

**The Committee for Members in Practice of ICAI**

**6 Days Workshop on**

**Setting Up Practice of Real Estate  
Consultancy: Compliance, Advisory &  
Evolving Frontiers  
in Hyderabad**

**from 09th-18th March 2026**

***-CA. RAMESH PRABHU (9820106766/68)***

***-CHAIRMAN – MAHARASHTRA SOCIETIES WELFARE ASSOCIATION***

***--Vice President: Bar Association of MahaRERA and MahaREAT***

***-Vice Chairman, Griharmony Redevelopment Stakeholders Federation  
(GRSF)***

## **LAWS EVOLVED IN PROPERTY TRANSACTION**

- **Contract Act 1872 –General**
- **Transfer of Property Act,1882**
- **Stamp Act & Registration Act, 1908**
- **Rent Control Act – Tenancy system**
- **Cooperative Societies Act 1912**
- **Land Revenue Code- Respective States**
- **Country & Town Planning Act –MRTP,1966**
- **Ownership Flats Act / Apartment Act**
- **Consumer Protection Act 1986 & Replaced by 2019**
- **Real Estate(Reg & Dev ) Act, 2016**

# CHS MOVEMENT BY SELF DEVELOPMENT

- The prospective flat owners Register the society
- Appoint an Architect / PMC.
- Get the plan approved by members & the Authority
- Funds : 20% from members & 80 % loan from Banks or Employer.
- Appoint a reputed Contractor
- On building completion , allot the flats to members
- Thereafter look after regular maintenance.
- Initially more than 10,000 CHS registered as above.

# ENTRY OF THE DEVELOPERS/ BUILDERS

- **Contractors with token started buying land**
- **Package deal with proposed CHS with land & bldg.**
- **Litigation due to Urban Land Ceiling Act**
- **Scarcity of clear title land discouraged new CHS**
- **Black money land transaction & approval**
- **Trust deficit with Promoters of CHS**
- **Land owners preferred DA with Developers.**
- **Started selling under construction flats**
- **For individual housing loans HDFC and others entered.**
- **Gave birth to Construction by the Builder**
- **After possession CHS is formed to obtain the conveyance of land & building & manage the common areas and provide service to the members.**

# WORKING OF MOFA 1963

**DUTY OF BUILDER TO DISCLOSE  
VARIOUS DOCUMENT,  
PLANS ETC.**



Court Orders  
or Punishment

State Government  
Direction or Action



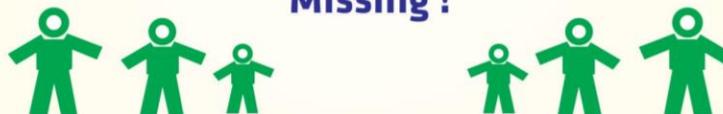
सत्यमेव जयते

1

**Enforcement & Delivery Mechanisms  
are Missing !**

2

**Compliance is  
Missing !**



Flat buyer, RTI activist & common man may file RTI applications  
& write complaints to **GOVERNMENT**,  
and struggles to get orders passed against builder.

and / or

**Engages LAWYER and fights in  
COURT for several years**

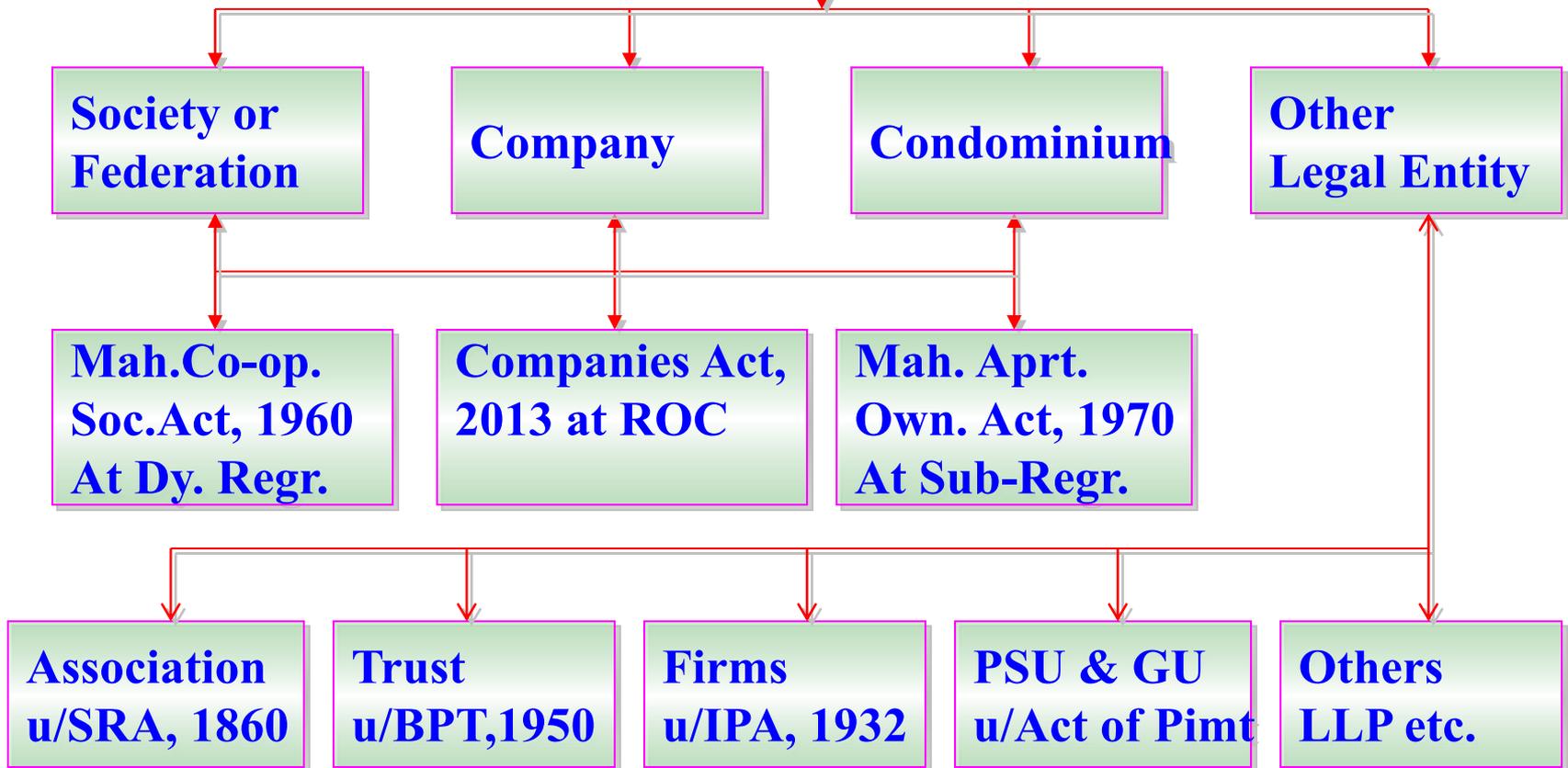
5

3

4

**U/S.10. FORMATION OF LEGAL ENTITY .  
(MOFA-1963 ) or U/s 11(4)( e ) of RERA, 2016**

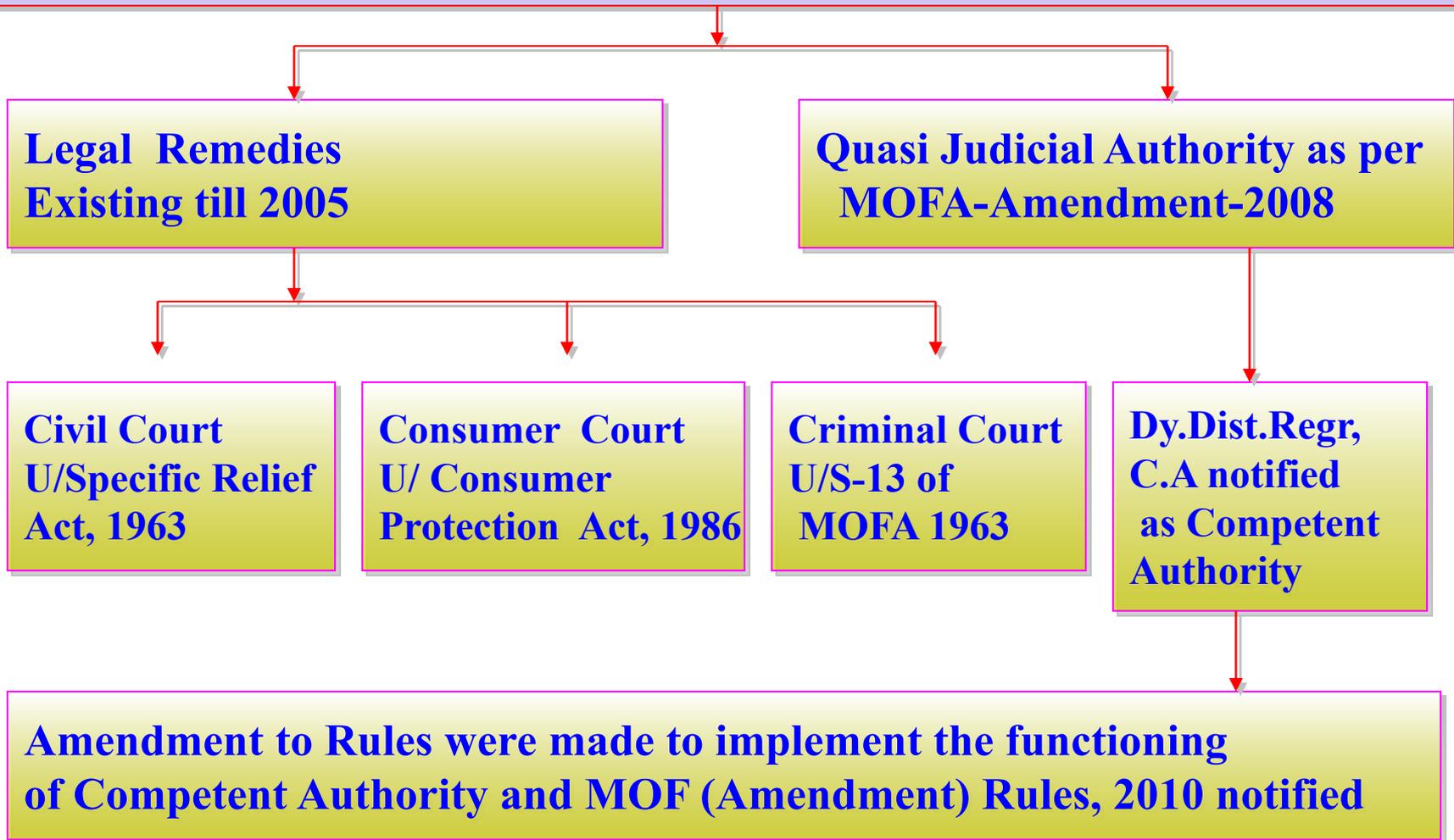
**TO MANAGE COMMON SERVICES,  
AREA & FACILITIES AFTER DISPOSING 51% UNITS BY PROMOTERS**



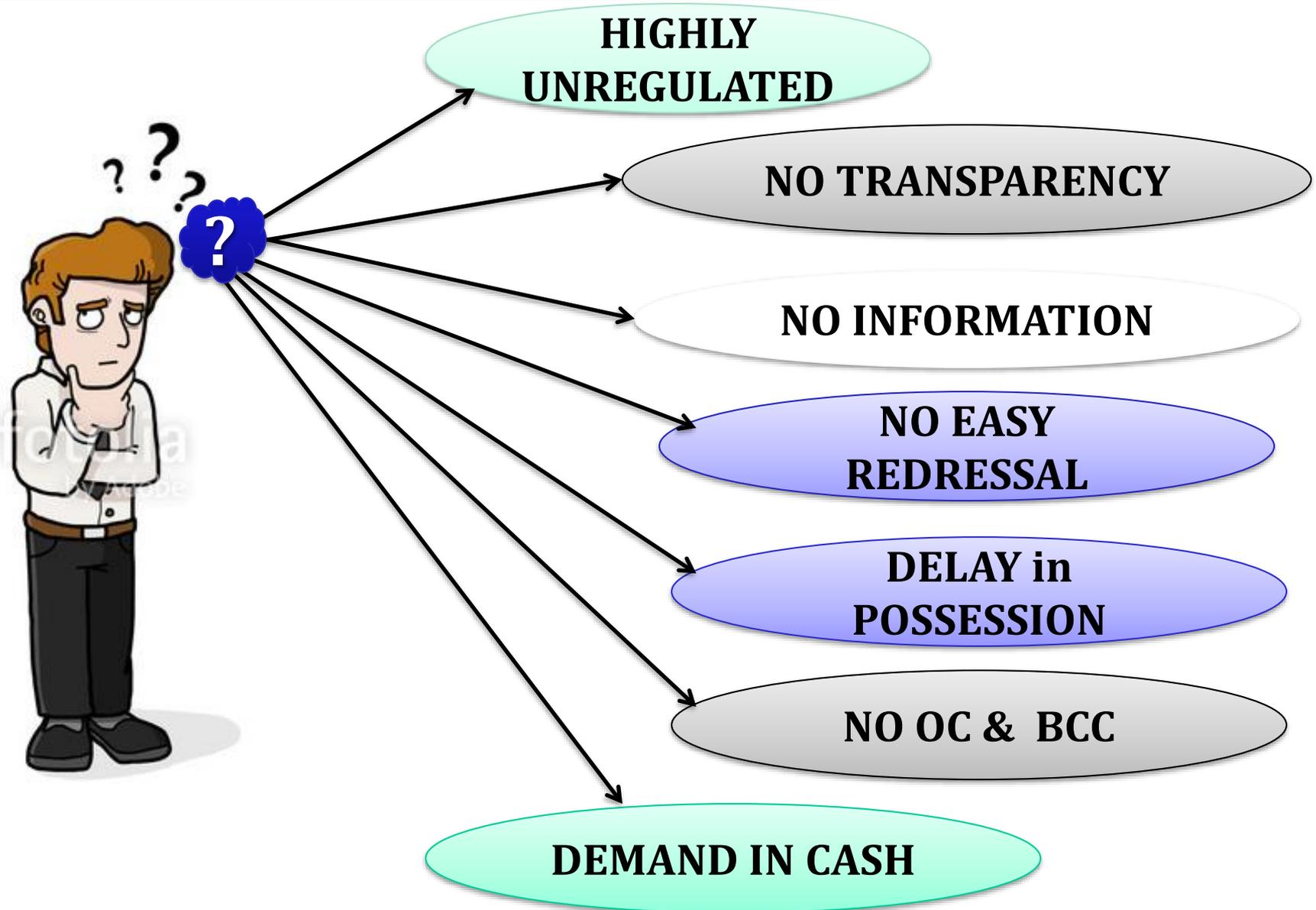
# **Mah. Ownership Flat Act, 1963**

- **U/s 11. Promoter /Builder to complete conveyance of land & building to society**
- **Promoter/builder to rectify, execute and deliver all relevant documents of title**
- **Execute conveyance within 4 months from the registration of society**
- **U/s 13. Non-conveyance is an offence**
- **Punishment :3 yrs Jail or fine or both**

