

Co-operative housing society

Regarding Redevelopment of the Buildings of Co-operative Housing Societies.

Government of Maharashtra

Co-operation Marketing & Textile Department

Government Resolution No :- S.G.Y. 2018/ Case no. 85/ 14-S,

14th Floor, New Administration Bhavan,

Madam Kama Road, Hutatma Rajguru Chowk,

Mantralaya, Mumbai-400 032.

Date :- 04 July, 2019.

Read :- Co-op. Marketing and Textile Department , No. S.G.Y. 2007/L. No. 554/ 14-C, Date: 3rd January, 2009.

Prefix:- Since there are large number of Projects under process for Re-development of the Buildings of the Co-operative Housing Societies in the Maharashtra. We are in receipt of the numerous complaints received from housing societies, housing federation and individual members against the Management of Co-operative Housing Societies, which are undergoing the Re-development process. The nature of complaints received from majority of the Co-operative Housing Societies undergoing Re-development are as given below.

1. Not taking members in confidence in the Redevelopment Process;
2. Non-transparency in the Tendering Process
3. Arbitrary appointment of Developers
4. Conducting business in violation of the Co-operative Law, Rules and Bye-Laws
5. Lack of co-ordination in the work to be done by the Architects and Project Consultants
6. Non-Planning of Redevelopment Project Report;
7. Not adopting a fair procedure for the finalization of tenders;
8. Non-Parity in the Agreements to be executed with Developers.

2. The Government has provided guidelines and procedure for redevelopment of co-operative housing societies buildings in Governments Resolution dated 3rd January, 2019, under Section 79(A) of the M.C.S Act 1960. It is necessary to modify guidelines dated 3rd January 2009 b y considering nature of above complaints, to boost rehabilitation projects in a state, Government was under consideration to issue modified guidelines , accordingly government is giving

below direction u/s 79A of Maharashtra cooperative society act, 1960 by superseding earlier referred direction dated 3rd Jan 2009.

Governments Direction –

1. Society can take decision of redevelopment in their general meeting, If the co-operative housing societies building declared dilapidated or destructive or dangerous to stay or dangerous to go along by side or any neighbouring structure or place has been declared as dangerous by the enabled authority, and as per development control regulations society is eligible for redevelopment.
2. This direction is applicable to all types of redevelopments like self-redevelopment, contract redevelopment, cluster redevelopment, redevelopment by Federation and redevelopment by the group of societies etc., All the procedures set out for the appointment of the developer will be applicable for all types of redevelopment as mentioned above, or the appointment of contractor or for the development by the contract.
3. The decision of redevelopment of housing societies building shall be taken, according to their registered bye-laws in the special general meeting of the society as per the procedure laid down under said directions.
4. Redevelopment cannot be initiated or decided by Authorised officer/administrator appointed by registrar.
5. To organise special general meeting for the redevelopment of societies building:- The Co-op. Housing Societies in which the Redevelopment work of the buildings is required to be undertaken, an application of requisition to hold a Special General Body Meeting of the members of the society to consider and discuss the Redevelopment Project and suggestions on the same, is to be submitted to the Hon. Secretary of the Managing Committee which is properly elected as per provisions of the society's Bye-laws and also constituted as per the provisions of the MCS Act 1960. The requisition application is to be signed by not less than 1/5th of the total members of the society. on receipt of requisition for calling the meeting, the Managing Committee of the society, within 8 days of the receipt of the application, should consider the same and within a period of 2 month the Hon. Secretary will call the Special General Body Meeting of the members of the society giving agenda of the meeting prior to 14 days of the meeting. Acknowledgement will be collected from every member and maintained in the records of the society. Before calling meeting the committee of society shall obtain quotations from minimum three architects registered in architects council under Architect act 1972 or Project Management Consultants who are empanelled with the Government or any local competent Authority, for preparation of buildings redevelopment project report. After

considering all the quotations received, the Special General Meeting will select one of the Experts

6. For the sake of transparency, society who proposed for redevelopment shall create a website on the internet and upload all the details in regards to redevelopment, like notices, minutes and report of Project Management Consultant etc., on the said website. The said information shall be available to members of the society, the notices and minutes of the said project shall be send to the members via email/ in person/ registered post. For sending the notices and minutes in regards to the redevelopment via email, it is required each members to submit their email id and contact details. The information about the said website shall be given to the Registrar. Also above information shall be publish on the notice board of the society.

