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Directions to be given to all Co-operative
Housing Societies in Maharashtra State
Under section 79 [a] of the Maharashtra
Co-operative Societies Act 1960.

In relation to redevelopment of co-operative
Housing Society buildings.

Government of Maharashtra.
No. CHS 2007/PK 554/14-S
Co-operative, Marketing and Textile Department.
Date 3rd January 2009.

Whereas in the State of Maharashtra redevelopment of co-operative Housing Society buildings are going on large scale. Various complaints were received from the members over the management of redevelopment of co-operative society. [Buildings] Most of the complaints received while carrying out redevelopment of co-operative society. [Buildings] are of below mentioned nature.

1. Members are not taken into confidence in the process of redevelopment.
2. Tender processes are not transparent.
3. Appointments of contractor are done coercively.
4. Transact business by violating provisions of Co-operative Act, Rules and Bye law.
5. No co-ordination in the business of architect and project consultant.
6. No planning of redevelopment project report.
7. No similarity in the agreement to be executed with the developer.

Whereas on all the above issue there is no concrete policy, hence the complaints received at various levels and for the purpose of discussing with the various units actually working in the area, a study group was constituted under the chairmanship of Joint Registrar Co-operative societies, CIDCO by the Co-operative Commissioner, and Registrar Co-operative societies, Maharashtra State Pune. Said committee has held discussions with all units in the co-operative sector and has expressed its view that rules are required to be framed for the redevelopment of Co-operative society buildings.

Whereas under section 79 [a] of the Maharashtra Co-operative Societies Act 1960 government hereby give directions as under.

The below directions shall be deemed to 'the directions for redevelopment of co-operative Housing Society buildings'.

1. **Demand for calling special general body meeting for redevelopment of co-operative Housing Society buildings.**

Where the building of the of co-operative Housing Society is to be developed, not less than 25% members of such society has to submit an application to the secretary of the management committee elected and constituted under the bye laws of the society for calling

special general meeting for deciding the policy of the redevelopment of co-operative Housing Society building.

2. To call special general body meeting.

On receipt of application as per direction no. 1 above, within eight days the management committee shall take its note in the management committee meeting and the secretary of the society shall call a general body meeting of all members of the society within one month. Notice of the meeting should be given to each and every member of the society 14 days in advance and its acknowledgment be kept on the society record.

Before calling the said meeting management committee of the society should obtain list of the architects /project management consultants on the panel of the government/local authority and at least from 5 experienced and expert persons obtain quotations for preparing the project report of the redevelopment work of the building and out of them one expert person will be appointed in the special general body meeting.

In the said special general body meeting below mentioned subjects will be transacted.

1. To take decision by taking into account demand of the members for redevelopment of the society building and suggestions received.
2. To appoint experienced architect/Project management consultant on the panel of the government/local authority and the issues and terms / conditions of the work done by him to be finalized.
3. To prepare timetable for redevelopment of the building.

3. To receive written instructions of the members for redevelopment of the building.

The members of the society can hand over written realistic scheme for redevelopment of the building, suggestions, recommendations, and names of the experienced and expert architects/ Project management consultants known to them to the management committee before eight days of the meeting. However consent letter of such architect/ Project management consultant that he is interested in the redevelopment business should be submitted.

4. Decisions to be taken in the special general body meeting.

The Coram of the special general body meeting called for the redevelopment of the co-operative housing society building shall be 3/4 of the total numbers of the society members. If Coram is not sufficient then the meeting will be adjourned for the eight days and in the adjourned meeting also if there is no Coram then it will be presumed that the members of society are not interested in the redevelopment of the society building and the meeting will be cancelled.

On adequate Coram all the suggestions, recommendations and objections of all the members for redevelopment of the society building will be taken into account and the views expressed by all the members will be recorded in the minutes of the meeting with their names. Thereafter preliminary decision with 3/4 majority of the members present will be taken as to whether redevelopment of the society building is to be done or not. If the preliminary resolution for carrying out redevelopment of the society building is approved then in the said meeting below mentioned business will be transacted.