# Remedies U/S 5, 10 11. To Get Accounts, Society Regn or Conveyance from Builder

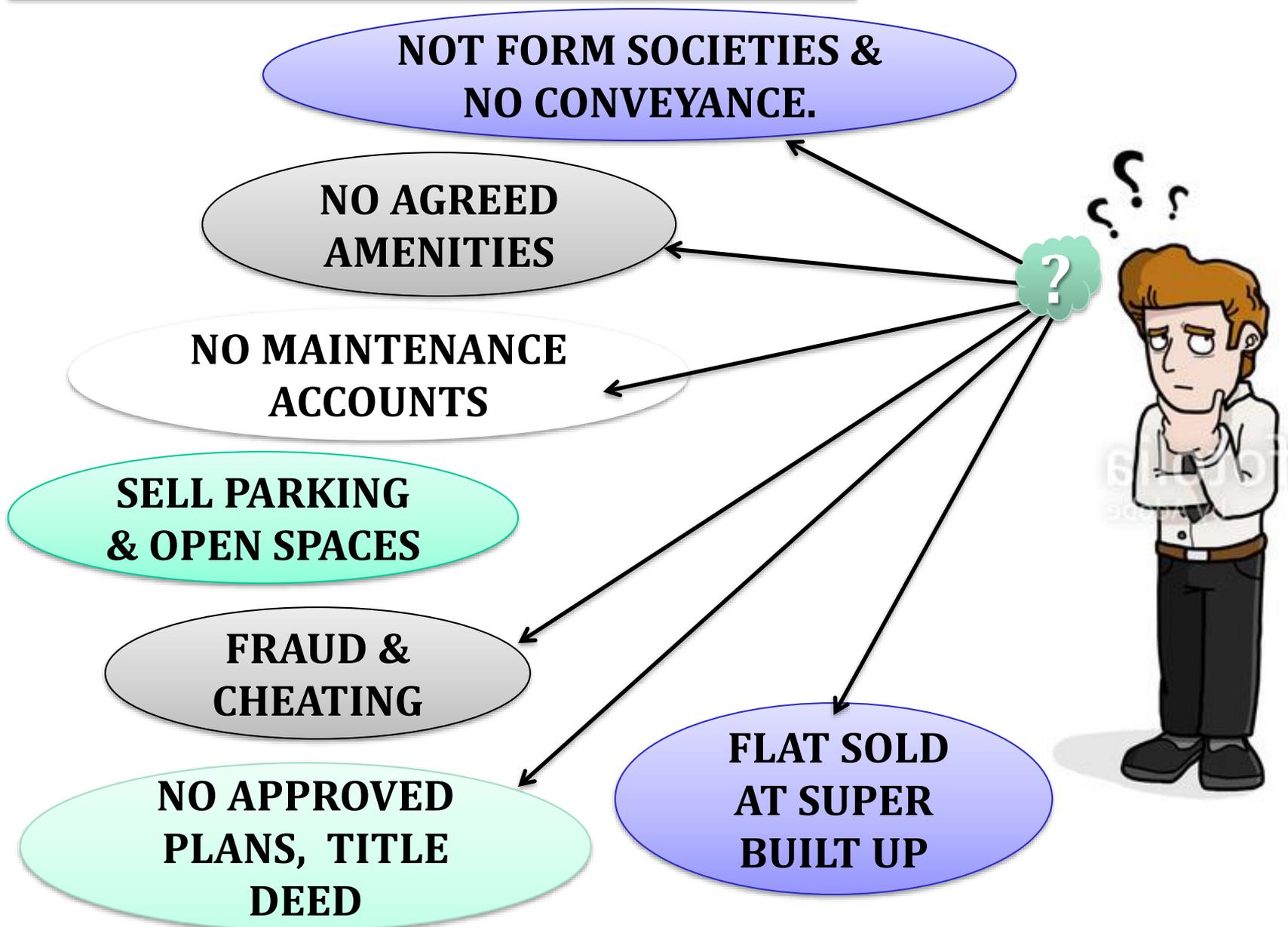


# MOFA could not control following:



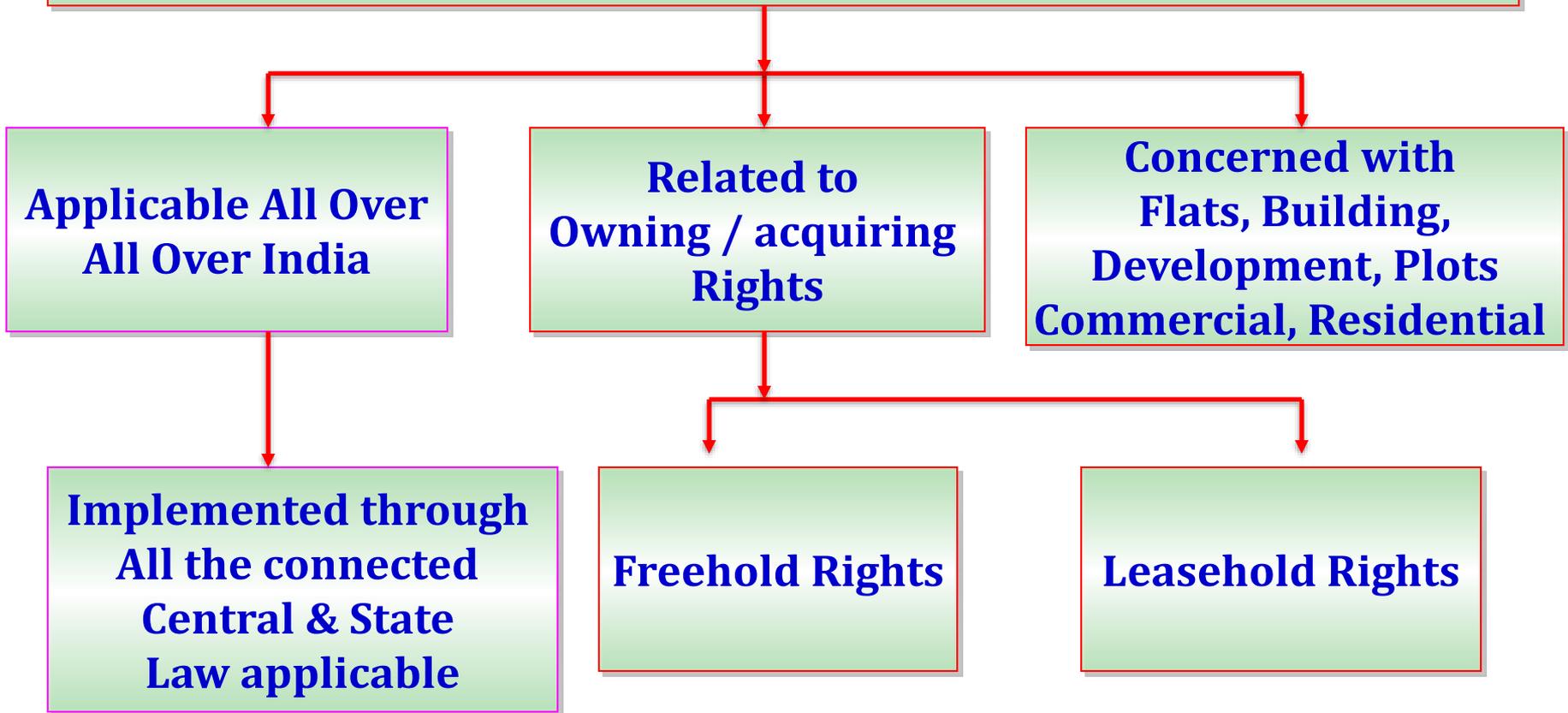
# WHY THIS Act IS REQUIRED..??

---



# MOTHER OF REAL ESTATE DEVELOPMENT LAW -

## Real Estate (Regulation & Development) Act, 2016

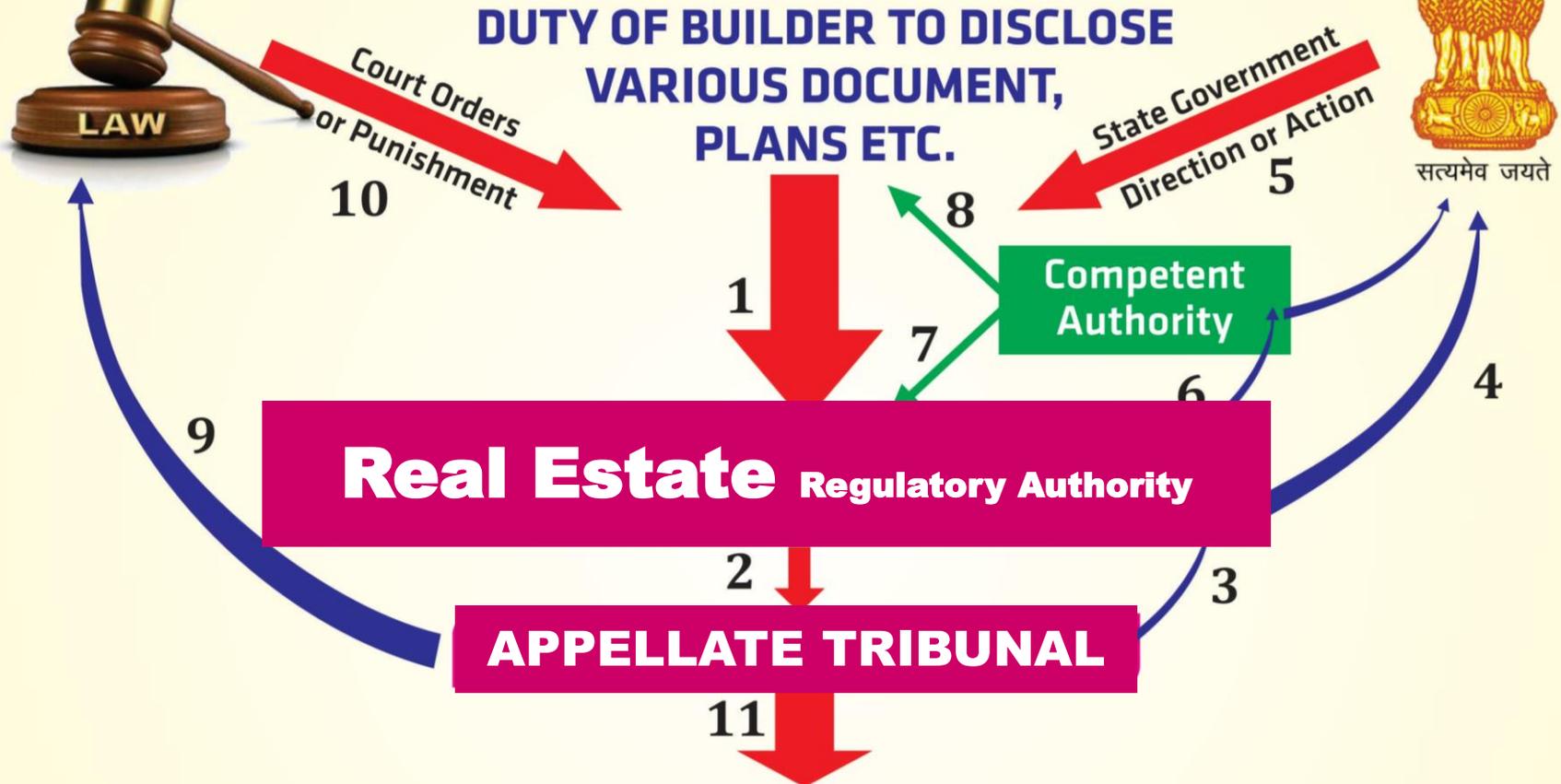


# WORKING OF RERA 2016

**DUTY OF BUILDER TO DISCLOSE  
VARIOUS DOCUMENT,  
PLANS ETC.**



सत्यमेव जयते



**Compliance & Service delivery as per Agreement  
Rules & Laws is Improved**



Flat buyer, RTI activist & common man may file RTI applications & write complaints to  
**REGULATORY AUTHORITY & APPELLATE AUTHORITY,**  
to get orders passed against builder.

*SOCIETY AND  
APARTMENTS  
UNDER THE  
APARTMENT  
OWNERSHIP ACT*

# *ACT*

## *HOUSING SOCIETY*

*I) It is governed  
by Maharashtra  
Societies Act, 1960*

## *APARTMENT*

*I) It is governed by  
Apartment Ownership  
Act, 1970*

# ***RULES***

## ***Housing Society***

***Maharashtra  
Co-operative  
Societies Rules,  
1961***

## ***Apartment***

***The  
Maharashtra  
Apartment  
Ownership  
Rules, 1972***

# ***MEMBER/APARTMENT OWNER***

## ***Housing Society***

***Member means a person joining in an application for registration of a Co-operative society***

## ***Apartment***

***persons owning an Apartment and undivided interest in the common areas and facilities in the percentage specified and established in the Declaration***

# ***REGISTRATION***

## ***Housing Society***

***A society formed by the promoters to provide housing accommodation to its members is required to be registered under Maharashtra Co-operative Societies Act, 1960 before the Registrar of Co-operative Society .***

## ***Apartment***

***The Declaration and all amendments thereto and Deeds of Apartment in respect of each apartment and floor plans of the building are to be registered under Registration Act, 1908.***

# ***OWNERSHIP***

## ***Housing Society***

*The member is the owner of the property under Tenant Ownership Housing Society whereas in the case, of Tenant Co-partnership Society, ownership of the property, land and building vests in society*

## ***Apartment***

*Each Apartment Owner is entitled to exclusive ownership and possession of his apartment and undivided interest in common areas and facilities in the percentage specified in the Declaration.*

# ***BYELEWS***

## ***Housing Society***

It constitute the contract between the society and its members .It is binding on the members and office bearers of the society.