7. Instructions and communication by way of minutes from managing committee for redevelopment and special general meeting, shall be send via email and hard copy to the concerned registrar's office within 15 days of the said meeting . The acknowledgement copy shall be keep safely by the society.

8. The Special General Meeting will consider the business as per following subject wise:-

1. To take primary decision, after considering the demands and suggestions from the members, on the Redevelopment of the Society Building/s.
2. To select expert and experienced Architect / Project Management Consultant, who are empanelled by Government / local Authority, for the work of Redevelopment and frame Rules / conditions of their work.
3. To submit redevelopment of buildings procedures outline.
1. The members of the society can submit their inputs, suggestions, recommendations and also names of known experienced and expert Architects/Project Management Consultants for the redevelopment project. However this should be submitted to the Committee, in writing, 8 days before the date of the meeting. Letter stating that they are interested to take up work of Redevelopment have to be submitted by the Architects / Project Management Consultants

10. Decisions to be taken in the special general meeting (Sgm):-

- a) The quorum for the Special General Meeting called to consider subject of Redevelopment of the society's building will be 2/3rd of the total number of the members of the society. In case of no quorum, the meeting will be

adjourned for 1 month after giving notice of 7 days and if there is no quorum attained for the adjourned meeting, under such circumstances such adjourned meeting will be cancelled for next 3 month considering that the members have no interest in the redevelopment of the society's building/s. The suggestions, objections, recommendations and references placed by the members regarding Redevelopment of society's building/s will be considered and noted in the minutes of the meeting along with the name of members. In the said meeting the primary decision of redevelopment to be done or how shall be approved by presented members of the society who shall not be less than 51% total members of the society. The requirement of 51% of total members of the society for the decision of redevelopment. For the said any oral or written approval, opinion of non-presented member shall not be considered. Like this the decision shall be approved by the approval of the majority which shall not less than 51% of total member of the society (Example if any housing society is having 100 nos. of members, and the quorum of the special general meeting for redevelopment shall be 66.66 means 67 members and for majority it shall require approval of 51 or more members out of it , means if in that meeting if 67 members were presented then out of 67 presented members, approval of 51 or more members should require, also if, 75 members were presented then out of 75 presented members approval of 51 or more members require and accordingly.)

- b) After the approval of redevelopment as mentioned above as per approval of special general meeting will consider following business.
 1. To approve the Terms and Conditions along with the scope of the work to be carried out by the eligible Architect / PMC who can be selected from the Panel of Govt./ Local Authority for the Building Redevelopment work.
 2. To submit proposal of Building Redevelopment Project.
 1. The Hon. Secretary of the society should prepare the minutes of the Special General Meeting and circulate it to all the members within 7 days. The acknowledgement against receipt of the copy of minutes taken from the members should be kept on record. Further, one copy of the minutes should be sent to the office of the Registrar.
 1. After passing decision of redevelopment by majority approval i.e. approval of not less than 51% of total members of society as mentioned above, it is necessary for managing committee to acquire written consent

letters from the members who had voted in favour of redevelopment for further action.

13. To issue letter of Appointment to the Architect / PMC:-

As per the decision taken in the Special General Body the Hon. Secretary of the society shall issue Letter of Appointment to the Architect / PMC selected by the Special General Meeting within 30 days of the meeting. Further the committee will sign the Agreement containing Terms and conditions passed in the Special General Meeting, with the Architect / PMC.

14. The initial work to be carried out by the Architect / Pmc:-

- a) To carry out survey of the Land and Building.
- b) To seek information regarding the conveyance of the society's land.
- e) The Project Report shall be prepared and submitted to the committee by the Architect / PMC within 2 months from the date of their appointment.
 1. a) After receipt of the Redevelopment Project Report and considering the suggestions presented by society members, the Hon. Secretary of the society will call a joint meeting of committee members and Architect / PMC to obtain approval from majority towards the submitted Project Report. A proper Notice mentioning the day, date, time, place etc. of the meeting will be displayed on the Notice Board of the society. The Notice will also inform that the copy of the Project Report is available to the members for the inspection. Also the members will be informed that they can submit their suggestions, before 7 days of the Committee Meeting. This Notice about members suggestions shall be given to every member and their acknowledgement, shall be kept in the records of the society.
 - b) The Hon. Secretary shall send all the suggestions received from the members to the Architect / PMC for their consideration, 7 days before the Jt. Meeting.
 - c) The said Management committee will consider the suggestions, recommendations received from members along with the opinion expressed by the Architect / PMC in the meeting, and after detailed discussion on all the related matters and after incorporating the required corrections, the Project Report will be approved by majority . The provisional draft of the Tender will also be prepared and day, date and

