
Liberal Translation of Govt. Notification dated 13th Sept, 2019 done by Maharashtra Societies Welfare Association(MahaSeWA) headed by CA. Ramesh Prabhu. Contact number: 9820106768 / rsprabhu13@gmail.com.

Please contact for any details or to purchase a book on Self-Re-Development- Step by Step Guidelines prepared by Study Group of MahaSeWA headed by Hon'ble Shri. Subhash Lalla, former Principle Secretary to Chief Minister of Maharashtra on: 022-42551414/25 or send an email on : mswa.hsg@gmail.com or info@mswa.co.in

In respect of the concession to be given in view of to Give impetus to the Self Re-Development of the registered co-operative housing societies in the State.....

GOVERNMENT OF MAHARASHTRA

HOUSING DEPARTMENT

GOVERNMENT RESOLUTION NO. MISC. 2019/Case No. 10/Du Va Pu-1

Mantralaya, Mumbai – 400 032.

Date : 13th September, 2019.

READ –Government Resolution, Housing Department No. : Misc. 2019/Case No.10/Du Va Pu – 1 Date – 08th March, 2019.

INTRODUCTION :-

A Developer is appointed by the concerned Co-operative Housing Societies according to the present prevalent procedure for making re-development of the old and dilapidated buildings in the State. The re-development of the of the Co-operative Housing Societies is made according to the provisions in the Development Control Rules prepared by the concerned Planning Authority/Municipal Corporation/Local Self Government. Since the benefit

of the increasing F.S.I. is prominently gets to the Developer, the members of the concerned Co-operative Housing Society cannot get much benefit. Similarly, since the participation of the members of the Housing Societies in the process of re-development is very less, the entire project is implemented on the pleasure of the Developer and consequently, it came to the notice that many projects are lying in incomplete state. Likewise, since the purchasers who have invested by taking loan for the sale flat in the said project, are facing financial difficulties since not getting possession of the flat within prescribed period. In such situation, if members of the concerned co-operative housing societies by coming together made self re-development, then entire control on the re-development project shall be of the concerned co-operative society. Similarly, the benefit of the increased F.S.I. can be get to the members of the said co-operative society. Incidental to that, in view of to give incentive for making self re-development of all registered co-operative housing societies on government/semi government/private land in the state, the decision to give concessions has been taken in the meeting of the state cabinet held on dated 08/03/2019.

Incidental to the decisions taken in the said meeting, high power committee under the Chairmanship of the Additional Chief Secretary (Housing) was formed by the Government Resolution dt. 08/03/2019 of the department for making recommendations to the Government regarding in which proportion and nature of the concession to be given to the registered co-operative housing societies for giving them incentive for making self re-development of their buildings. The report of the said committee is received to the Government and the Government has accepted the report of the committee. Incidental to the recommendations in this report, the matter to give concessions to all registered co-operative housing societies on the government/semi government/private land in the state for making self re-development of their buildings was under consideration of the government.

Government Resolution :-

In view of to give incentive to all registered co-operative housing societies on the government/semi government/private land in the State for making self re-development of their buildings, the high power committee form in this regard has made following recommendations-

1) Eligibility for making self re-development – Those buildings in the co-operative housing societies in the State which are 30 years or more old that buildings are eligible for the self re-development.

2) One Window Scheme – Various types of permissions are required from government/semi government scheme for the self-redevelopment of the co-operative housing societies in the State. For getting all these permissions, follow up is made separately to the various departments, thereby more time consumed for the said process. If the said permissions are get in the prescribed period and in one office, then, the process of the re-development become fast and the concerned scheme is completed earlier. Therefore for getting various permissions for the self re-development of the co-operative housing societies in the State at one place, one window scheme should be started.

3) Time limit for giving sanction to the Scheme – It should be made binding to complete all permissions through the one window scheme within 6 months from the date of receiving the proposal of the self re-development scheme of the co-operative housing societies.