## ***Apartment***

*Each apartment should comply with bye-laws and administrative rules adopted in the Declaration / Deed to his apartment.*

# *JURISDICTION FOR DISPUTES*

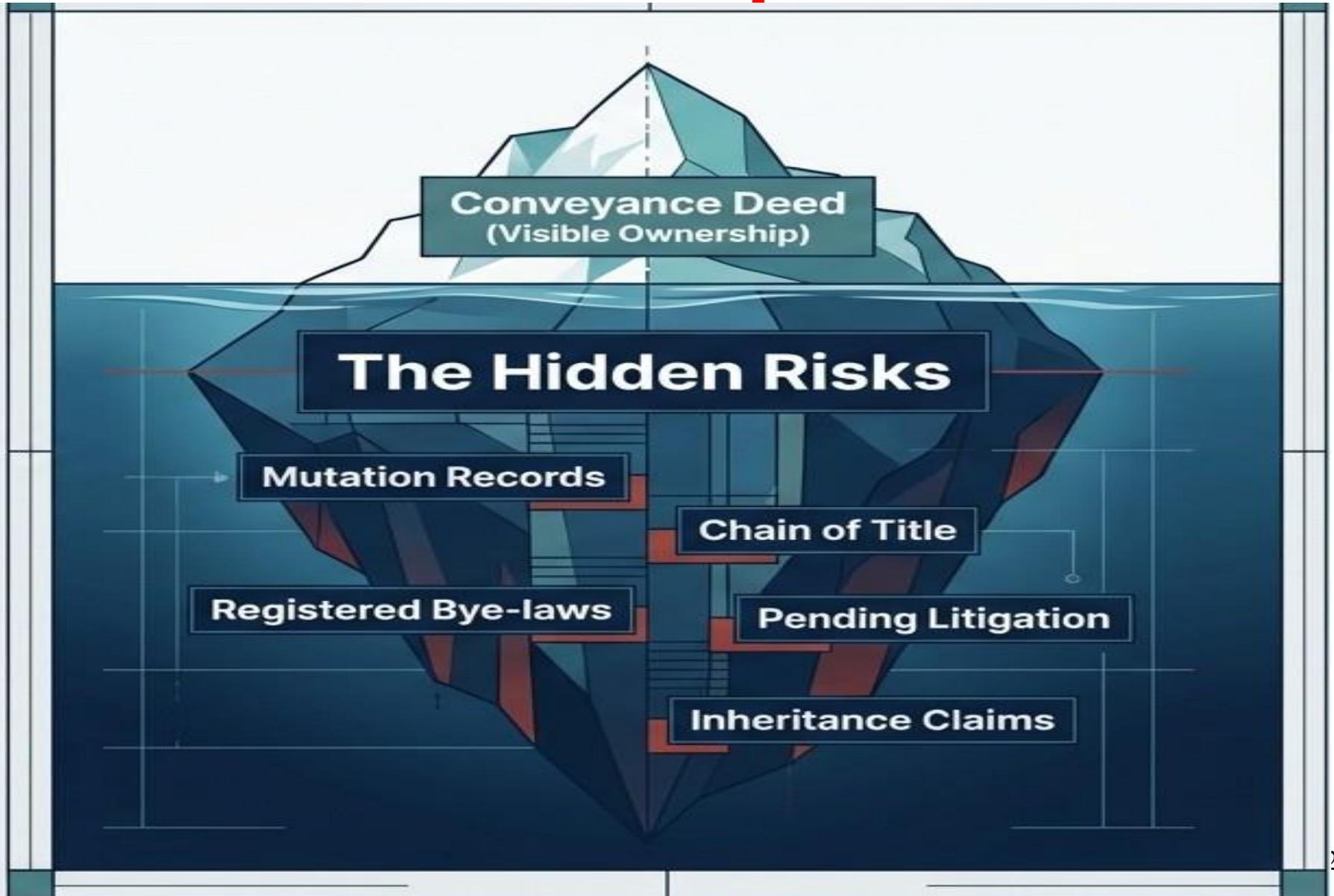
## *Housing Society*

*Disputes must be dealt with by the Registrar or the Co-operative Court.*

## *Apartment*

*Civil Courts have jurisdiction to disputes between Apartment Owner and the Association. Now Registrar and cooperative courts are given powers.*

# Title & Ownership Verification



# Proactive Verification vs. Reactive Dispute Resolution.

## Case Study 1: Success (Mumbai)

**Action:** Found PR Card issue in Week 4.  
Filed mutation immediately.

**Time: 6 Months**

**Cost: 8 Lakhs**

## Case Study 2: Failure (Andheri)

**Action:** Unregistered transfer in 1987 +  
Heirs objecting. Had to pay compensation.

**Time: 24 Months**

**Cost: 2.5 Crores**

# The Master Checklist for Redevelopment Readiness.

## **Society Basic File**

- 0 Registration Certificate & Bye-laws
- 0 MC & AGM Resolutions for Conveyance
- 0 Member List (1-forms/J-forms)

## **Ownership Proof**

- 0 Registered Conveyance Deed OR
- 0 Deemed Conveyance Order + Unilateral Deed

## **Title Chain**

- 0 Index II (Registration History)
- 0 Advocate's Title Search Report

## **Land Records**

- 0 Current Property Record Card (PR Card) - Society Name
- 0 CTS Extract / City Survey Plan

## **Building Compliance**

- 0 Occupancy Certificate (OC) & Sanctioned Plans
- 0 Property Tax Bills (Paid up to date)

# MEANING OF REDEVELOPMENT

---

**“REDEVELOPMENT”**  
means demolition of the Old  
Structure.



Replacing it with a  
**NEW STRUCTURE** with  
new dimensions and space.



# Concept of Redevelopment

- Redevelopment is **the process of:**
- **demolishing existing old** society building and
- **reconstructing** it by appointing a developer
- developer constructs **new building with additional FSI/ TDR/ fungible FSI** etc as per DCPR , 2034 for Mumbai or Unified DCPR for rest of Maharashtra and
- **handover new flats to** the Society members free of cost with some additional area/ cash benefits and
- make profit by utilizing balance plot potential by constructing additional flats and shops as per approval from the respective municipal corporation
- **Sells the additional units in the open market** to fund the project cost and generate his profit.

# REASON FOR REDEVELOPMENT..... AGE & CONDITION OF BUILDING

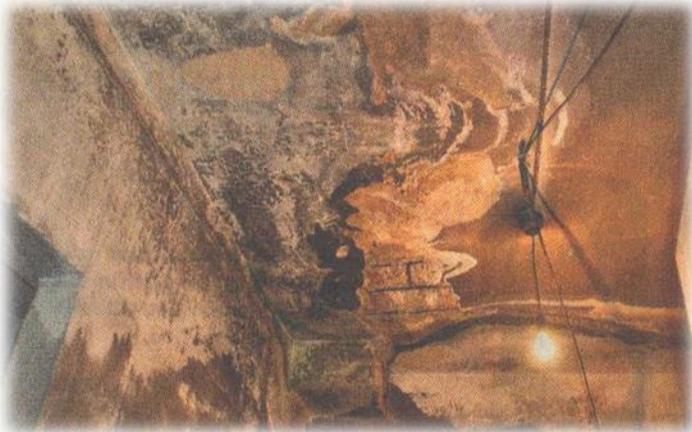


# **BUILDING STRUCTURE DILAPIDATED**



**REPAIRS COULD  
BE THE OPTION**

**BUT THE  
FAVOURITE  
CHOICE REMAINS**



**REDEVELOPMENT**

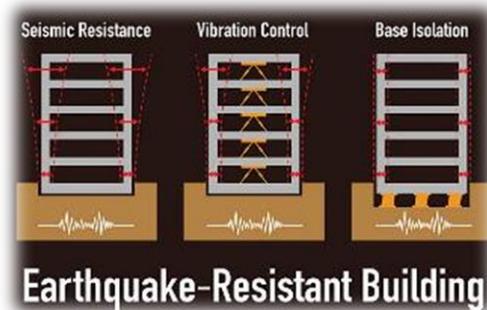
**REDEVELOPMENT**

**&**

**REDEVELOPMENT**

# WHY IS REDEVELOPMENT NEEDED?

- 1. Aging Buildings:** Old buildings (30–40 years or more) may be unsafe or unfit for living.
- 2. Urban Growth:** Cities need better infrastructure to support growing populations.
- 3. Safety Concerns:** Older structures may not meet modern safety standards for earthquakes, fire, or weather conditions.
- 4. Modern Amenities:** Residents need access to updated facilities like parking, lifts, and security.



# CONDITIONS FOR REDEVELOPMENT

## 1. Age of the Building:

- Structures that are over 30 years old or declared unsafe are eligible for redevelopment.



## 2. Clear Title:

- The property must have a clear ownership title without legal disputes.



## 3. Consent from Residents:

- At least 51% of members must agree to the redevelopment project.



## 4. Compliance with Laws:

- Approvals are required from local municipal authorities, and the project must follow government guidelines for redevelopment and RERA guidelines, as well.

# BENEFITS OF REDEVELOPMENT

## 1. For Residents:

- Safer, larger homes with modern amenities.
- Temporary rent or alternative housing during construction.

## 2. For Developers:

- Additional floor space for saleable units, making the project profitable.

## 3. For the City:

- Better infrastructure and optimized use of urban land.

## 4. Environmental Benefits:

- Energy-efficient designs, rainwater harvesting, and better waste management in new buildings.



# FEASIBILITY OF PROJECT FOR REDEVELOPMENT

## COMPONENTS OF A REAL ESTATE FEASIBILITY STUDY



### Market Analysis

Evaluate demand, trends, and competition in the area to determine the potential for real estate development.

### Risk Assessment

Identify potential risks and develop mitigation strategies, considering market fluctuations and regulatory changes.



### Site Analysis

Assess location, size, and zoning regulations to determine if the site is suitable for the project.

### Legal and Regulatory Considerations

Analyze local laws, permits, and environmental regulations to ensure project compliance.



### Financial Projections

Create a detailed financial model, including cost estimates, revenue projections, and cash flow analysis.

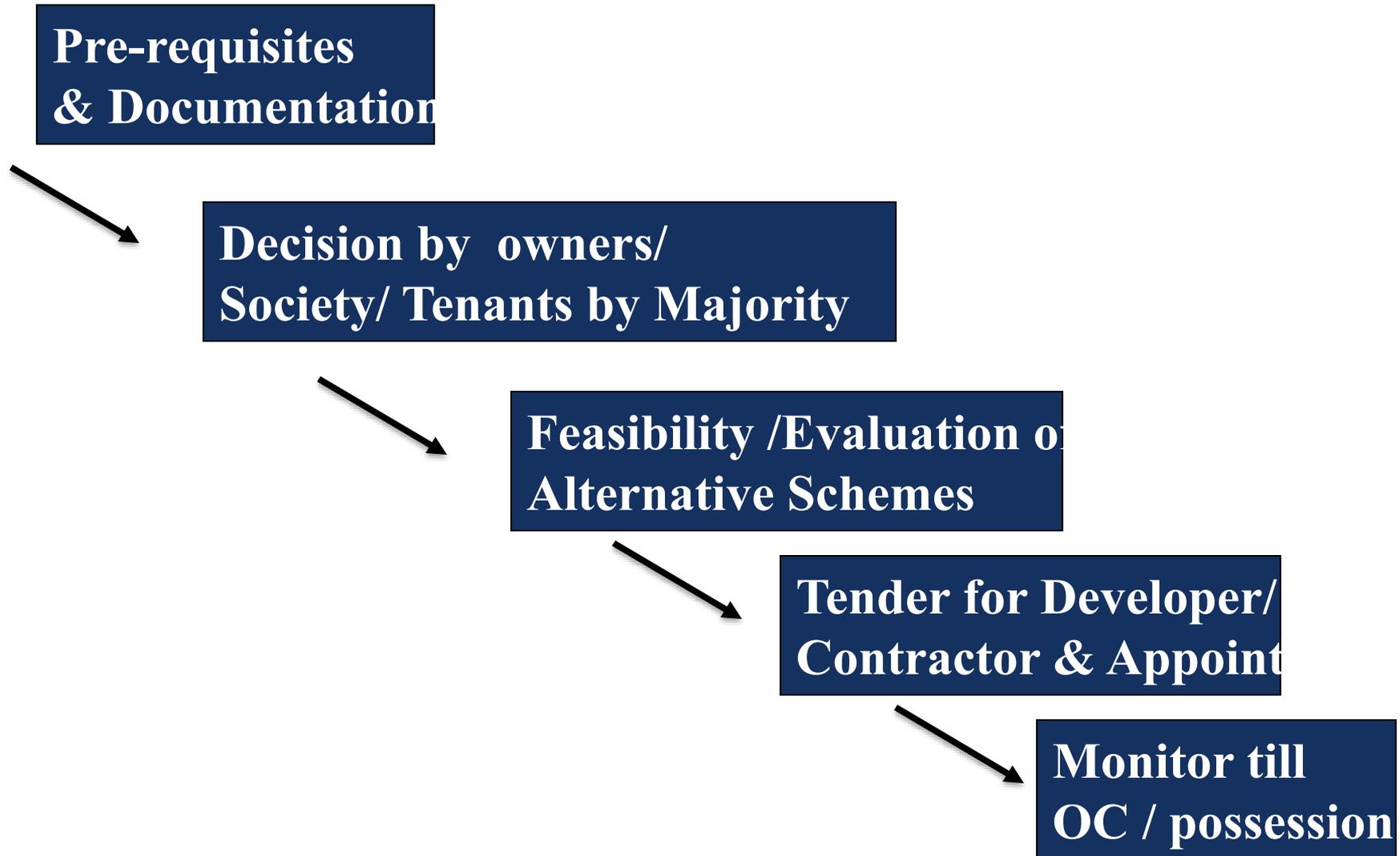
### Financing and Capital Structure

Determine the funding sources, including loans, equity, or grants, and secure necessary financial support.



**6 KEY COMPONENTS**

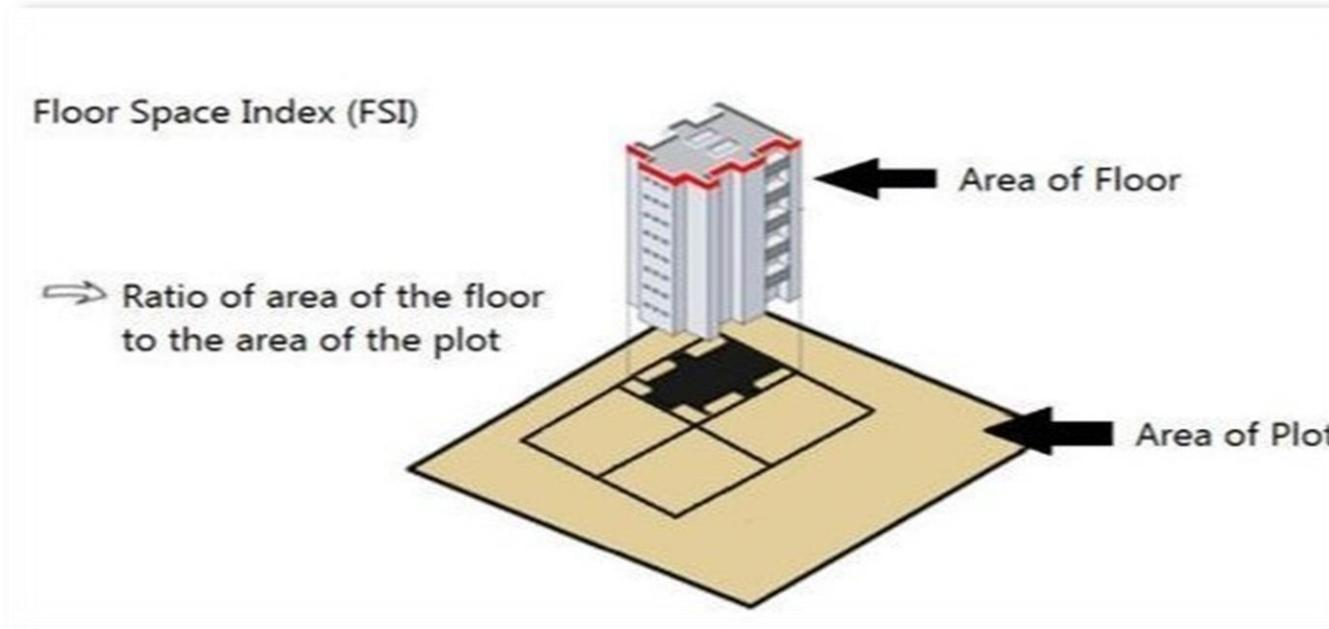
# STEPS of Redevelopment and the PROFESSIONAL Opportunities



# Professional Services required in Respect of

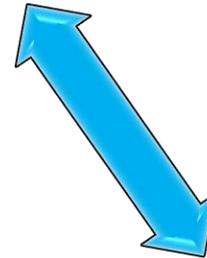
- Confirm the Authority of the society to redevelop – Ensure Duly Elected Committee
- Legal Title of land –Conveyance /Title Search
- Comply with Legal Process till end.
- Appointment: PMC/Developer / Contractor etc.
- Comply with DCPR Provisions.
- Documentations –DA, PAAA, POA etc
- Communication during the Process
- Address legal Issues / Litigation.
- Compliance Post OC / possession.
- Taxation, Finance, Accounts, audit & Administration

# TYPES OF REDEVELOPMENT AND FSI /FAR IN MAHARASHTRA, AS PER DEVELOPMENT CONTROL PROMOTION AND REGULATION (DCPR 2034) AND UDCPR 2020



The **Floor Space Index (FSI)**, or Floor Area Ratio (FAR), determines the permissible construction area on a given plot of land. In Maharashtra, the FSI varies based on the type of redevelopment project and the regulations under the **Development Control and Promotion Regulations (DCPR 2034)** or other specific schemes.