venue will be finalized for the next Management meeting for discussing and finalising the draft of the Tender document. The Architect / PMC will prepare the draft Tender for inviting competitive Offers, where in the one of the primary requirements (Unchangeable) carpet area or corpus fund will be decided and considering the other technical aspects tenders will be invited. This will help to receive competitive Tenders from well known, expert and experienced Developers. The members of the society can forward this information to their choice of renowned and experienced Developers. In the case of self- redevelopment also at the time of preparing tender for project report and inviting tenders from contractors, society and Architect/PMC has to follow procedure as mentioned above.

16. To publish list of tenders received :-

(b) Within 15 days of the last date of the receipt of the Tenders, the Hon. Secretary of the society will call the Special Meeting of the Managing Committee. The meeting will be attended by the official representatives of the Developers where interested members of the society can attend as observers. All the received Tenders will be opened in the presence of all the people participating in the meeting. The Architect / PMC will conduct scrutiny of all the Tenders and prepare a comparative chart. The expertise, status, experience and competitive rates offered etc. Will be examined by the Architect / PMC and a selection of minimum 3 Tenders and in case 3 Tenders received. To get competitive tenders, it is necessary to get at least 3 tenders, but if less than 3 tenders received then firstly give at least one week's extension of period, after giving extension of period also if less than 3 tenders received then give extension of another one week's period second time, and if then also number of tender received is less than 3, then as much as received tenders shall be kept in the special general meeting for approval.

17. Selection of a Developer

a) The office of Registrar to appoint an Authorised Officer for the special general meeting .

With the help of the appointed Architect / PMC, selection of the developer to be carried out from those selected tenders, wherein the selection of one developer on the basis of experience, calibre, financial status, technical expertise and competitive rates is to be carried out in the Special General Body Meeting, where the committee will make an application, attached with the members list, within a period of 7 days, to the Registrar, Concerned Society to appoint an Authorised Officer to attend a Special General Meeting which is called to select one Developer from amongst the Tenderers selected by the Consultants. The

Registrar will take decision on the application and appoint Authorised Officer. At least one project must be registered in MahaRera by selected developers or their associates or assistants.

a. The Hon. Secretary of the society, for appointing the developer, shall within one month of the appointment of the Authorised Officer and with his prior permission fix day, date, time and venue of the Special General Meeting. The Notice of the said Special General Meeting will be issued 14 days before the date of the Special General Meeting which shall be hand delivered as well as sent to every member by hand delivery or by Registered A.D. Post and for the members residing out of India through email, the acknowledgement copy will be kept in the Society's Records. The said Agenda will be uploaded in the societies website created for redevelopment. Similarly the Representative of the Registrar's office will ensure the presence of the Official Representative of the Tenderers, whose Tenders shall be considered at the Special General Meeting. The Arrangement for Video Shooting of the Special General Meeting, at the expenses of the society, shall also be made. Only bonafide member of the society shall be eligible to attend the Special General Meeting. Members would require to carry their individual identification papers to attend the meeting. While submitting Redevelopment proposal for approval to the concerned competent Authority it is necessary that, the complete business of selection of Developer and allied matters are carried out in presence of the Architect/PMC's Authorised Officer.

a. The quorum for the Special General Meeting shall be 2/3rd of the total number of members of the society. If the quorum is not attained, the Special General Meeting shall be adjourned for 7 days. In case of no quorum for the said adjourned meeting, the meeting will be cancelled considering that the members have no interest in the Redevelopment of the societies building. The subject cannot be brought before the any Special General Meeting for its approval for further 3 months.

d. The business in the Special General Meeting for selection of the Developer.

Authorised Officer from the office of the Registrar will attend the Special General Meeting to observe the business of the meeting. On the designated day, date and time of the meeting, only in the presence of the required representative and Authorised Officer and with the presence of sufficient 2/3rd quorum as mentioned, the meeting will undertake the following business.

1. To give comparative information about the selected Tenders to be considered. (With regards to Redevelopment work). It is necessary to get written confirmation for appointment of Developer, from the majority of the present members which shall not be less than 51% of total members of the society. For the said any oral or written approval, opinion of non-presented member shall not be considered. The selected developers or their representatives who do not register their presence for the Special General Meeting will be considered as having given their consent for the Redevelopment proposal and further process will be carried.