4) Floor Space Index/incentive space – Those Co-operative Housing Societies having more than 30 years old in the State, who will adopt the self re-development, to such societies, 10% more floor space than the floor space index/incentive space due for the redevelopment according to the concerned Local Development Control Rules should be made admissible. Similarly, if the Rehab Area for the residents in those buildings is more than the admissible F.S.I then in such situation, 10% more F.S.I should be made admissible than the Rehab Area. Similarly, in respect of the buildings on

the road having less than 9.00 meter width, these buildings should be given 0.4 FSI without premium instead of the present due 0.2 FSI (with premium).

5) In respect of the roads necessary for the re-development – Those co-operative societies who are wishing to do collective self re-development, for them by relaxing the condition of having two roads, the permission for re-development of the buildings on the 9.00 meter wide road in the populous area and the buildings on road of 12.00 meter wide in the less populous area should be given. Similarly, the concerned co-operative should be made available the necessary land required for becoming 9.00 meter wide road and accordingly the concession should be given in that proportion in the Front Margin of the building.

6) Transferable Development Rights (TDR) – Those Co-operative housing societies in the state who will adopt the Self Re-development, if such societies wants to buy the TDR, the society should take TDR at the concessional rate of 50% of the Ready Reckoner Rate from the concerned Planning Authority.

7) Concession in the Premium Rate – While making re-development, various types of the premium are being charged from the concerned Planning Authority. The total expenses are increased due to the said premium rate. Therefore to encourage the self re-development of the registered Housing Societies in the State it is necessary to give concessions in the rate of the said premium. Incidental to that concessions should be given in the rate of various premium charged by the Planning Authority.

8) In respect of to decide the stages for making payment of the premium – It is inevitable to make payment of the various premium while sanctioning the plans by the concerned Planning Authority in the Re-development process. If the amount of the said premium is paid lump sum then its pressure falls on the project cost simultaneously. Thereby it may cause paucity of fund with the concerned Housing Society. Therefore to

overcome on it, the concerned Planning Authority should stipulated stages for the payment of that amount by not taking lump sum amount of various types of taxes/premiums from the concerned necessary for the self re-development.

9) Regarding various taxes/charges to the registered housing societies adopting self re-development –

A) Land under Construction Assessment Tax (LUC Tax) - If the registered housing societies going to re-development have completed self re-development in the prescribed period then such societies should be given exemption from the LUC Tax. However, those societies, who do not complete the self re-development within the prescribed period, from such societies, the LUC Tax should be recovered at present prevailing rate.

B) Stamp Duty – Since there is no third beneficiary other than the existent co-operative housing society in the self re-development project, there is no need of executing any agreement. Thereby since the proposed flats to the existing tenements are available through self re-development, the stamp duty should be charged like that the stamp duty of Rs. 1000/- charged from the beneficiaries in the project implemented under the Prime Minister Awas Yojna. However, the stamp duty should be charged at the prevailing rate on the agreement of the tenements to be available for sale in the open market other than the flats of the original members in the new building to be ready after self re-development.

C) Goods and Service Tax (GST) – The concession should be given in the Goods and Service Taxes to be pay by the registered housing societies going for self re-development.

D) Open Space Deficiency Development Charges – The registered housing societies adopting self re-development should be given concession in the Open Space Deficiency Development Charges.

10) Nodal Agency – It is necessary to have Nodal Agency for providing finance, guidelines to the registered co-operative housing societies adopting self re-development in the state similarly to encourage from time to time for implementing the said scheme etc. In view of that, the State Co-operative Bank, which is federal bank in the co-operative sector, shall work as a nodal agency through the District Central Co-operative Bank in the respective District for the self re-development of the co-operative housing societies in the State, The said nodal agency through the various publicity media should publish detailed information about entire procedure, process regarding self re-development for giving impetus to the self re-development of the co-operative housing societies.