**REDEVELOPMENT**

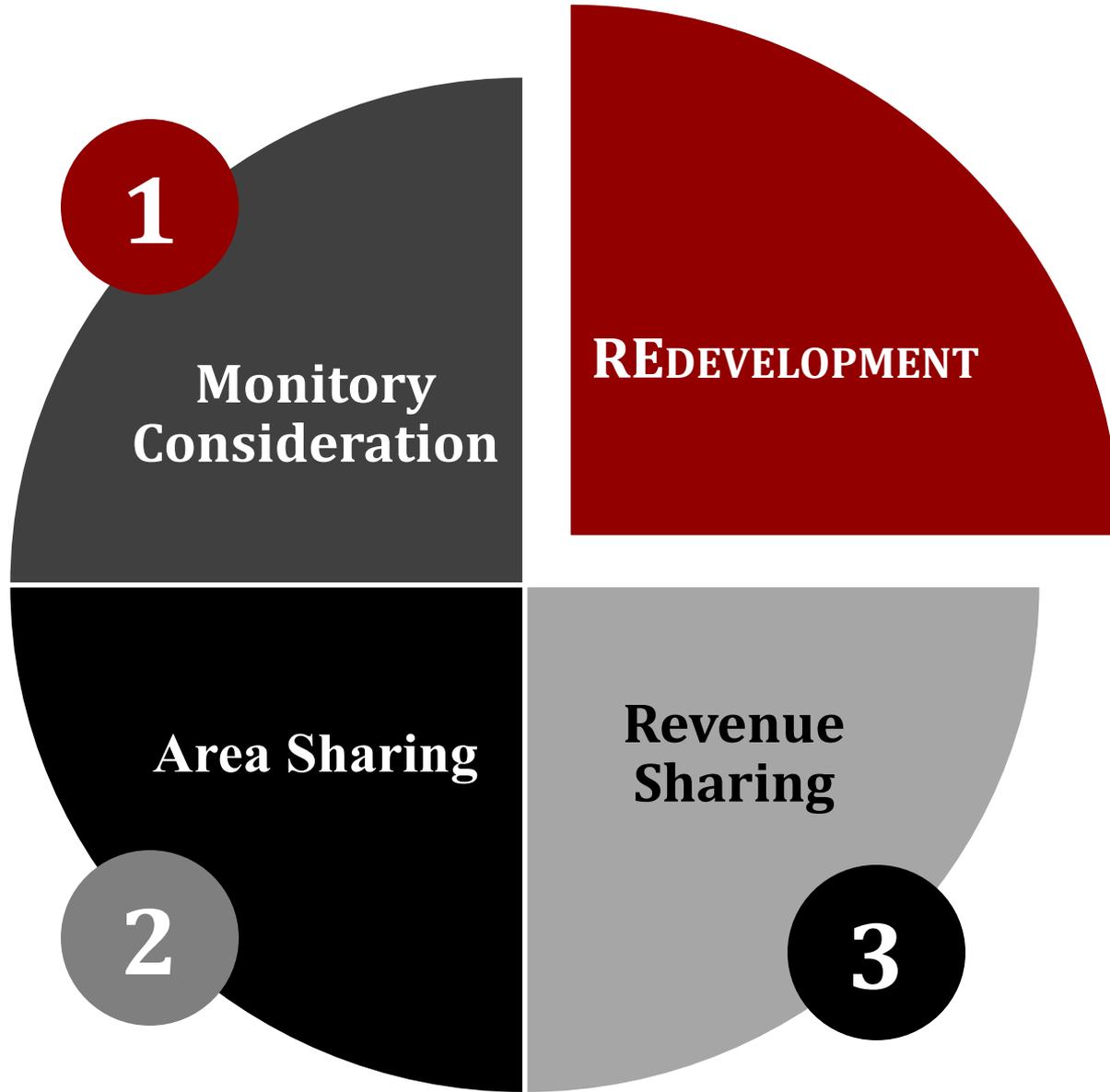


**JOINT VENTURE  
DEVELOPMENT**



**SELF  
REDEVELOPMENT**

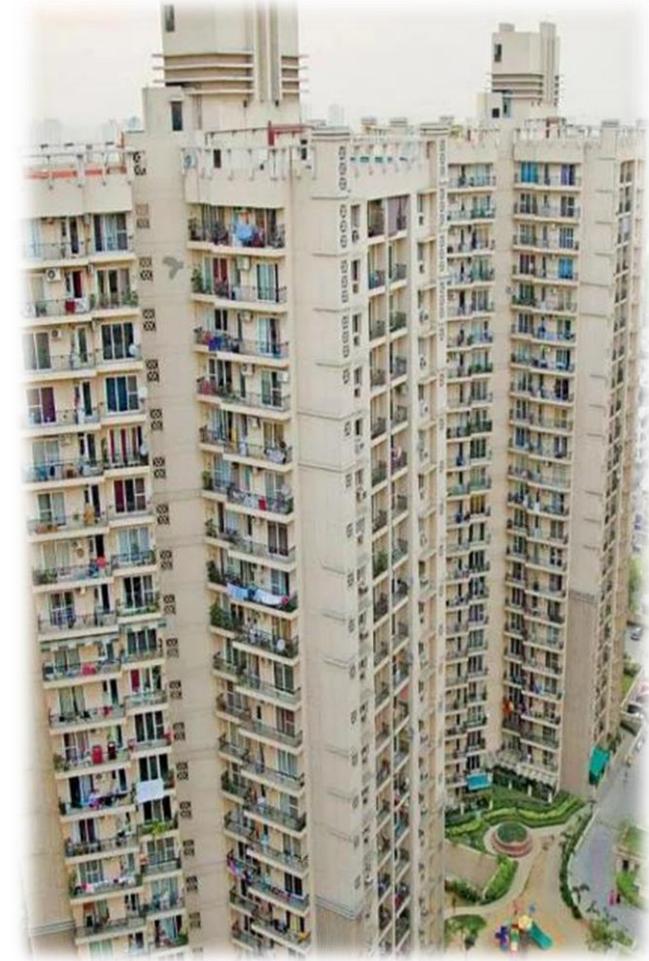
# REDEVELOPMENT OF CHS



**COMBINATION OF ALL THREE OR ANY TWO**

# 1. SOCIETY/ ASSOCIATION REDEVELOPMENT

- Developer lead Redevelopment collectively.
- **Process:**
  - Society or Association appoints a developer
  - Developer builds a new structure.
  - Members receive new flats, often larger or with better facilities.
  - **Base FSI:** 1.33 to 4.0 (depending on the zone and location within Greater Mumbai.
  - **Incentive FSI:** More of the base FSI, depending on project specifics, such as the width of adjoining roads and additional premiums paid.



## 2. SELF-REDEVELOPMENT

- **By Society or Association themselves** without involving external developers.
- **Features:**
  - Funded by loans from financial institutions like Non Banking Financial Companies or Banks.
  - Members retain full control over the project.
  - No sharing of additional profits with developers.
  - Higher financial returns for members.
  - Prevention of common disputes associated with developers.
  - 100% member consent required for self redevelopment.
- **Base FSI:** Same as society redevelopment (1.33 to 4.0).



# REDEVELOPMENT VS. SELF-REDEVELOPMENT

Aspects	Redevelopment	Self Redevelopment
Control	Limited (Developer Driven)	Full (Society/ Association Driven)
Financial Risk	Developer's Responsibility	Society's/ Association's Responsibilities
Transparency	Variable	High
Profit Distribution	Developers' Discretion	Retained by Society/ Association
Concession in Premium, Additional FSI & incentives	Not Available	Available

**REDEVELOPMENT  
POTENTIAL**

**IS IN DCPR BASED  
ON LAND-  
OWNERSHIP &  
LOCATION**



# REDEVELOPMENT - BASED ON LAND

Owned/ Tenanted  
Building

CHSL

CLUSTER

In Mumbai or other  
than Mumbai in  
Maharashtra

MHADA /  
CIDCO / NAINA

SRA

MILL LAND

### 3. SLUM REDEVELOPMENT (SRA PROJECTS)

- Redevelopment of slum areas under the Slum Rehabilitation Authority (SRA).
- **Key Features:**
  - Eligible slum dwellers are provided free housing in multi-story buildings.
  - The developer gets additional FSI/TDR to construct saleable units.
- **Purpose:**
  - Improve living conditions for slum dweller
  - Create additional housing stock in urban areas.



### 3. SLUM REDEVELOPMENT (SRA PROJECTS)

- **Example:** Dharavi Redevelopment Project.
  - **Base FSI:** 3.0 for slum rehabilitation projects under the Slum Rehabilitation Authority (SRA).
  - **Incentive FSI:**
    - Higher FSI of up to 4.0 in Greater Mumbai (depending on the zone).
    - Additional FSI is provided as TDR (Transfer of Development Rights) for saleable components.
    - **Purpose:** The higher FSI incentivizes developers to rehabilitate slum dwellers for free housing.

# 4. CLUSTER REDEVELOPMENT

- **Definition:** Redevelopment of multiple buildings or an entire neighborhood as a single layout of 4000/ 6000/10k Sqm.
- **Key Features:**
  - Economical and efficient for areas with several dilapidated structures.
  - Higher FSI and other incentives provided by the government.
- **Purpose:**
  - To ensure holistic development of neighborhoods with better infrastructure.
- **Example:** Cluster redevelopment projects in South Mumbai under the Development Control and Promotion Regulations (DCPR 2034).
- **Base FSI:** 4.0 under DCPR 2034 for cluster redevelopment of buildings more than 30 years old.



## 5. REDEVELOPMENT OF CESSED/ TENANTED BUILDINGS

- **Definition:** Redevelopment of old buildings (pre-1940) that are classified as "Cessed" and require urgent reconstruction due to structural instability.
- **Key Features:**
  - MHADA plays a significant role.
  - Tenants are rehabilitated into new buildings.
  - Developers receive FSI incentives for undertaking the project.
- **Example:** Redevelopment of old chawls and cessed buildings in areas like Girgaon and Dadar.
- **Base FSI:** 3.0 to 4.0 depending on the building's location and classification under MHADA regulations.
- **Incentive FSI:**
  - Additional FSI of up to 50% for dilapidated or unsafe structures.
  - Tenants are provided new flats, and developers receive saleable FSI for additional units.

## 6. COMMERCIAL REDEVELOPMENT

- **Definition:** Redevelopment of commercial properties such as old office buildings, markets, or warehouses.
- **Key Features:**
  - New structures may include mixed-use developments (commercial + residential).
  - Enhanced space utilization and modern infrastructure.
- **Example:** Redevelopment of old markets or office complexes in Mumbai CBD (Nariman Point, Fort).



- **Base FSI:** 2.0 to 5.0 for commercial areas like Nariman Point in Marine Drive, Bandra-Kurla Complex (BKC), or other commercial hubs.
- **Incentive FSI:** Additional FSI depends on road width, premiums paid, and adherence to zoning regulations.

## 7. GOVERNMENT-AIDED REDEVELOPMENT

- **Definition:** Redevelopment projects initiated or supported by government agencies like MHADA, MMRDA, or municipal corporations.
- **Key Features:**
  - Targeted at public housing, slum rehabilitation, or urban renewal.
  - Involves public-private partnerships (PPP).
- **Example:** Urban renewal projects by the BMC or MHADA.
- **Base FSI:** 3.0 to 4.0, depending on the project type (e.g., public housing, slum rehabilitation).
- **Incentive FSI:** May include higher FSI under public-private partnership (PPP) models.
- **Example:** MHADA and MMRDA projects often offer additional FSI for rehabilitation housing.

# 10. INDUSTRIAL REDEVELOPMENT

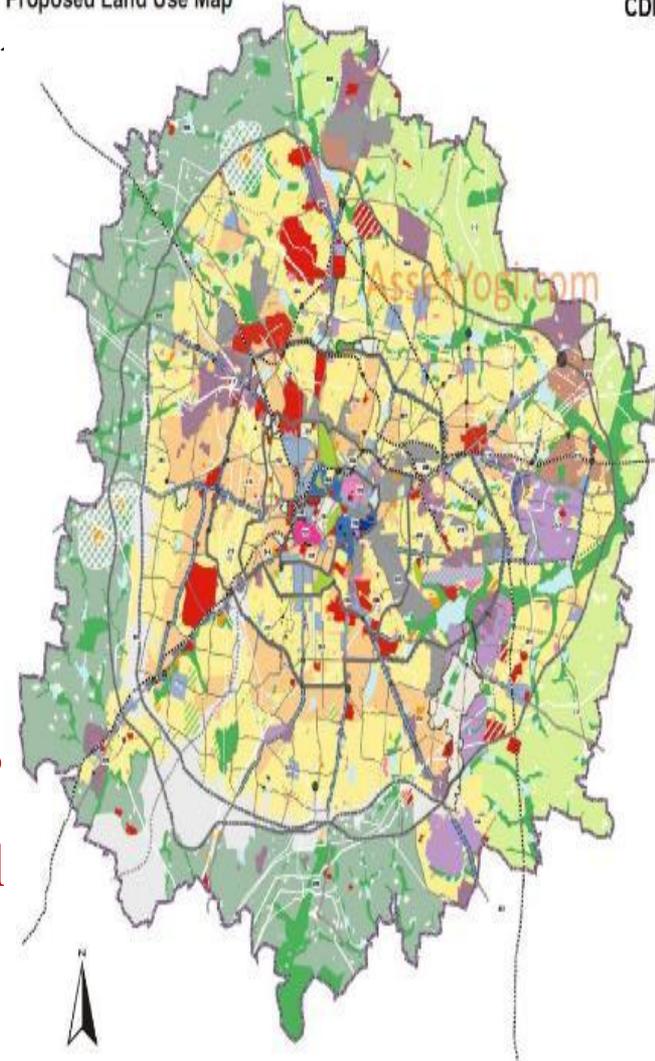
- **Definition:** Redevelopment of defunct industrial lands or mills into residential, commercial, or mixed-use projects.
- **Key Features:**
  - Involves conversion of industrial zones into residential or commercial zones
  - May include public amenities or open spaces as part of the project..
- **Example:** Redevelopment of mill lands in Mumbai (e.g., Phoenix Mills, Kamala Mills).
- Base FSI:** 1.0 to 2.0 depending on zoning.
- Incentive FSI:**
  - Higher FSI (up to 2.5–3.0) may be granted for converting industrial lands to residential/commercial use.
  - Specific incentives for creating open spaces or public amenities.



All these classification for aforesaid types of redevelopment and FSI is very specified laid down by the Government of Maharashtra in “Development Control and Promotion Regulations (DCPR 2034)” and UDCPR.

But, we are here for Redevelopment in “Hyderabad” which is regulated by the “Local Development Control Regulations

Proposed Land Use Map



CDP Bangalore - Master Plan 2015



# Development Control Regulations in Hyderabad and Telangana for Redevelopment

- In Telangana, redevelopment is not controlled by one standalone “redevelopment code.”
- It is regulated through a combination of the master plan, zoning and development-promotion regulations, building rules, the TG-bPASS permission system, and sector-specific clearances such as fire, heritage, airport, and environmental approvals.
- The law is broad enough to treat “redevelopment” itself as a form of “development,” so an old building being demolished and reconstructed does not escape the normal planning and building-control framework.



