

Directive under Section 79(A) of Maharashtra Co-operative Societies Act 1960 to all the Co-operative Housing Societies in the State of Maharashtra.

Regarding Redevelopment of Buildings of Co-operative Housing Societies.

GOVERNMENT OF MAHARASHTRA

No. CHS 2007/CR554/14-C

Co-operation, Marketing and Textiles Department

Date: 3rd January 2009

Whereas, buildings of Co-operative Housing Societies in the State of Maharashtra are being redeveloped on a large scale. A number of complaints were received from members against managements of Co-operative Societies in which redevelopment is taking place. In respect of most of the Co-operative Housing societies, nature of complaints relating to redevelopment is as under:-

1. Not taking the members in confidence in the process of redevelopment.
2. There is no transparency in tender process.
3. Appointing contractors arbitrarily.
4. To work by violating provisions of Co-operative Act, Rules and Bye-Laws.
5. No orderliness in the work of Architect and Project Consultant.
6. Not planning Redevelopment Project Report.
7. Not adopting proper procedure in finalizing tenders.
8. There is no similarity in agreements with Developers.

Whereas there is no concrete policy in respect of all above points of complaint and therefore Co-operation Commissioner and Registrar, Co-operative Societies, Maharashtra State, Pune had appointed a Study Group under the Chairmanship of Joint Registrar, Co-operative Societies (CIDCO) to study the complaints received at various levels and for consultations with all constituents working in the relevant fields. The said Study Group has expressed the opinion that it is essential to frame regulations for redevelopment of buildings of Co-operative Housing Societies after consultation with all the constituents in the field of Co-operative Housing.

Therefore the Government is issuing following directive under Section 79(A) of Maharashtra Co-operative Societies Act, 1960.

The following directive be termed as "Directive for Redevelopment of Building of Co-operative Housing Society".

1. Requisition for convening Special General Body Meeting for Redevelopment of Society's Building:-

Not less than $\frac{1}{4}$ members of the Society the building of which is to be redeveloped should submit a requisition to Secretary on the Managing Committee elected as per provisions of Bye-Laws and lawfully formed along with their scheme and suggestions for redevelopment of the Society's building for convening Special General Body Meeting to finalise the policy on redevelopment of the building.

2. Convening Special General Body Meeting :-

On receipt of an application as per Directive No. 1 above, Managing Committee should take a note thereof within 8 days and Secretary of the society should convene General Body Meeting of all the members of the society, Agenda of the Meeting should be furnished to each members 14 days prior to the day of meeting and acknowledgement thereof should be kept on record of the society.

Before convening the said meeting, Society should obtain list of Architects / Project Management Consultants on the panel of Government / Local Authority and obtain quotations from minimum 5 experienced and expert persons for

preparing project report for redevelopment work of the building and one expert person from among them will be selected in the Special General Body Meeting.

Following business will be transacted in the said Special General Body Meeting:-

1. To take preliminary decision by taking into consideration demand of the members for redevelopment of society's building and suggestions received in respect of the same.
2. To select expert and experienced Architect / Project Management Consultant on the panel of the Government / Local Authority for work of redevelopment of the building and to finalise items of work to be done by them and terms and conditions of work.
3. To submit outline of the programme for redevelopment of the building.

3. To accept written suggestions from members relating to redevelopment of the building:-

Members of the Society will be entitled to submit in writing to the committee eight days prior to the meeting their realistic scheme, Suggestions and recommendations for redevelopment of the building in the name of experienced and expert Architect / Project Management Consultant known to them. However, that Architect / Project Management Consultant should submit a letter that he is desirous of doing work of redevelopment.

4. Decisions to be taken in the Special General Body Meeting:-

Quorum for the Special General Body Meeting convened for redevelopment of building of the Co-operative Housing Society will be $\frac{3}{4}$ of the total members of the society. If quorum is not formed, meeting will be adjourned for eight days and if there is no quorum for the adjourned meeting, it will be deemed that members are not interested in redevelopment of the building and meeting will be cancelled.

On formation of quorum for the meeting, Suggestions, recommendations and objections from all the members with regard to redevelopment of the society's building will be taken into consideration and opinions expressed by all the members will be recorded in the minutes book with names of concerned members. Therefore a preliminary decision will be taken whether to redevelop society's building or not. Such decision must be taken with majority vote of more than $\frac{3}{4}$ of the members. On preliminary resolution about doing the work of redevelopment getting passed, following business will be transacted in the meeting.