18. Development Agreement with the Developer :-

The Managing Committee as per the Terms & Conditions passed in the Special General Meeting in consultation with the appointed Architect / P M C and seeking their guidance, shall make an Agreement with the Developer within 3 months.

In the Agreement as per the suggestions of the appointed Architect / P M C along with other important issues should also includes the following points:-

1. According to the size of redevelopment project, the period of completion of the project for the reconstruction / construction of the organization will not be more than 2 year from date of first / plinth certificate and in special cases not more than 3 years in case of any exigencies.
2. The Developer will give Bank Guarantee of 20% price of Redevelopment Project to society.
3. The Developer will try to give alternate accommodation to the members in the same area till the Redevelopment Project is complete. Otherwise he will pay monthly rent and Deposit agreeable to members or make available Transit Camps.
4. The Development Agreement with the society and permanent Alternative Accommodation Agreement with the individual member shall be registered under Registration Act 1908.
5. New members can be admitted by taking approval in the societies General Body Meeting after completion of the Redevelopment Project.
6. The Agreement shall have specific mention of the agreed Carpet Area as per Real Estate (Regulation and Development) Act, 2016.

7. The Development rights given to the Developer will be non transferable.
8. The flat owners will vacate their flats only after receipt of all the legal permissions for the Redevelopment work and after registration of Permanent Alternative Accommodation Agreement with the individual members.
9. Those in possession of their flats will not loose their rights.
10. Agreement between contractor, Architect and society shall have a condition that disputes, if any, on the Redevelopment work shall be settled u/s Rule No. 91 of the Rules.
11. After receipt of the Occupation Certificate for the Redeveloped building the distribution of the flats should be preferably made in accordance to the prevailing arrangement of present floors. In case when the Allotment of flats is required to be made by lots, only after completion of the building the Developer should make available the lottery system after completion of the Redevelopment Project. The developer should arrange for draw of lots for the distribution of flats in presence of representative of registrar. And video shooting of the complete process will be made.
12. No member of the Committee or Office bearer shall be a Developer or his relative.
13. The Building Plans which are approved by the Municipal Corporation / Competent Authority shall be again placed before the General Body Meeting for information. A member wishing to have a copy of the approved Documents can get the same on his written application. The committee is bound to issue the information on charging a reasonable fee.
3. After the quorum is completed, the decision of redevelopment shall be approved by presented members of the connected buildings of society who shall not be less than 51% of total members of the connected buildings of society. The requirement of approval of 51% of total members of the society for the decision of redevelopment. For the said any oral or written approval, opinion of non-presented member shall not be considered.
3. Before start functioning redevelopment work of connected buildings of federation of co-operative housing society, the connected society should have to give approval as per below. by forming quorum $\frac{2}{3}$ of total members for special general meeting organized for the cluster redevelopment of connected buildings of federation of co-operative housing society the decision shall be approved by majority of presented

members who shall not be less than 51% total members. For the same require approval of 51% of total members of the society. For the said any oral or written approval, opinion of non-presented member shall not be considered. Also all society shall acquire written consent from the members who had given approval for redevelopment and provide resolutions and written consent to the committee of federation of co-operative housing society or at least 60% members of all the societies is necessary to vote in favour of the resolution. And each society shall acquire written consent from the members who had given approval for redevelopment and provide resolutions and written consent to the committee of federation of co-operative housing society Like this after taking primary decision of cluster redevelopment of society the next procedure shall be same as per mentioned above for redevelopment of Co-operative housing society.

1. Said Governments Resolution, is available in the portal of Maharashtra governments www.maharashtra.gov.in and its compute code no is 201907041556201202. This order is signed by digital signature.

According to the order and the name of the Governor of Maharashtra.

Kamlakar Sitaram Badgujar
Executive officer, Maharashtra Government.

Copy: -

1. Personal Secretary to Hon'ble Minister (Co-operation)
2. Personal Secretary to Hon'ble State Minister (Co-operation)
3. Principal Secretary (Co-operation), Co-operation, Textile and Marketing department, Mumbai.
4. Additional Chief Secretary, Revenue and Forest Department, Mantralaya, Mumbai.
5. Additional Chief Secretary, Housing Department, Mantralaya, Mumbai.
6. Principal Secretary Rural Development Department, Mantralaya, Mumbai.
7. Commissioner for Cooperation and Registrar, Maharashtra state, Pune.
8. All departmental Sub-registrar office.
9. All District deputy registrar office.
10. Select File, Office S-14.