# The legal architecture in Hyderabad and Telangana for Redevelopment

- The foundational statewide technical code remains the Andhra Pradesh Building Rules, 2012, which continue to apply in Telangana with multiple later amendments.
- Those rules expressly apply across HMDA, all urban development authorities, municipal corporations, municipalities, nagar panchayats, and even gram panchayat areas covered by master plans or planning schemes.
- They also identify who the sanctioning authorities are: HMDA outside GHMC, GHMC within GHMC, and DTCP in areas not covered by urban development authorities.
- In other words, for Telangana redevelopment, the building rules are the base layer; for Hyderabad, that base layer is then overlaid by HMDA/GHMC master-plan controls and special local regulations.

# The legal architecture in Hyderabad and Telangana for Redevelopment

- For Hyderabad specifically, the planning layer is anchored in the Hyderabad Metropolitan Development Plan–2031 and the revised development plan for the old core city. HMDA’s official material describes the metropolitan plan as a combination of zoning regulations, land-development regulations, and building/development-promotion regulations.
- HMDA also maintains the revised development plan for the erstwhile MCH/GHMC core area and separate master-plan materials for the metropolitan region.

# **The legal architecture in Hyderabad and Telangana for Redevelopment**

- A current jurisdiction point is also important. HMDA's homepage states that the Government issued G.O. Ms. No. 68 dated 12 March 2025 extending the Hyderabad Metropolitan Region up to the Regional Ring Road buffer. That matters because a redevelopment proposal on the metropolitan fringe may now fall within HMDA's planning footprint even if older documents treated it differently.

## **2. TG-bPASS: the current approval route**

- Today, the practical permission gateway is TG-bPASS, earlier widely referred to as TS-bPASS. The 2024 Telangana Laws (Change of Acronyms) Act updated the nomenclature from TS-bPASS to TG-bPASS, though both names are still commonly seen in portals and documents.
- The TG-bPASS Act, 2020 applies statewide and defines “development” to include repairs, redevelopment, layout and subdivision.

## **2. TG-bPASS: the current approval route**

- The approval structure under TG-bPASS is highly relevant for redevelopment. Up to 75 square yards with ground or ground-plus-one residential construction, no building permission is required, though registration/self-certification is still required.
- Up to 500 square metres and 10 metres height for individual residential buildings, approval is routed through instant online self-certification.
- Above 500 square metres or above 10 metres, and for residential or non-residential projects of that scale, the system moves to a single-window process with online scrutiny and multiple NOCs through a common application form. Occupancy certificate processing is also integrated into the same framework.

## **2. TG-bPASS: the current approval route**

- However, TG-bPASS is only a process reform; it is not a relaxation statute. The Act itself allows deemed approvals only within the legal framework, and permissions obtained by misrepresentation or contrary to building rules, regulations, or master-plan land use can be revoked. That is especially important in redevelopment, where applicants sometimes assume that an existing building footprint guarantees approval for a new one. It does not. The new proposal must independently satisfy the current rules, road width, land use, setbacks, open-space, parking, fire and environmental conditions.

### **3. The first redevelopment test: land use and planning permissibility**

- The first legal question in any Hyderabad or Telangana redevelopment is not FSI or height; it is land-use permissibility. HMDA's DPMS portal itself lists Change of Land Use and Land Use Information as separate services.
- It also notes that proposals in HMDA gram panchayat areas are now to be processed through TG-bPASS, while land-use information is issued through the dedicated land-use module.
- This confirms a basic principle: redevelopment cannot proceed merely because a structure already exists; the proposed use must match the master plan, revised development plan, zonal plan and special notifications applicable to that site.

### **3. The first redevelopment test: land use and planning permissibility**

- This becomes especially important when an old bungalow, warehouse, cinema, school, industrial shed or low-rise apartment is proposed to be redeveloped into apartments, offices, mixed-use or commercial premises. If the existing use is non-conforming, or the proposed use exceeds what the zoning permits, change-of-land-use approval or other planning relaxation may be required before the building-permission stage can meaningfully succeed.

## **4. Road width controls redevelopment intensity**

- In Hyderabad and Telangana, redevelopment viability is often controlled by road width.
- The 2012 Building Rules explicitly link the type of building and intensity of development to the abutting road width.
- In new areas and approved layouts, the rules themselves use categories based on minimum abutting road widths of 9 metres, 12 metres, 18 metres and 30 metres and above.
- Even where a site abuts a road below 9 metres, only limited individual residential construction is ordinarily permitted after surrendering 4.5 metres from the centreline for widening and leaving the prescribed setback beyond that; no relaxation is contemplated there.

## **4. Road width controls redevelopment intensity**

- This is why many inner-city redevelopment proposals in older Hyderabad neighborhoods fail or get diluted.
- The site may be valuable, the existing building may be old, and the owners may be willing, but if the access road is too narrow, the law may cap the height or type of redevelopment.
- The building rules also require scrutiny of whether the site is affected by road widening and whether the affected portion has been handed over free of cost.

## 5. High-rise redevelopment: a separate compliance universe

- A building of 18 metres or more is treated as a high-rise. Once a redevelopment proposal crosses that threshold, it enters a far stricter compliance category. The building rules prescribe a graded matrix linking height with minimum abutting road width and minimum all-round open space. For example, a building up to 21 metres requires a 12-metre abutting road and 7 metres all-round open space; the requirements increase as height rises. The front open space is also linked to either that high-rise table or the regular building line, whichever is higher.

## 5. High-rise redevelopment: a separate compliance universe

- For high-rise sites, the rules further require fire clearance, a minimum 10% organized open space at ground level open to sky, peripheral green strips, and in some cases service roads where the site abuts major roads of 30 metres or more. The Telangana Fire Department separately states that the authority for fire NOC depends on height, and that the timeline is 14 days for buildings above 15 metres and 7 days for those 15 metres and below. Its checklist also shows that concessions in all-round setbacks are tied to maintaining a clear 7-metre fire-vehicle driveway.

## 5. High-rise redevelopment: a separate compliance universe

- The practical consequence is simple: a redevelopment project may be financially attractive at 10 or 12 floors, but the moment it becomes a high-rise, the site must be re-tested for road width, turning radii, fire access, open-space, service-road obligation and NOC logistics. Many feasibility studies in Hyderabad become over-optimistic because they estimate saleable area before testing the high-rise compliance envelope.

## 6. Water bodies, lakes, drains and environmental controls

- Hyderabad redevelopment is especially sensitive to water-body regulations. The Building Rules prohibit development in the bed of rivers, nalas and in the FTL of lakes, ponds, kunta and shikam lands. They also prescribe mandatory buffers: 50 metres from a river within municipal limits, 30 metres from lakes of 10 hectares and above, 9 metres from smaller lakes, 9 metres from canals/vagus/nalas/storm drains above 10 metres width, and 2 metres from such drains up to 10 metres width. These are not mere formalities; they directly cut the net developable footprint in many lake-influenced parts of Hyderabad.

## 6. Water bodies, lakes, drains and environmental controls

- The same rules also expressly continue the special restrictions applicable to the Osmansagar and Himayatsagar catchment areas in the HMDA area.
- That means redevelopment near those protected lake systems must be tested not only against ordinary setbacks and zoning but also against the older special protection orders.

## 6. Water bodies, lakes, drains and environmental controls

- Environmental clearance can also become mandatory. The Building Rules themselves cross-reference the EIA framework and note that building/construction projects above 20,000 sq.m. built-up area and below 1,50,000 sq.m. fall in the relevant environmental category; current official environmental materials continue to reflect the same threshold structure for building and construction projects. For larger townships/area-development projects, the threshold is higher and appraisal is different. In redevelopment, this means one cannot look only at land area; total built-up area after reconstruction is what triggers EC risk.

## 7. Heritage, monuments and character precincts

- Redevelopment in Hyderabad must also navigate heritage law. The Telangana Heritage Act, 2017 creates the Telangana State Heritage Authority and a Greater Hyderabad Heritage Committee involving GHMC/HMDA-level functionaries. The Building Rules add further site controls: no construction is allowed within 100 metres of protected monuments, construction between 100 and 200 metres requires prior permission from the National Monuments Authority, and redevelopment of any notified heritage structure must follow the stipulations of the competent authority.

## 7. Heritage, monuments and character precincts

- This makes heritage redevelopment a distinct category. An old property cannot be treated as a blank slate merely because the owner wants to replace it. If it is a notified heritage building or within a heritage precinct, the project may require conservation-led redevelopment, adaptive reuse, façade retention, or lower development intensity. Interestingly, the TDR framework also recognizes heritage buildings and heritage precincts maintained with adaptive reuse as eligible for TDR in appropriate circumstances.

## 8. Airport, defence and other restricted zones

- Hyderabad redevelopment near the airport, military areas, or certain special corridors needs another level of scrutiny. The Building Rules require airport-authority clearance for building activity in restricted or air-funnel zones, and they state that building heights and related parameters are to be regulated as per Airport Authority of India stipulations. AAI's NOCAS portal likewise confirms that buildings and other structures around airports require height-clearance screening. The rules also require prior defence clearance for sites within 500 metres of defence establishments.
- This matters in southern and western Hyderabad far more than many redevelopment promoters admit. A parcel may satisfy road width and zoning, but height may still be curtailed by aviation safeguarding. That can completely alter project economics.

## 9. TDR, road widening and surrender economics

- Transferable Development Right is a central redevelopment tool in Telangana.
- The Building Rules define TDR as the right to use or dispose built-up area elsewhere in lieu of surrendering land free of cost for public purposes such as master-plan roads, road widening or recreational-use land.
- They further provide that TDR may be granted when land is transferred by registered gift deed to the local body or urban development authority.
- For master-plan roads and road-development works, the rules state TDR equivalent to 200% of the built-up area of the surrendered land; for heritage adaptive reuse and certain lake/buffer developments, the rules contemplate 100%.

## 9. TDR, road widening and surrender economics

- This is highly relevant in Hyderabad redevelopment because many premium sites are road-affected. A project that appears to lose frontage to road widening may still be viable if the surrender is structured properly and TDR is available and usable. Telangana has also continued to amend the TDR regime through later G.Os. in 2017, 2019 and 2022, so practitioners should never rely only on the 2012 base text.

## **10. Parking, amenities, sustainability and contemporary compliance**

- Redevelopment today is not just about setbacks and FAR. Telangana's rule framework has steadily layered in parking, podium, environmental and sustainability obligations.
- The BuildNow archive shows the Podium Parking Rules issued in 2021, STP-related amendments in 2016 for sites of 10,000 sq.m. and above, and ECBC adoption in 2013.
- The 2012 Building Rules themselves require rainwater harvesting, structural safety and, for large group housing of 100 units and above, common amenities, solar water heating/lighting and water recycling.

## **10. Parking, amenities, sustainability and contemporary compliance**

- For redevelopment projects, this means old sanctioned footprints are poor comparators. A building that was legal in 1995 or 2005 may have had no STP, weak parking, no solar obligations, poor fire circulation and limited open-space requirements. A fresh redevelopment must satisfy today's code, not yesterday's.

## **11. Commercial roads, special impact fees and special regulation zones**

- In Hyderabad, land use may be theoretically permissible yet still attract additional financial planning consequences. Telangana's official BuildNow archive records the 2021 final notification declaring commercial roads in GHMC/HMDA areas, and HMDA's fee materials separately reference commercial-road impact fee and special impact fee in notified pockets such as Kokapet/Puppalguda. Likewise, Telangana's official archive continues to reflect special development regulations for the Outer Ring Road Growth Corridor, the Hyderabad Airport Development Area, and other corridor-specific or locality-specific zones.

## **11. Commercial roads, special impact fees and special regulation zones**

- Hyderabad also retains certain locality-specific rules. The Building Rules contain special regulations for parts of Banjara Hills and Jubilee Hills, including height limits, road-width dependencies and, in some pockets, FAR/height restrictions stricter than generic citywide norms. So a redevelopment proposal in Hyderabad must always be checked both against citywide rules and against site-specific special notifications.

## 12. Redevelopment outside Hyderabad but within Telangana

- Outside Hyderabad, the same redevelopment logic broadly applies, but the planning authority changes. T
- he 2012 Building Rules remain statewide in reach, and TG-bPASS remains the principal approval mechanism. The master plan may be under DTCP or another urban development authority rather than HMDA/GHMC, but the central redevelopment questions remain the same: Is the use permissible? Is the road width adequate? Is it high-rise? Does it affect a lake, drain, monument, airport zone or defence land?
- Does it need EC, fire NOC, STP, parking decks, subdivision approval or regularization history documents?

## 12. Redevelopment outside Hyderabad but within Telangana

- The TG-bPASS checklist itself shows how document history matters in practice: approved layout documents, approved building-plan records, ownership/link documents for older open plots, and BRS/LRS-related records become relevant when the site's planning history is imperfect. That is particularly important for brownfield redevelopment of old, semi-regularized or unapproved layouts.

## 12. Conclusion regarding Redevelopment within Telangana

- The correct legal view is that redevelopment in Hyderabad and Telangana is a current-code exercise, not an inherited-right exercise.
- The fact that a building already exists on a site does not automatically entitle the owner or developer to rebuild the same footprint, the same height, or a more intensive use.
- Every redevelopment proposal must pass through today's master plan, zoning, road-width, setback, fire, water-body, heritage, airport, environmental, parking and sustainability filters, and it must do so through TG-bPASS and the competent local planning authority.

## 12. Conclusion regarding Redevelopment within Telangana

- So, for any serious redevelopment opinion in Hyderabad or Telangana, the minimum professional checklist is this: identify jurisdiction; confirm land use under the latest master plan; verify road width and road-widening impact; test whether the proposal is high-rise; check lake/drain/heritage/airport/defence overlays; assess TDR and surrender implications; confirm EC/fire/RERA applicability; and only then prepare the financial feasibility.
- In Telangana, redevelopment success is determined not only by market demand, but by how early and how correctly the DCR framework is read.

# WHY REDEVELOPMENT AND SELF-REDEVELOPMENT WORK IN MAHARASHTRA:-

## 1. Incentive FSI:

- Higher FSI is provided as a reward for redevelopment, encouraging societies and developers to undertake projects.
- Example: In Mumbai, FSI can go up to 4.0 for specific redevelopment projects.

## 2. Timely Approvals:

- Efficient processes for municipal and statutory clearances.
- Specialized cells in municipal bodies expedite redevelopment permissions.

# **WHY REDEVELOPMENT AND SELF-REDEVELOPMENT WORK IN MAHARASHTRA:-**

## **3. Government Resolutions (GR):**

- More specification and Clear policy guidelines issued regularly.
- Examples include GRs on Redevelopment dated 04/07/2019 and benefits for self-redevelopment dated 13/09/2019, incentives for transit-oriented development and slum redevelopment schemes.

## **4. Financial Support:**

- Availability of loans through cooperative banks and other financial institutions for redevelopment and self redevelopment.
- Subsidies and tax incentives for self-redevelopment projects.

# WHY REDEVELOPMENT WILL FACE CHALLENGES IN BANGALORE

## 1. Limited Incentive FSI:

- **Regulation 3.4 of Revised Master Plan 2015** caps additional FSI at **0.50**, which is insufficient for economically viable projects.

## 2. Lack of a Co-operative Society Framework:

- In Maharashtra, **Co-operative Housing Societies** collectively own the land, simplifying redevelopment.
- In Bangalore, individual apartment owners share fractional ownership, making decision-making and legal processes complex.

## 3. Absence of Streamlined Approvals:

- No specialized cells or expedited processes for redevelopment projects.

## 4. Lack of Supporting Policies:

- No equivalent of Maharashtra's UDCPR or redevelopment-specific GRs.