- a) To selected expert and experienced Architect / Project Management Consultant from the panel of the Government / Local Authority for work of redevelopment of the building and to finalise items of work to be done by him and terms and conditions for the same.
- b) To submit an outline of the programme for redevelopment of building.

5. Providing minutes of Meeting to all members:-

Secretary of the Society should prepare minutes of Special General Body Meeting as above within ten days and a copy thereof should be furnished to all members and acknowledgement therefore be kept on record of the society. Also one copy should be forwarded to the office of the Registrar.

6. Issuing Appointment Letter to the Architect / Project Management Consultant:-

Secretary of the society will within 15 days of the meeting issue Appointment Letter to the Architect / Project Management Consultant selected in Special General Body Meeting and Society will enter into an agreement with Architect /

Project Management Consultant incorporating therein terms and conditions approved in Special General Body Meeting.

7. Work to be done in the initial stage by Architect / Project management consultant:-

- a) To survey Society's building and land.
- b) To obtain information about conveyance of land to the society.
- c) To take into consideration prevailing policy of the Government and the regulations applicable from time to time depending on ownership of the land (MHADA/SRA/Municipal Corporation) and to obtain information about FSI and TDR, which would be available in relation to building and land of the society.
- d) To take into consideration suggestions and recommendations from the members for redevelopment of the building as also the residential area to be made available to the members, commercial area, vacant area, garden, parking, building specifications etc. and to prepare a realistic project report.
- e) Architect / Project Management Consultant should prepare the project report within two months of date of his appointment and to submit the same to committee of the society.

8. Action to be taken on receipt of redevelopment Project Report:-

- a) On receipt of Redevelopment Project Report as above, Secretary of the society will convene a joint meeting to approve the Project Report with majority vote by taking into consideration suggestions received from Committee Members and Architect / Project Management Consultant. Notice in that behalf will be published on the Notice Board of the Society mentioning time venue etc. of the meeting. It should be mentioned in the notice that a copy of the Project Report is available in the society's office for members to see and the notice should be served on all the members that they should submit their suggestions eight days prior to the next Committee Meeting and acknowledgement of such notice should be kept on record of the Society.
- b) Seven days prior to joint meeting, suggestions received from the members will be forwarded by Society's Secretary to the Architect / Project Management Consultant for his Information.
- c) There will be a detailed discussion in the Joint meeting on the suggestions / recommendations from members and opinion thereon of the Architect / Project Management Consultant and project report will be approved with necessary changes. Thereafter draft of tender form will be prepared and date of next joint meeting will be fixed for discussion on draft tender form and finalising the same. While preparing draft tender form, in order to get competitive quotations from renowned experts and experienced developers, either carpet area or corpus fund fixed (not to be changed) and by finalising other technical matters, the Architect / Project Management Consultant will invite tenders. Society's members will be entitled to furnish information about it to the reputed and experienced developers known to them.

9. Preparing List of Bids Received:-

- a) On the Last day for receiving quotations, Secretary of the Society will prepare a list of offers received and display the same on the notice board of the society.
- b) After 15 days of the last day for receiving quotations, Secretary of the society will convene special meeting of Managing Committee of the society. Authorised representatives of bidders and members of the society desirous of remaining present can remain present for the meeting as observers. Tenders so received will be opened in the presence of all and the Architect / Project management consultant will scrutinize all tenders and prepare a comparative chart and after checking merit, reputation, experience and comparative rate etc. and select minimum 5 bids and if the bids received are less than 5, all the bids for putting

up before Special General Meeting and concerned bidders will be informed about it immediately.