- a. To decide the issue terms/conditions for appointing experienced architect/Project management consultant on the penal of the government/local authority for redevelopment work of the building.
- b. To prepare timetable for redevelopment of the building.

5. To hand over minutes of meeting to all the members.

The secretary of the society has to prepare the minutes of the above special general body meeting and within 10 days its copy be given to all the members and its acknowledgement should be kept on record. Further one copy be forwarded to the office of Registrar.

6. To issue appointment letter to architect/Project management consultant.

The secretary of the society shall issue a appointment letter within 15 days from the date of special general body meeting to the architect/Project management consultant appointed in the meeting and shall execute agreement with the architect/Project management consultant on the issues terms/conditions approved in the general body meeting.

7. At initial state the work to be done by the architect/Project management consultant.

- a. To carry out survey of the society building and land.
- b. To obtain information about conveyance of the society land.
- c. By taking into account the existing policy of the governments and the rules applicable on the basis of ownership of the land of MHADA/SRA/Municipal Corporation at that time, to obtain information about the available FSI and TDR on the land.
- d. By taking in to account suggestions, recommendations of the members of the society for redevelopment, the residential area to be made available for the members, commercial area, open space, garden, parking specifications of construction and other issues, precise project report be prepared.
- e. The architect/Project management consultant has to prepare the project report within two months from the date of his appointment and hand it over to the committee.

8. Action to be taken after receipt of project report.

- a. On receipt of the above redevelopment project report, and by taking into account the suggestions of the members of management committee and architect/Project management consultant and members, the secretary of the society shall call a joint meeting of the members for approving the project report by majority. Notice of this meeting, its time place etc. will be published on the society notice board and notice will be served to each and every member about the receipt of project report and its copy is kept in the office for inspection of the society members, and if suggestions are to be made then the same should be submitted before 8 days of the next management committee meeting and is acknowledgement will be kept in the record.
- b. The secretary of the society before seven days of the joint meeting as above, the suggestions received from the members will be forwarded to the architect/Project management consultant for their consideration

c. In the said joint meeting detailed discussions will be held on the suggestions, recommendations of the members and views of the architect/Project management consultant thereon and by making required changes, project report will be approved by majority and by making discussions, considerations, for preparing draft tender, date and time and place will be fixed for the next meeting for finalizing the draft tender. While preparing tenders a issue of carpet area and corpus fund should be kept absolute [not variable.] in order to receive competitive bids from the architects/project Management consultants, well known experts and experienced developers and by finalizing other technical issues tenders will be invited. Society members shall be able to give information about well known and experienced developers.

9. To publish the list of tenders received.

a. The secretary of the society shall prepare the list of the tenders received till the last date of receiving tenders and publish it on the society notice board.

b. The secretary of the society shall call meeting of the management committee within 15 days from the last date for receiving tenders. In the said meeting representatives of tenders and interested members of the society can remain present as spectators. The tenders received will be opened in the said meeting and scrutinized Architect / project management consultant shall prepare comparative charge of all the tenders and will scrutinize the quality, goodwill, experience and competitive rate etc. If minimum 5 or less than 5 tenders are received, all the tenders received will be placed before the special general body meeting for approval and the concerned tenderer will be immediately informed.

10. To select the developer.

a. Appointment of authorized officer form office of Registrar for general body meeting.

In order to appoint the developer on the basis of his experience, qualify, financial capability, technical capability and competitive rate, from the tenders selected by the management committee of the society with the help of consultant, the members shall make an application with the list eight days in advance to the Registrar for appointment of authorized officer and keeping his office representative present in the special general meeting for appointing the developer. The register shall appoint the authorized officer accordingly.

b. Calling special general body meeting for finalizing the tender.