# GOVERNING AUTHORITIES AND REGULATIONS;

## A. Maharashtra:

### • **Governing Authorities:-**

- Maharashtra Housing and Area Development Authority (MHADA).
- Local Municipal Corporations (e.g., BMC for Mumbai).
- Maharashtra Real Estate Regulatory Authority (RERA)

### • **Regulations:**

- **Development Control and Promotion Regulations (DCPR):** Governs urban development and planning in Maharashtra, outlining rules for FSI, TDR, and building norms.
- **Unified Development Control and Promotion Regulations (UDCPR):** A unified framework applicable across Maharashtra, introduced in 2020, standardizing development norms statewide.

# GOVERNING AUTHORITIES AND REGULATIONS;

## B. Karnataka (Bangalore):

### . **Governing Authorities:-**

- Bangalore Development Authority (BDA).
- Bruhat Bengaluru Mahanagara Palike (BBMP).
- Karnataka Real Estate Regulatory Authority

### . **Regulations:**

- **Revised Master Plan 2015:** Current regulation guiding urban development in Bangalore.
- **Revised Master Plan 2031:** In draft stage, aiming to address evolving urban challenges.

# STAKEHOLDERS IN REDEVELOPMENT:-

- **Society/Apartment Owners**: Initiate redevelopment basically the service beneficiaries.
- **Developers/Builders (For Developed led Redevelopment)**: Developer is the entity (Individual or Firm/Company) who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees. He is central to the redevelopment process, providing resources and expertise in construction, design, and planning. He takes on the responsibility of executing the redevelopment project, from obtaining necessary permissions to managing construction, and ensuring timely delivery.

## STAKEHOLDERS IN REDEVELOPMENT:-

- **Contractor/ Development Manager (For Self redevelopment)**:- Contractors are responsible for the actual construction work, employing labour, managing on-site activities, and ensuring that construction is executed according to the architects design and the project managers timeline.
- **Chartered Accountants**:- Chartered Accountants play a vital role in managing and auditing financial transactions for redevelopment projects. They ensure compliance with taxation laws, advise on financial structuring, and provide transparent accounting services to keep the project financially viable.
- **Legal Advisors**: Legal professionals are essential for title verification, conveyance, and preparing or vetting various legal agreements, such as Development Agreements (DA) and Permanent Alternate Accommodation Agreements (PAAA), PMC Agreement, Contactor Agreement, Development Manager Agreement, etc. Their expertise ensures all transactions comply with legal requirements and protect the interests of the housing society, associations and other stakeholders involved in redevelopment.

# STAKEHOLDERS IN REDEVELOPMENT:-

- **Project Management Consultants (PMCs):**

## Eligibility

1. Individual PMC- Individual or Proprietary Concern: Professional Qualifications: Must be an architect or a civil engineer or structural engineer with requisite qualification.

2. PMC Firm/Organization- Partnership Firm, LLP, or Company: Core Team Members: The team/firm must include at least one architect or one structural engineer or one civil engineer who should be contractually associated with the firm (not Outsourced) or on their payroll or one of the partners or directors should be an architect or structural engineer or civil engineer.



# STAKEHOLDERS IN REDEVELOPMENT:-

- **Role of PMC**

The Project Management Consultant (PMC) appointed by the housing society or Association is expected to maintain impartiality and integrity throughout the redevelopment process. The involvement of the PMC should precede the introduction of the developer, to ensure that the initial assessments and recommendations are unbiased and solely in the society's or association best interest. The society's or association appointed PMC should continue till the successful completion of redevelopment and should be independent from the developer appointed PMC, if any.

- **Financial Institutions:** Financial institutions provide crucial funding options for redevelopment projects, offering loans, grants, or financial packages to support societies or association in achieving successful project execution. Usually in case of self-redevelopment, financial institutions have a big role to play in lending to the housing societies or Association.

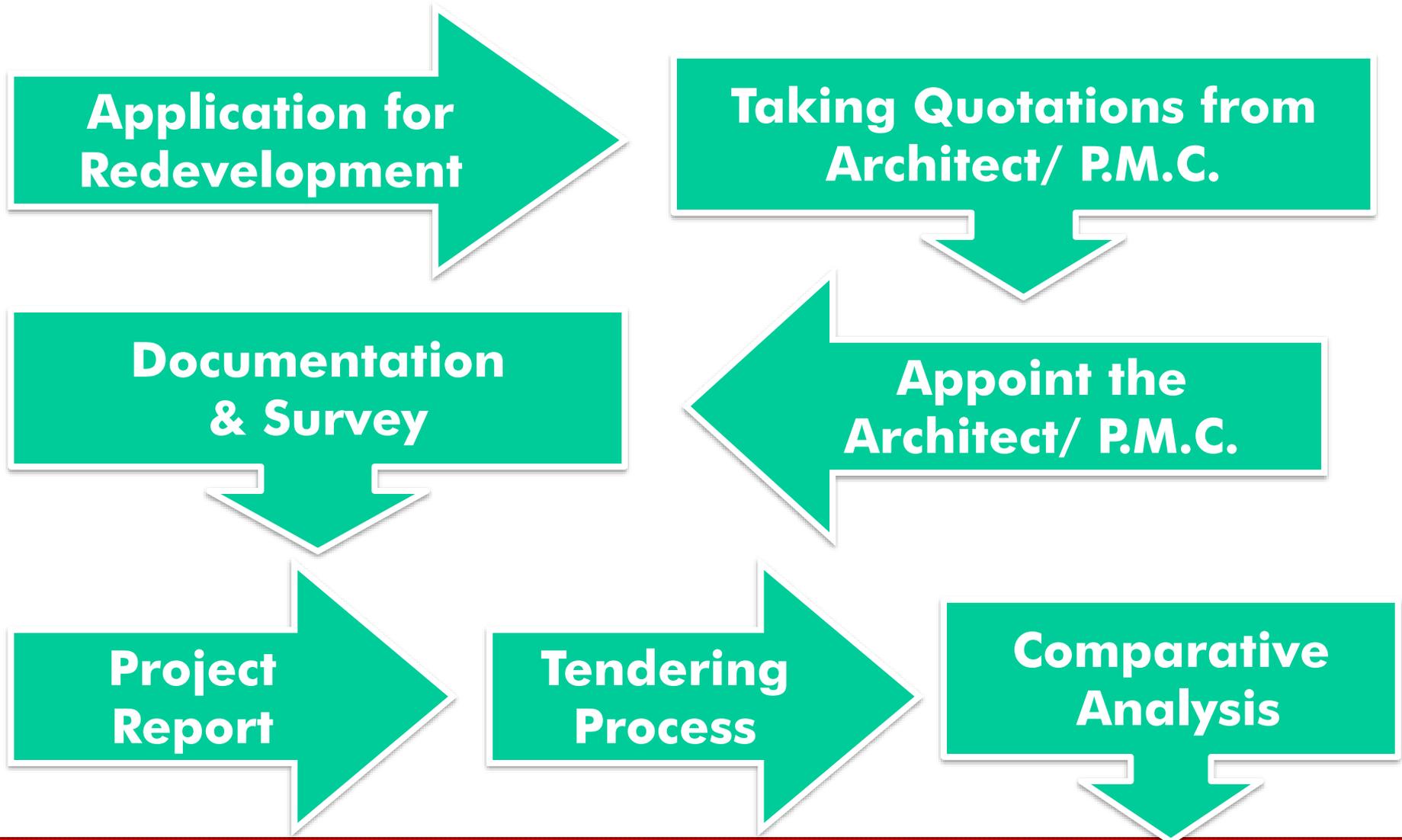


# **LINE OF ACTION OF**

**( As per the Directions u/s 79A of the MCS Act 1960 by the State Govt. of Maharashtra dtd. 4th July. 2019)**

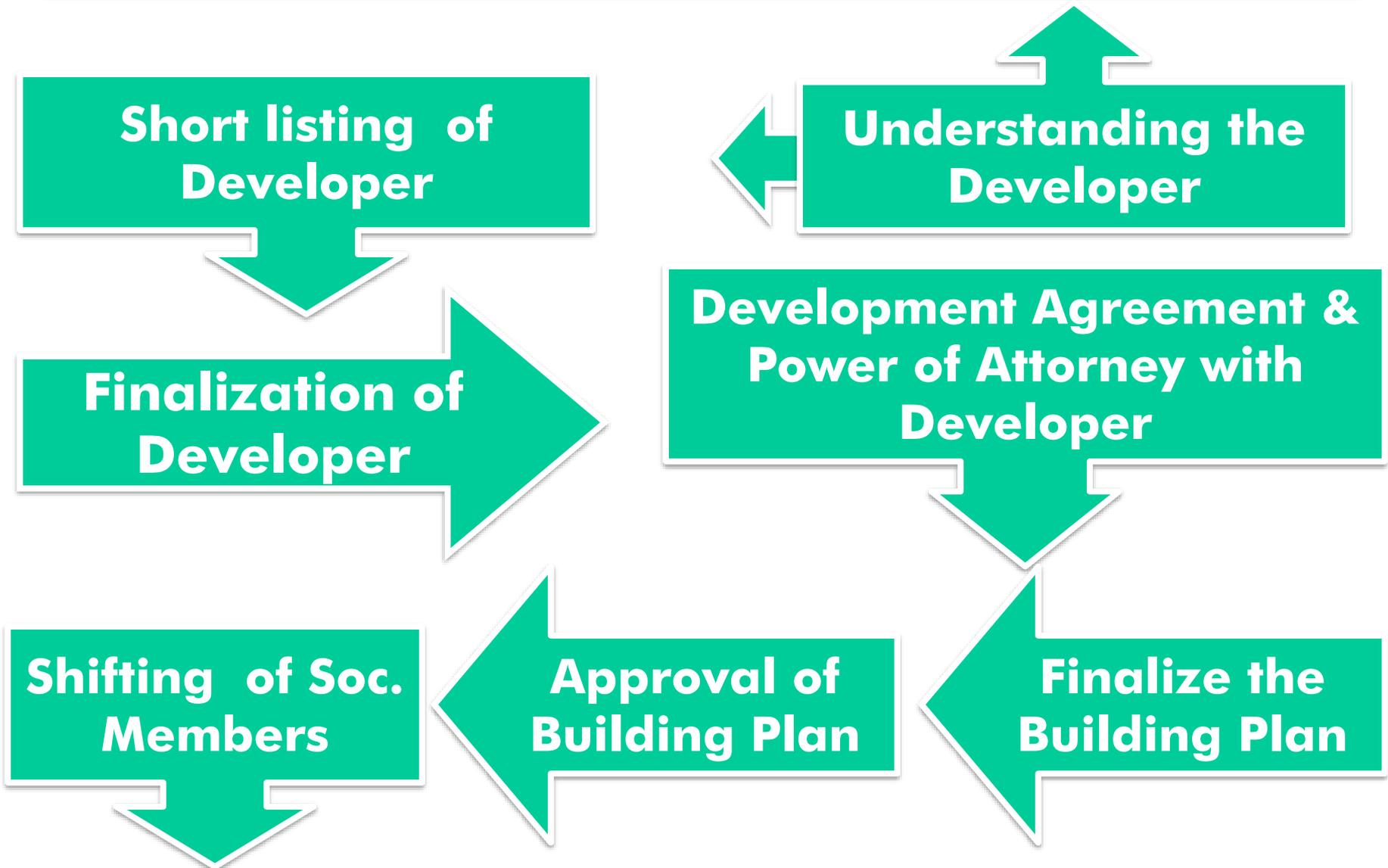
# STEPS FOR REDEVELOPMENT OF CO. OP. HSG. SOCIETY.

---



# STEPS FOR REDEVELOPMENT OF CO. OP. HSG. SOCIETY.

---



# STEPS FOR REDEVELOPMENT OF CO. OP. HSG. SOCIETY.

---



**dream**  **come true**



# **Directions Dt 4.7.2019 u/s 79A of the MCS Act on ReDEVELOPMENT**

- 1. Society to decide in SGM as per DCPR.**
- 2. Applicable to all types of re-development.**
- 3. Decisions as per Bye-laws, Act, Rules & notifications.**
- 4. Society need to have a Redevelopment web portal.**
- 5. Authorized Officer/Administrator not eligible.**
- 6. SGM to be called by minimum 20% members**
- 7. SGM with 14 days notice to have at least 2/3<sup>rd</sup> quorum**
- 8. Agenda: Redevelopment, Appt of PMC & Time frame.**
- 9. Decision to be taken by 51% of members in writing.**
- 10. Feasibility report, Plans, tenders etc by MC & PMC**
- 11. Select the Contractor in SGM in the presence of Regr.**

# FEASIBILITY REPORT AND ROLE OF PMC

---

- A PMC group of professionals to guide the society
- Architect, Structural Engineer, Civil Engineer, Chartered Accountant, Advocates etc
- Prepare Feasibility Report & get the plans approved
- Guide for appointment of agencies like contractors

# Feasibility Report consist of:-

## PART-1

To determine what is maximum carpet area available in the project.

## PART-2

To determine the Total Project Cost

## PART-3

To determine how much carpet area required to sale in the open market to recover the project cost..

## PART-4

Balance Carpet Area for existing members.

## PART-5

Evaluation in terms of percentage of Balance Carpet area with respect to existing Carpet Area

**How to determine the  
maximum permissible  
Carpet Area in the Project?**

**IT IS VERY ESSENTIAL  
TO KNOW  
D.C.Regulations**

# Development Plan of any Region in Maharashtra is governed by M.R.T.P. ACT

Hence, Development Plan for the jurisdiction of Greater Mumbai is governed by MRTP ACT,1966.



# Floor Space Index (FSI) Provisions

- **Net Plot Area and Computation of FSI:** Guidelines on how FSI is calculated based on net plot area.
- **Permissible FSI:** Defines the base FSI allowed for different types of developments.
- **Incentive/Additional FSI:** Available upon payment of premiums, subject to conditions.
- **Protection of FSI in Redevelopment:** Ensures protection of sanctioned FSI during redevelopment of existing buildings.
- **Premium FSI Charges:** Provisions for availing additional FSI beyond base limits through premium payments.

# Transfer of Development Rights (TDR)

- **TDR Utilization:** Defines how TDR can be consumed in various types of projects.
- **TDR in Lieu of Development Plan Sites:** Mechanisms to transfer development rights instead of physically allocating DP sites.
- **Ancillary FSI/ Fungible FSI :** Utilization of TDR to achieve additional buildable area.
- **TDR Receiving Potential:** Conditions on the maximum permissible TDR absorption per plot.

# Redevelopment Potential

- **Redevelopment FSI Benefits:** Additional incentives and FSI allocations for slum redevelopment, cluster redevelopment, and redevelopment of old societies.
- **Special Provisions for Cooperative Housing Societies:** Rules on how societies can maximize FSI during self-redevelopment.
- **Parking and Road Boundary Adjustments:** Conditions to ensure redevelopment projects meet infrastructure requirements.
- **FSI Adjustments for Premium Payments:** Possibilities to avail extra FSI by paying prescribed premiums.

# D.C. Reg. 30 of D.C.P.R. 2034: Deals with FSI

**TDR Allowed in City Area: As Per Width Of The Road**

**TABLE 12 of DCPR 30 (A)**

SR.NO	Area	Zone	Road Width	Zonal (Basic)	Additional FSI on Payment of premium	Admissible TDR	Permissible FSI (4+5+6)
	1	2	3	4	5	6	7
2	The remaining area in Suburbs and Extended Suburbs	Residential/ Commerical	Up to 9m	1.0	-	-	1.0
			9.00m and less than 12.20m	1.0	0.5	0.5	2.00
			12.20m and less than 18.30m	1.0	0.5	0.7	2.2
			18.30m and less than 27.00m	1.0	0.5	0.9	2.4
			More than 27.00m	1.0	0.5	1.0	2.5

## D.C.Reg.31 of D.C.P.R.2034

**31(1) Deals with area to be counted in FSI.**

**31(2) Deals with area to be exempted from FSI**

**31(3) Fungible compensatory FSI at par with D.C.Reg.No.35(4) of DCR 1991.**

D.C.Reg.32 of D.C.P.R.2034 deals with Transferable Development Rights (T.D.R.)