10. Selection of Developers:-

- a) Office of the Registrar to appoint Authorized officer for attending General Body Meeting:-
An application with list of the members should be sent within eight days to the registrar for appointment of Authorized officer to attend the Special General Meeting of the Society for selecting a Developer out of those selected by committee of the Society with the help of the consultant, by taking into consideration his experience, merit, financial capacity, technical capacity and competitive rate etc.
- b) Convening Special General Body Meeting for finalising tender:-
After appointment of authorized officer, with his prior permission Secretary of the Society will fix the time and venue convene Special General Body Meeting for appointment of Developer and Agenda of this meeting will be sent to all the members 14 days prior to the meeting by hand delivery and by registered post and keep acknowledgement thereof on record of the Society. Also, office of the Registrar will make arrangement to keep his authorized representative present for the meeting. Also arrangement will be made for video shooting of the meeting at the cost of the Society. Any person other than formal members will not be entitled to attend this meeting. Therefore members will be required to present at the venue of the meeting with their Identity Cards. At the time of submitting redevelopment proposal to the concerned authority for sanctioning, selection of Developer and other work should have been done in the presence of authorized officer from Registrar's office.
- c) If there is no quorum for Special General Body Meeting:-
If the quorum of $\frac{3}{4}$ members out of total members is not formed for Special General Body Meeting, the meeting will be adjourned for eight days. If quorum does not get formed for adjourned meeting, it will be deemed that the members have no interest in redevelopment of the building and the meeting will be cancelled and thereafter the said subject will not be taken up before the Special General Body Meeting for approval.
- d) In the Special General Body Meeting to be convened for selection of Developer, authorized representative from the office of the Registrar will be present and observe proceedings of the meeting. Also, on concerned representatives and authorized officer remaining present at the venue and at the time of meeting and on quorum of $\frac{3}{4}$ members getting formed, following business will be transacted in the meeting.
 - i) Providing comparative information in respect of tenders selected for presentation (for redevelopment work).
 - ii) Presentation by bidders one by one.
 - iii) To select Developer for redevelopment of the building, to finalise terms and conditions and finalise the tender.
 - iv) To obtain consent from the selected Developer.
 - v) Give information about further work. It will be essential to take written approval by $\frac{3}{4}$ majority vote of the members present for the meeting for selection of Developer. If the selected Developer or his representative does not remain present for the meeting, further action will be taken by presuming that they have given their consent for the project.

11. Agreement to be entered into with Developer:-

Subject to the terms and conditions approved by General Body Meeting of the Society, an agreement should be entered into with the Developer within one month under guidance from the Architect / Project Management Consultant. Along with the points suggested by the Architect / Project Management Consultant appointed by the Society, following points will also be included in the agreement.

- (1) The period for completing redevelopment project of the Society will not exceed more than two years and in exceptional cases, it will not exceed three years.
- (2) Developer will give a Bank Guarantee for amount equal to 20% of the project cost.
- (3) During the period of redevelopment, the Developer will make available to the members alternative accommodation in the same area as far as possible or arrange to pay monthly rent and deposit as acceptable to members or make available transit camp accommodation.
- (4) The said agreement will be registered under Registration Act, 1908.
- (5) On completion of redevelopment project, new members will be admitted in the Society only with approval of General Body Meeting of the Society.
- (6) Carpet area to be allotted should be clearly mentioned in the agreement.
- (7) Development right vested in the Developer will be non-transferable.
- (8) Members will vacate their respective premises only after all legal approvals are received for redevelopment of the building.
- (9) Rights of those who are in possession of the flats will remain unaffected.
- (10) If any dispute arises in the work of redevelopment, provision should be made in the agreement to resolve the same as per provisions of Section 91 of the Act.
- (11) After receipt of Occupation Certificate, flats in the redeveloped building should as far as possible be allotted as per present conditions floor-wise and if it becomes necessary to allot flats by drawing lots, on completion of construction, Developer should make arrangement drawing lots, and at that time flats should be allotted in the presence of Registrar's representative and this process be recorded by video shooting.
- (12) Any Committee member or Office Bearer of the Society should not be the Developer or relative of the Developer.
- (13) Building plans sanctioned by the Municipal Corporation / Competent Authority should be put up before the General Body Meeting for information and if any member wants copies of approved documents, he should submit application for the same to the Society and it will be binding on the Committee to furnish the information by charging necessary fee.

By order and in the name of the Governor of Maharashtra

(Dr. Sudhirkumar Goyal)
Principal Secretary
(Co-operation and Marketing)

Copy to:

- 1) Co-operation Commissioner and Registrar,
Co-operative Societies, Maharashtra State, Pune.
- 2) Divisional Joint Registrars, Co-operative Societies (All).
- 3) District Deputy Registrars, Co-operative Societies (All).
- 4) Select File (14-C).