After appointment of authorized officer, the secretary of the society within one month with prior permission of the authorized officer, shall fix the date and place and shall call general body meeting for appointment of developer and the notice of this meeting shall give given by hand delivery or by registered A.D. 14 days before the meeting and shall keep its acknowledgement in the record. Further the tenders whom are to be placed before the representative of the Registers office, arrangement is to be made for keeping their representative present. Further vide shooting of the meeting can be done at the costs of the society. In the said meeting except the authorized

representative no other person shall be able to remain present. In this respect members should remain at the place of meeting with their identity cards. While submitting the redevelopment proposal to the concerned authority for approval, appointment of developer and other work should be done in the presence of authorized officer by the registrar.

c. If sufficient Coram is not for special general body meeting.

Coram of the special general body shall be 34 of the total number of members. If Coram is not sufficient then the meeting shall be adjourned to the next eighth day and in the adjourned meeting there is no Coram then it will be presumed that the members of the society are not interested in the redevelopment of the society building and meeting will be cancelled and this subject will not be kept for approval in any special general meeting for a period of one year.

d. Business to be conducted in the special general meeting for appointment of developer.

Authorized representative from the office of the Registrar's office shall remain present for the said meeting and shall inspect the proceedings of the meeting. At the place of meeting and time after the necessary representative and authorized officer remained present and on completion of Coram business of the meeting shall proceed as under.

1. To give comparative chart of the tenders selected for presentation. [For redevelopment work]
2. Presentation by tenderer serially. [Presentation for tender.]
3. To select one developer for redevelopment of building with terms / conditions and to finalize the tender.
4. To obtain consent form the selected developer.
5. To give information of further work.

Written consent of members with 3/4 majority is required to be obtained. If the elected developer or their representative are absent in the meeting, then it will be presumed that they have consent for the said project and accordingly further action will be taken.

11. Agreement to be executed with the developer.

Subject to the terms and conditions approved by the management committee of the society, general body, under the directions of the architect/project management consultant, agreement be executed with the developer within one month. In addition to the other issues as suggested by the elected architect/project management consultant, the below mentioned issues should be incorporated.

1. The redevelopment project period of the society should not be more than two years and in exceptional circumstances it shall not be more than three years.
2. Developer shall give bank guarantee to the society to the extent of 20% of the project costs.
3. The developer shall provide alternate accommodation to the members till the completion of the project especially in the same area and shall give monthly rent as

- may be agreed by the members and shall make arrangement of deposit or shall make available such transit camp.
4. Said agreement will be registered under the Registration Act 1908.
 5. New members will be admitted with the consent of the general body in the society after completion of redevelopment project.
 6. Carpet area to be allotted should be clearly mentioned in the agreement.
 7. The right given to the development should be nontransferable.
 8. Unit holder members will vacate the units only after legal approval for redevelopment of the building obtained.
 9. The person in whose possession the flat is his right shall be unaffected.
 10. If any dispute in redevelopment work arises then there should be provision in the agreement for settling the dispute between contractor and architect and society under section 91.
 11. On receipt of occupation certificate, while allotting the flats in redeveloped building the existing position of floors should be maintained and if allotment is required to be done by lottery then after completion of the entire building, developer has to make arrangement for allotment of flats under lottery system and in the presence of representative of Registrar flats be allotted under lottery system and its video recording should be done.
 12. Any committee member of the society or office bearer, developer or his relative should be there.
 13. Construction plans approved by the Municipal Corporation / Competent Authority again be submitted before the general body for information and if any member is required its authenticated copy then he has to make an application to the society and it shall be binding on the committee to furnish the same by levying the required fees.
- By order and on the name of Governor of Maharashtra.

Sd/- Dr. Sudhirkumar Goyal,
Principal Secretary,
[Co-operative and marketing]

Copy to

1. Co-operative Commissioner and Registrar, Co-operative Societies, Maharashtra State Pune.
2. Divisional Joint Registrar, Co-operative Societies, [All]
3. District Deputy Registrar, Co-operative Societies, [All]
4. Select file [14-S].