is required to issue an Appointment Letter to the selected PMC within one month from the date of their selection by the GB members at an SGM. In view of this requirement and the non-availability of both the Halls for conducting an SGM before 26 August 2025, **the MC through this communication, seeks ratification from the GB members of its recommendation NOT TO PROCEED with issuing an Appointment Letter to TNPL, and to communicate this to TNPL in writing before 26 August 2025 to avoid any technicalities in the matter.**

The MC will convene an SGM (in Hybrid Mode) soonest possible (on a weekend when either of the Halls is available) to formally ratify and document this decision. In this SGM the MC will present its proposed course of action and seek advice from the GB in this regard.

We request our GB members who are **not aligned** with the above decision of the MC to kindly write back to us conveying your dissent with reasons for the same **by Wednesday, 20 August 2025.**

In case we do not receive any objections or dissenting opinions by 20 August 2025, we will communicate the decision to TNPL.

Members may kindly note that the MC has taken the above decision consciously in the interest of TCHS and its members.

Best Regards,

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

**Shivdutt Halady**

**Hon. Secretary**