D.C.Reg.No.33

Deals with additional FSI in certain categories at par with D.C.Reg.No.33 of DCR 1991

## D.C.Reg.33

Additional F.S.I. allowed in certain categories.

e.g.

33(5):- For MHADA Buildings

33(7):- For Cess Category Buildings

33(7)(A):- Non Cess tenanted buildings  
in city and suburbs

33(7)(B) :- Additional Incentive FSI for  
redevelopment of existing housing  
society excluding cessed building

33(9):- For Cluster Development

33(10):- For Slum Re-development

# D.C. Reg. 30 of D.C.P.R. 2034: Deals with FSI

**TDR Allowed in City Area: As Per Width Of The Road**

**TABLE 12 of DCPR 30 (A)**

SR.NO	Area	Zone	Road Width	Zonal (Basic)	Additional FSI on Payment of permium	Admissible TDR	Permissible FSI (4+5+6)
	1	2	3	4	5	6	7
2	The remaining area in Suburbs and Extended Suburbs	Residential/ Commerical	Up to 9m	1.0	-	-	1.0
			9.00m and less than 12.20m	1.0	0.5	0.5	2.00
			12.20m and less than 18.30m	1.0	0.5	0.7	2.2
			18.30m and less than 27.00m	1.0	0.5	0.9	2.4
			More than 27.00m	1.0	0.5	1.0	2.5

# HOW REDEVELOPMENT SHALL BE PROCESS -

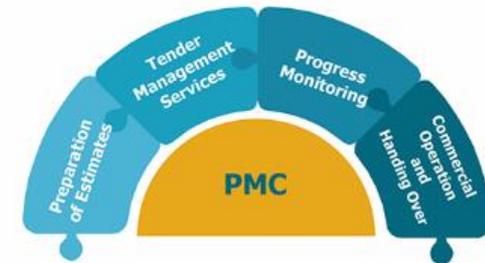
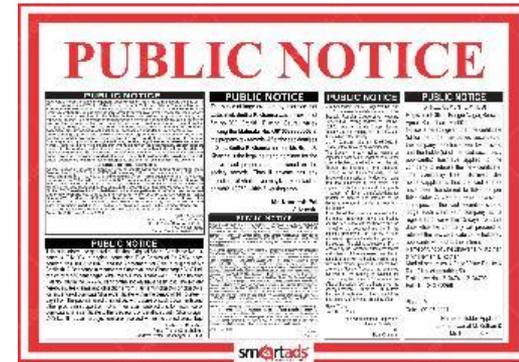
## 1. INITIATION/REQUISITION FOR REDEVELOPMENT:-

- a) Requisition from 1/5 members for redevelopment
- b) Managing committee arranges for Special General Body Meeting
- c) In SGM, Redevelopment proposal is decided with approval of total 51% of members of Society/ Association.



## 2. APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT AND LEGAL ADVISOR AND ARCHITECT:-

- General Body gives powers to Managing Committee to issues public notices and appoint PMC, legal advisor and Architect.
- Managing Committee issues public notices, inviting tenders and scope of work from PMC, legal advisor and Architect.
- Out of received offers, Managing Committee shortlist the best 3 and appoints any one PMC, legal advisor and Architect in the Special General Body Meeting
- Scope of work and fee structure is decided and appointment letter is issued.



### 3. FEASIBILITY REPORT:-

- PMC or Legal Advisor collects all documents from Society / Association
- Scrutinizes all papers and verifies the title of property.
- Architect or PMC explores all possibilities of FSI on Land and land potential for redevelopment
- Has discussions and several meetings with members, in order to understand their needs and whether they are willing for self redevelopment



### 3. FEASIBILITY REPORT:-

- Considering all aspects, PMC or architect prepares a “Feasibility Report” and gives to Society. **Feasibility Report** covers aspects such as:-

- Total Area of Plot
- FSI already Consumed
- Ongoing Litigation if any on Plot
- Future Maximum permissible FSI
- Maximum additional incentive area members can get over and above their existing apartment area.

- Estimated Project Cost
- Whether Redevelopment is feasible to Self redevelopment
- Provisions of Funds for self redevelopment.

FSI COMPUTATION OF I TO R CASE			Sq.m.	Sq.m.
S. No.	Particulars		DCR 1991	DCR 2034
1	Plot Area		10,000	10,000
2	<u>Deduction For</u>			
	Road Setback		100	100
	Reservation		200	200
3	Total of (a+b+c)		300	300
4	Balance area of plot		9,700	9,700
5	<u>Deduct For Conversion I to R</u>			
	For Plots less than 2 hect 5% Amenity (DCR 1991)	5%	190	
	For Plots less than 2 hect 10% Amenity (DCR 2034)	10%		790
	For Plots between 2 hect to 5 hect 20% Amenity (DCR 1991 & DCR 2034)	20%		
	For Plots More than 5 hect 25% Amenity (DCR 1991 & DCR 2034)	25%		
6	Remaining Balance Plot Area		9,510	8,910
7	RG	15%	1,427	
8	Net Plot Area		8,084	8,910
9	Gross Plot For FSI			10,000
10	Base FSI or Zonal FSI	1.00	8,084	10,000
11	Premium FSI	0.50	4,755	5,000
12	TDR	0.50	4,265	5,000
13	Add for AOS + Road Setback		490	300
14	TOTAL FSI (Base + Premium + TDR + AOS + Road)		17,594	20,300
15	35% Fungible		6,158	7,105
16	Total Permissible FSI		23,751	27,405

## 4. ISSUANCE OF TENDER FOR APPOINTMENT OF DEVELOPER:

- a) Based on feasibility Report, General Body takes an informed decision to go for “**Redevelopment or self redevelopment.**”
- b) PMC or legal advisor prepares an **Tender document**
- c) The Tender is published in two **local newspapers** inviting offers from developer for developed led redevelopment or from Contractor for self redevelopment
- d) Based on the tenders received, the PMC prepares a **comparative chart** by analyzing the offers
- e) The comparative chart is presented before the Managing Committee and 3 Developer for redevelopment or Contractors for Self redevelopment are **shortlisted.**

### TENDER NOTICE

Sealed tenders are invited from qualified & reputed Contractors, who have executed repairs works to quote for Waterproofing, Repairs, Plumbing, Painting and Allied works of:

### MANISHA TOWER CHSL

Tata Colony Road, Mulund (E),  
Mumbai- 400 081

**Tenders forms are available from the  
Consultants Office.**

**Project Management Consultants:**

### AVON PROJECTS

D/5, Gr. Floor, Vighnaharta CHSL, Plot No. 9,  
Mhada Colony, Mulund (E), Mumbai -81.  
from 29/07/13 to 05/08/13

Betw. 11 am to 6 pm

Tender Cost: Rs. 2,000/- Cash (N.R)

Contact : 9987794208/ 9987224208

## 5. APPOINTMENT OF DEVELOPER:-

- a) Managing Committee fixes a date for Special General Body Meeting
- b) Makes an application to Registrar for appointing his authorized officer for SGM to witness the process
- c) On the date of SGM, out of 3 shortlisted Developers, any one is appointed based on the highest feasible offer, by General Body with 51% consent in presence authorized officer from office of Deputy Registrar.



## 5. APPOINTMENT OF DEVELOPER:-

- d) The whole meeting is video recorded
- e) Appointment letter issued to Developer or Contractor



## 6. EXECUTION OF DOCUMENTS:-

- a) Developer through its Architect prepares a Draft Plan for Building with new of floors, the amenities to be provided, new area of existing members, the proposed saleable flats, commercial shops or units if any etc
- b) A development Agreement is executed with the Society, gives lays down clear terms and condition for redevelopment along with timelines for completion stage wise.



## 6. EXECUTION OF DOCUMENTS:-

- c) Only after receiving IOD, Developer executes Permanent Alternate Accommodation Agreement with Each exiting member for their new proposed flats with area, parking number, etc.
- d) The flat to be allotted to the existing members may be either by lottery system or by floor wise, as previously existing.

PAAA

stands for

**Permanent Alternate  
Accommodation Agreement**



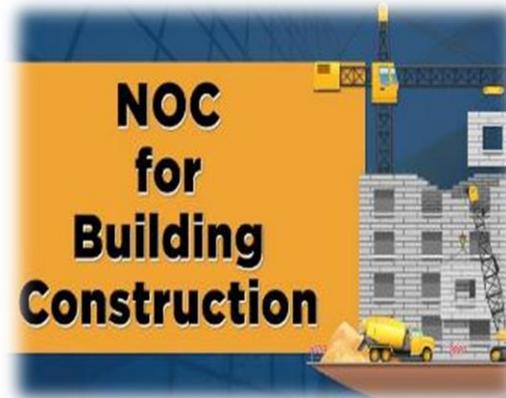
## 6. EXECUTION OF DOCUMENTS:-

- e) Only after registering PAAA, existing members are permitted to vacate their existing apartments and vacate the building.
- f) Developer makes arrangement for temporary accommodation of existing members, by providing them rent for redevelopment period till OC, brokerage, shifting charges, deposits, Bank Guarantee or Security.



## 7. OBTAINING CC AND APPROVALS, THERE AFTER DEMOLITION OF BUILDING

a) Developer obtains Sanction for building plans and obtaining environmental, fire safety, and other statutory approvals.

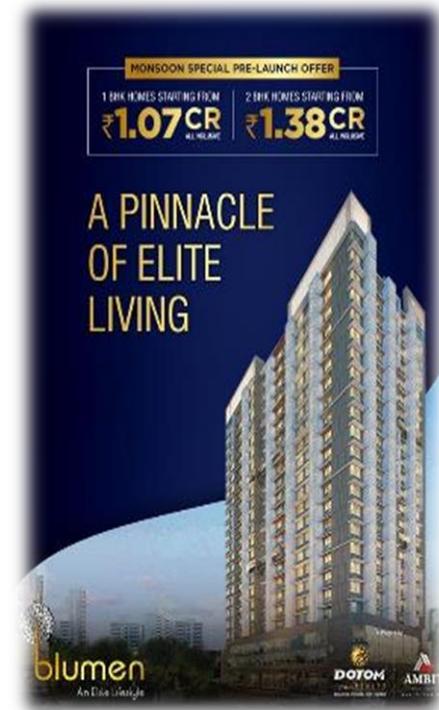


b) Demolishes the building and thereafter obtains Plinth Commencement Certificate from Planning Authority.



## 7. OBTAINING CC AND APPROVALS, THERE AFTER DEMOLITION OF BUILDING

C) Once Plinth CC is granted Developer registers the Project with RERA and starts marketing of the Project.



## 8. MONITORING THE DEVELOPMENT TILL HANDOVER:-

- a) Society and PMC monitors the Redevelopment process till OC and handover of flats to the existing members.
- b) All necessary precautions are taken, so that project does not get stalled.
- c) If at any time, the project seems to get stalled for any reason, it is the duty of Society and PMC to take all necessary steps for revival of Project and timely completion.



## 9. HANDOVER OF EXISTING FLATS AND SALE OF ADDITIONAL FLATS:-

- a) After OC, the developer invites the existing members to take the possession of new flats
- b) All additional saleable units are sold by Developer in open market and possession is given to the new owners.



# OWNERSHIP AND MUTATION IN TELEGANA:-

## A. Ownership:-

In **Maharashtra**, title of the property is clear and mutation is recorded in the **7/12 extracts** and **Property Registration Card (PR Card)** in the name of the **society**. This simplifies the process as the cooperative housing Society is the “**single legal owner of the land and structure**”, and **individual members hold a share or interest in the society**.

In **Telagana**, the scenario is different due to the ownership structure as per applicable laws.



## A. OWNERSHIP:-

### 1. Ownership Structure:

a) In a condominium, each apartment owner has an undivided share in the land along with exclusive ownership of their apartment.

b) The land and common areas are co-owned by all apartment owners proportionately.



# A. OWNERSHIP:-

## 2. Mutation Title Documents

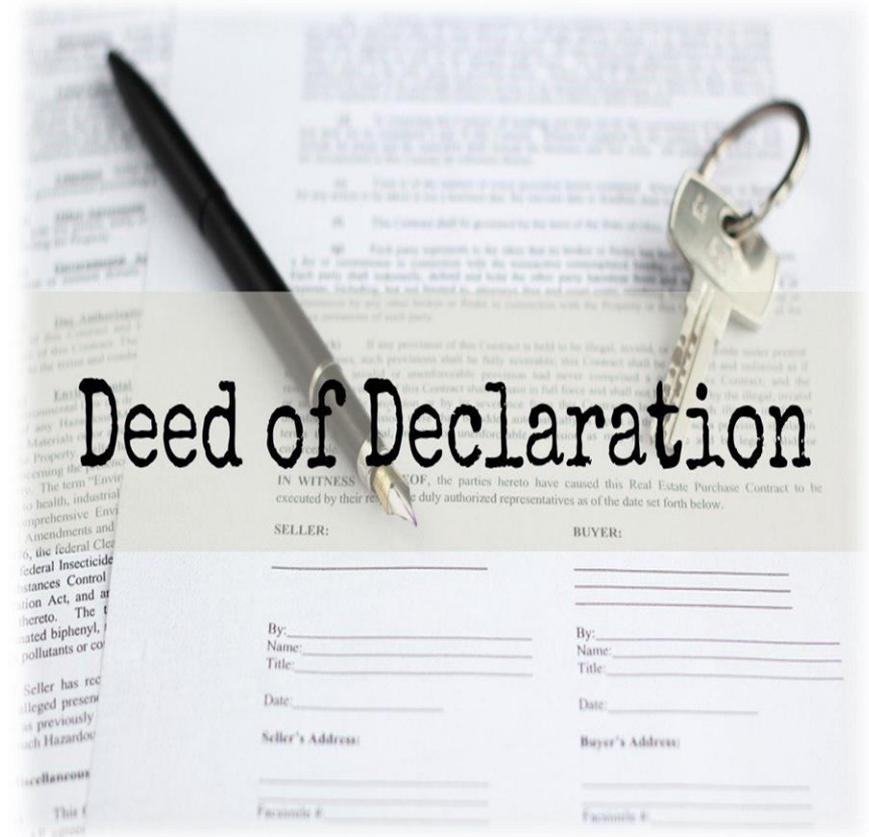


i. Mutation is recorded in RTC (Record of Right, Tenancy & Crop detail) for individual owners based on the Sale Deed/ Deed of Apartment of their Apartment.