11) Period for completion of the self re-development scheme – Those registered housing societies in the State who will adopt the self re-development, that societies after sanctioning of the scheme from the concerned Authority, should have to complete the entire re-development within 3 years. It is binding on them.

12) Concession in the rate of interest of loan – A subsidy in the rate of interest of bank loan should be given to the housing societies adopting self re-development. Accordingly the subsidy of 4% in the rate of interest should be given from the Government.

13) Authority for self re-development – The Authority giving approval for re-development of housing societies at present in the State shall work as Planning Authority for the self re-development of the co-operative housing societies.

14) Tripartite Agreement – It shall be binding to execute Tri-partite Agreement with necessary terms and conditions regarding self re-development between the finance providing institution to the co-operative

housing societies going for self re-development, concerned co-operative housing society and the contractor appointed by that society.

15) Self Re-development of the society under the Pradhanmantri Awas Yojna – Pursuant to the guidelines in the Pradhanmantri Awas Yojna, if the concerned registered co-operative housing societies are ready to built 35% flats in the sale unit for the beneficiaries in the Economical Weaker Section/Lower Income Group then like the Prime Minister Awas Yojna the registered co-operative housing society will get 2.5 F.S.I., subsidy of Rs. 2,50,000/- to the eligible beneficiary and similar incidental benefits will be given.

16) Vigilance Committee – It is necessary that the self re-development of the co-operative housing societies is to be completed within prescribed period. Similarly it is necessary that the standard of the construction should be of good quality. In view of that, the concerned co-operative housing society should have to formed a vigilance committee for controlling and supervising the self re-development work comprising minimum two representatives from the concerned society and minimum one representative from the finance institution providing financial assistance to the self re-development. It is binding on the vigilance committee to submit progress report to the concerned co-operative housing society and similarly to the concerned planning authority by giving site visit in every three months at the site of the construction work of new building.

17) Grievance Redressal Committee – The possibility of arising various types of difficulties/complaints/objections while making self re-development to the registered co-operative housing societies in the state could not be denied. Incidental to that there shall be one Grievance Redressal Committee on every district level for solving the said difficulties. Following officers/office bearers shall be included in the said committee :-

- 1) District Dy. Registrar in the concerned district or representative Nominated by him.

2) Officer authorized from the Planning Authority in the concerned District.

Those co-operative housing societies' complaints regarding the self re-development received to the committee, the committee while redressing that complaints it is binding to call the members in the vigilance committee form for controlling the working of the self re-development and similarly minimum two representatives from the concerned registered co-operative housing society for hearing.

18) Criterion and Registration of the Contractor - The criterion of the contractors to be appointed for the self re-development of the co-operative housing society should be determined by the concerned Planning Authority according to the local situation/necessity. Similarly it shall be binding to register with the concerned Planning Authority by such contractors.

19) Appointment of the Contractor for self re-development - The concerned society is appointed contractor for the self re-development of the co-operative housing society. Therefore it is necessary to appoint proper and competent contractor. For this the concerned co-operative housing society should appoint a competent contractor after seeing last three years financial balance sheet of the contractor who is competent technically/financially.

20) Action against the Contractor appointed for Self Re-development - The vigilance committee shall put control on the progress of the construction work and similarly on the quality of the construction work after receiving the construction work proposal to the co-operative housing society regarding the stages of the construction of the building/plan of the construction of the new building from the contractor for self re-development. Accordingly if the progress of the work is not satisfactory according to the report submitted to the co-operative housing society by the vigilance committee and if there is delay in completion of the project, then the concerned co-operative housing society can appoint new contractor by

removing the guilty contractor. Similarly the concerned Planning Authority should put the name of such guilty contractor in the black list and new project should not be sanctioned to such guilty contractor.

2. The said Government Resolution is available on www.maharashtra.gov.in website and its code number is 201909131802099409. This order is issued with digital signature.

By Order and in the name of the Governor of Maharashtra.

(R. K. Dhanawade)

Dy. Secretary, Government of Maharashtra-