1. ವರ್ಗ ಸಂಖ್ಯೆ		3. ಬೆಲೆಬಾಳು		4. ಸುಧಾರಣೆ		9. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		10. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		11. ಸಾಲಿನ ವಿವರ	
55		3.30.00.00		5.49		0.00.00.00		80		MR 18/96-97	
2. ಒಡೆತನ		3. ಬೆಲೆಬಾಳು		4. ಸುಧಾರಣೆ		9. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		10. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		11. ಸಾಲಿನ ವಿವರ	
3		3.30.00.00		5.49		0.00.00.00		80		MR 18/96-97	
5. ಮುಖ್ಯ ಕರಡು		7. ಮಾರಾಟ ದಾಖಲೆ		8. ಮಾರಾಟ ದಾಖಲೆ		9. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		10. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		11. ಸಾಲಿನ ವಿವರ	
ಕೆಂಪು		ಕೆಂಪು		ಕೆಂಪು		0.00.00.00		80		MR 18/96-97	
6. ಪಂಚಾಯತ್		7. ಮಾರಾಟ ದಾಖಲೆ		8. ಮಾರಾಟ ದಾಖಲೆ		9. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		10. ಕಟ್ಟಡದ ವಿಸ್ತೀರ್ಣ		11. ಸಾಲಿನ ವಿವರ	
ಸರ್ಕಾರಿ		ಕೆಂಪು		ಕೆಂಪು		0.00.00.00		80		MR 18/96-97	

## A. OWNERSHIP:-

- ii. The ownership of the land is reflected collectively in the **Deed of Declaration** (filed under the **Apartment Ownership Act**).
- iii. The **“Deed of Declaration”** and **“Sale/Apartment Deeds”** serve as the primary documents to confirm proportionate co-ownership of Apartment owners in Property and thereafter recorded in **RTC (Record of Right, Tenancy & Crop detail)**.



## **C. PROPOSED CHALLENGES FOR REDEVELOPMENT IN TELEGANA:-**

### **1. Collective Ownership:**

- a) All apartment owners are co-owners of the land, so unanimous or significant majority consent is critical for any redevelopment activity.
- b) Individual sale deeds and lack of a single ownership entity complicate the legal processes.
- c) Absence of cooperative society structure requires unanimous consent.
- d) Lack of specific redevelopment guidelines under Karnataka Apartment laws

### **2. Mutation in Redevelopment:**

- a) Post-Redevelopment, the mutation in municipal records would need to reflect the new ownership structure, which could involve individual apartment records as well as an updated Deed of Declaration.

## C. CHALLENGES FOR REDEVELOPMENT IN BANGALORE:-

### Solutions to this challenges:

- a) Formation of a unified association to represent apartment owners.
- b) Transparent agreement processes with developers and professionals
- c) Legislative reforms to provide legal clarity and incentives.
- d) Apartment owners must be educated about the advantages of redevelopment and
- e) the processes involved.
- f) Building trust among owners is essential for smoother implementation.

## COMMON KEY CHALLENGES IN REDEVELOPMENT:-

- Delays in approvals and clearances.
- Financial mismanagement or disputes over fund allocation.
- Resistance from members due to lack of trust or misinformation.
- Encroachments and title disputes
- Stalled Projects



# LEGISLATIVE NEEDS IN BANGALORE

# LEGISLATIVE NEEDS IN BANGALORE TO MAKE REDEVELOPMENT AND SELF REDEVELOPMENT PRACTICAL:-

## A. Proposed Amendments and Policies:-

a) Amendment to the **Karnataka Apartment Ownership Act, 1972** to facilitate Redevelopment.



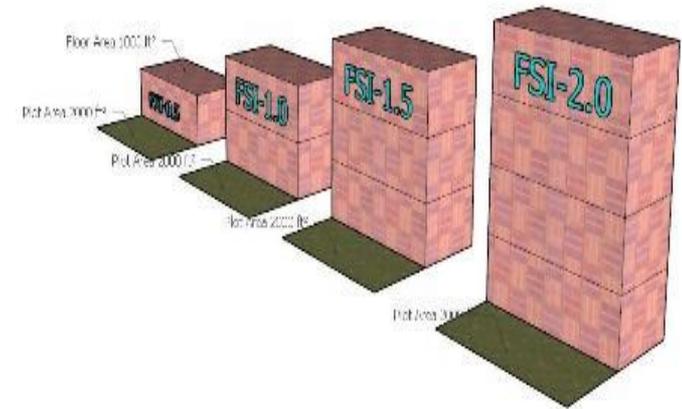
b) Introduction of **Government Resolutions (GR)** for redevelopment procedure, similar to Maharashtra's redevelopment GR dated 04/07/2019.



# LEGISLATIVE NEEDS IN BANGALORE TO MAKE REDEVELOPMENT AND SELF REDEVELOPMENT PRATICALE:-

c) Provision for conversion of Condominium to **Co- operative Societies** under **Co operative Societies Act** or amendment in **Karnataka Apartment Act**

d) Identification for various types of redevelopment in the state and financial incentives like additional incentive FSI, TDR, premium benefit for redevelopment and self redevelopment projects, shall be introduced by way of **Amendment in the Revised Master Plan 2015** or upcoming **Master Plan of 2031**.



## LEGISLATIVE NEEDS IN BANGALORE TO MAKE REDEVELOPMENT AND SELF REDEVELOPMENT PRATICALE:-

- e) Separate GR shall be issued by Government to promote “Self Redevelopment” with all additional benefits, similar to GR dated 13/09/2019 issued for Maharashtra.
- f) Provisions shall be made for funding with low-interest loans, for redevelopment and self redevelopment projects.
- g) Since existing owners are not protected under RERA, a new “**Designated Authority**” may be named as- “**Real Estate Redevelopment Authority**” to be established for looking after exclusive redevelopment related issues, as RERA.
- h) OR else, Co operative department like Deputy Registrar, Assistant Registrar, Joint Registrar may be given powers to address the redevelopment grievance, instead of dragging to the long litigation before Civil Courts.

## LEGISLATIVE NEEDS IN TELEGANA TO MAKE REDEVELOPMENT AND SELF REDEVELOPMENT PRATICALE:-

- i) **A separate Monitoring** Agency shall be set up, for compliance with project specifications, tracking progress and quality at each stage of construction of redevelopment and self redevelopment, who will provide independent assessments to verify that the project aligns with the initial plan and regulatory standards and provide Quarterly update and report to the Government or to the Real Estate Redevelopment Authority, or Co-opertive Department, whoever is designated.

# LEGISLATIVE NEEDS IN TELEGANA TO MAKE REDEVELOPMENT AND SELF REDEVELOPMENT PRATICALE:-

## **B. Practical Steps:**

- a) Draft policies with inputs from professionals and stakeholders
- b) Initiate pilot Redevelopment projects to refine processes.
- c) Proportional Ownership Adjustment:-** Accurately determining the reduced ownership shares for each co-owner requires a legal and financial framework, often supported by professionals like chartered accountants and lawyers.
- d) Coordination with Municipal Authorities:-** Updating PTR requires close coordination with BBMP, submission of accurate documents, and often addressing delays or discrepancies in municipal processes.
- e) Legal Framework for New Owners:** The new apartments must be seamlessly integrated into the condominium or association structure to avoid disputes.

# PROFESSIONAL OPPORTUNITIES FOR CHARTERED ACCOUNTANTS, ADVOCATES AND OTHER PROFESSIONALS IN REDEVELOPMENT AND SELF REDEVELOPMENT:-

## A. For Chartered Accountants:

- **Financial Structuring:** Preparation of feasibility studies and loan proposals.
- **Tax Compliance:** Planning for GST, income tax, and stamp duty.
- **Audit and Monitoring:** Ensuring transparency and compliance in fund management.
- **Advisory Roles:** Assisting in financial modeling and profit-sharing agreements.
- **Policy Advocacy:** Assisting government in drafting redevelopment-friendly laws and guidelines

## **PROFESSIONAL OPPORTUNITIES FOR CHARTERED ACCOUNTANTS, ADVOCATES AND OTHER PROFESSIONALS IN REDEVELOPMENT AND SELF REDEVELOPMENT:-**

- **Individual Consultations:-** Supporting societies and associations in navigating redevelopment complexities.
- **Project Management Consultant:-** Chartered Accountant can have a Project Management Company, either on sole proprietary basis or a partnership form or a company, by engaging in-house professionals like Architects, Engineers, Advocates etc,

**Act as Developer:-** A chartered accountant with good turnover, also has a exposure to act as a Developer in a Real Estate Project by making necessary arrangements for the findings.

# PROFESSIONAL OPPORTUNITIES FOR CHARTERED ACCOUNTANTS, ADVOCATES AND OTHER PROFESSIONALS IN REDEVELOPMENT AND SELF REDEVELOPMENT:-

## B. For Advocates:

- **Drafting:** Development agreements, member consents, and dispute resolution.
- **Litigation:** Resolving property title disputes and member grievances.
- **Policy Advocacy:** Assisting government in drafting redevelopment-friendly laws and guidelines.
- **Member Representation:** Supporting societies and associations in navigating legal complexities.
- **Project Management Consultant:-** Advocates by adhering to the norms of Bar Council, can also operate as a Project Management Consultant Company, either on sole proprietary basis or a partnership firm or a company, by engaging in-house professionals like Architects, Engineers, Chartered Accountant etc,

**Act as Developer:-** A Legal Advisor, also has a exposure to act as a Developer in a Real Estate Project by making necessary arrangements for the findings.

## CONCLUSION

### **Key Takeaways:**

- Maharashtra's success in redevelopment is driven by incentive FSI, clear regulations, and supportive policies.
- Bangalore can adapt similar frameworks to address its urban challenges.
- Collaborative efforts between stakeholders, professionals, and government are crucial for success.

# CONCLUSION

## **Future Scope:**

- Redevelopment and self-redevelopment present significant opportunities for chartered
- Accountants and other professionals as well.
- CAs can serve as financial strategists, auditors, and advisors.
- These processes can pave the way for a robust career in the evolving real estate market.
- Legislative and policy reforms to make redevelopment viable in Bangalore.

# **IMPACT OF RERA, ON REDEVELOPMENT**

- 1. CHS is a promoter in Redevelopment**
- 2. APPLICABILITY OF THE ACT (SEC 1 TO 3)**
- 3. REGISTRATION OF REAL ESTATE PROJECTS SEC 3 TO 8) :**
- 7. MANDATORY PUBLIC DISCLOSURE ( SEC 4 AND 11)**
- 8. DUTIES OF PROMOTER (SEC 3 TO 8 AND 11 TO 18)**
- 9. RIGHTS AND DUTIES OF ALLOTTEES ( SEC 19)**
- 10. FAST TRACK DISPUTE SETTLEMENT MECHANISM**
- 15. PUNITIVE PROVISIONS ( SEC 59 TO 69)**
- 16. OBLIGATIONS OF THE CHS AS PROMOTER**
- 17. RISK THAT THE SOCIETY WILL HAVE TO PROVIDE THE APARTMENTS TO THE ALLOTTEES BOOKED BY THE DEVELOPER POST RERA**
- 18. NO APPOINTMENT OF NEW BUILDER WITHOUT RERA APPROVAL AND 2/3RD ALLOTTEE CONSENTS**

# IMPACT OF GST, ON SELF REDEVELOPMENT

- AGGREGATE TURNOVER OF HOUSING SOCIETY
- REGISTRATION DURING SELF Re-DEVELOPMENT
- RECEIPTS FROM MEMBERS FOR COMMON FACILITIES
- PROPERTY TAX & PREMIUM PAID TO LOCAL AUTHORITIES
- GST APPLICABLE ON REAL ESTATE TRANSACTION
- Reduced liability under self redevelopment.
- No transfer of development rights, so No GST.
- GST on the contribution from members at 18%
- GST on new sales, if affordable at 1% otherwise 5%
- No GST on the flats retained or allotted to the members.

# **IMPACT OF INCOME TAX, ON REDEVELOPMENT**

---

- **NO INCOME TAX ON ADDITIONAL FREE AREA**
- **CORPUS OR SURPLUS NO TAX**
- **NO TAX for RENT FOR TEMPORARY ACCOMMODATION**

# IMPACT OF INCOME TAX, ON REDEVELOPMENT

## Capital Gains & Section 54 Exemptions

**Core Message:** Redevelopment is legally an "Exchange," but tax-saving provisions often make the net tax liability zero for individual members.

- 1. Redevelopment as a "Transfer":** Surrendering your old flat in exchange for a new one is a taxable event under Section 45.
- 2. The "Construction" Logic:** The Income Tax Act treats the acquisition of a redeveloped flat as "Construction of a new house."
- 3. Section 54 Exemption:** \* To avoid tax on Long-Term Capital Gains (LTCG), the new flat must be acquired within **3 years** of surrendering the old one.
  - a) Holding Period:** The "new" asset must not be sold within **3 years** of possession, or the previously claimed exemption will be reversed.
- 4. Cost of Acquisition:** For the purpose of future sales, your cost of acquisition is generally the original price paid for the old flat, adjusted by the **Cost Inflation Index (CII)**.

## **Taxability of "Benefits" (Corpus & Rent)**

**Core Message:** Not all money received from a builder is "Income." Most are classified as "Capital Receipts" or "Reimbursements."

### **1) Corpus Fund (Hardship Compensation):**

a) **Status:** Generally **Non-Taxable**.

b) **Reason:** Courts (ITAT Mumbai) consistently rule this is a "Capital Receipt" intended to compensate for hardship and future maintenance; it has no "Cost of Acquisition."

### **2) Rent/Displacement Compensation:**

a) **Status:** **Exempt** only if actually spent on alternative housing.

b) **The "Savings" Trap:** If the builder gives you ₹50,000/month but you spend only ₹40,000, the remaining ₹10,000 is taxable as "**Income from Other Sources**."

### **3) Shifting Charges:**

a) **Status:** **Non-Taxable**. These are viewed as pure reimbursements for actual moving expenses.

**4) Additional Area:** \* Extra carpet area received for free is typically not taxed at the time of possession, as it is linked to the surrender of your original rights.

# WAY FORWARD

- The government should start implementing the incentives announced.
- Create Awareness of amongst the stakeholders
- Society office bearers should get oriented in the process
- Accept the responsibility and accountability by members
- More and more funding agencies should be encouraged to fund self redevelopment.
- Successful models and systems need to be spread
- Transparency and accountability in the approval department should be increased.

# WAY FORWARD

- Proper dispute redressal system should be implemented.
- Self redevelopment issues to be addressed at MahaRERA.
- Self-Redevelopment project has its own advantages / challenges.
- The general perception among people is that any kind of construction activity is not possible to be undertaken by the society members /common public.
- Yet if experts are appointed along with skilled professionals, who work with a clear understanding about the project, the Society can itself undertake the self-redevelopment project.

# WAY FORWARD

- In such a situation the Society needs to take certain measures to derive the desired result.
- The Society can arrange a minimum cost for the project, say between 5% to 15% of the project cost through members' contribution and also go in for a bank loan between 95% to 85% of the cost of the project.
- A decision can be taken to request members to contribute 50% of advance from existing members who are interested in purchasing the additional area.

## **Disclaimer**

**All the efforts are made to cover the important provisions of the law. The material contained herein is not exhaustive, and contains certain generalizations. The latest Provisions and Notifications must be viewed. The presenter is not responsible for any loss incurred on the actions taken based on the material presented.**

**--CA. Ramesh S. Prabhu**



**Let us be Partner in Nation Building**

**CA.Ramesh S. Prabhu, FCA, CISA(USA)**

**09820106768/ rsprabhu13@gmail.com**

**Let us empower each one of us by sharing knowledge. Let us Innovate, Get involved & Solve issues collectively within four corners of Law.**

**Thank you for Getting involved in the discussion!**

**CA RAMESH PRABHU ,**

**- 09820106768/66**

**EMAIL:rsprabhu13@gmail.com**

**CHAIRMAN**

**MAHARASHTRA SOCIETIES WELFARE ASSOCIATION, CO-OPTED MEMBER OF TASK FORCE FOR NPOS & Co-ops OF MAHARASHTRA, CONVENER TO PREPARE GUIDANCE NOTE ON AUDIT OF DISTRICT AND STATE CO-OP BANKS –PUBLISHED BY PDC OF ICAI, CO-OPTED MEMBER OF CO-OP COMMITTEE (MAHARASHTRA) OF WIRC OF ICAI.**