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Redevelopment of Co-operative Housing Societies: What Changes Under the 2026 Government Resolution

On 30 September 2026, Maharashtra replaced the 2019 framework for redevelopment of co-operative housing societies under Section 79A. What the new Government Resolution changes on quorum, tendering, developer selection, bank guarantees, flat allotment and office-bearer liability.

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Introduction

Redevelopment is among the most consequential decisions a co-operative housing society can take. It touches the homes, financial interests and future security of every member, and it therefore demands a process that is transparent, participatory and fair.

The framework governing redevelopment of co-operative housing societies in Maharashtra was set out in the Government Resolution dated 4 July 2019, issued under Section 79A of the Maharashtra Co-operative Societies Act, 1960. On 30 September 2026, the Co-operation Department, Government of Maharashtra issued a new Government Resolution (the “GR”), which supersedes the 2019 Government Resolution. This article examines the reasons for the change, the key provisions introduced and what they mean for co-operative housing societies

Why Was a New Framework Needed?

The 2026 GR identifies several recurring concerns raised by co-operative housing societies, housing federations and individual members. Among them:

- Managing committees taking decisions without adequately involving members.
- A lack of transparency in tendering and developer selection.
- Failure to provide members with relevant documents and updates.
- A lack of coordination between architects and Project Management Consultants.
- Inadequate preparation of redevelopment project reports.
- Irregularities in tender finalisation.
- Redevelopment being undertaken by committees whose tenure had expired or which were not duly elected.
- A lack of transparency in the allotment of flats and shops.
- Difficulties faced by new flat-holders in obtaining membership after redevelopment.

Taken together, these concerns pointed to the need for a more structured and accountable framework, one that offers greater clarity at each stage of the redevelopment process and better protects the interests of society members.

Key Changes at a Glance

1. Only a duly elected committee can run redevelopment

What the 2026 GR provides: Redevelopment must be undertaken only by a duly elected and lawfully constituted Managing Committee. An Authorised Officer, Administrator or Board of Authorised Officers appointed by the Registrar cannot take the decision to redevelop the society's building.

Why it matters: This directly addresses the concern that redevelopment was being driven by committees whose tenure had expired or which were not duly elected.

2. Video conference participation

What the 2026 GR provides: Members unable to attend in person may participate through video conferencing, and their participation counts towards the two-thirds quorum and the 51% approval requirement. However, at least 51% of the society's total members must be physically present.

Illustration: In a society of 100 members, 67 members are required for the two-thirds quorum. If 67 members attend physically and/or through video conferencing, at least 51 must approve the proposal. The same 51-member approval applies even if 75 members attend.

Why it matters: The change enables wider participation while retaining a substantial physical attendance requirement.

3. A 30-day timeline for the Project Report

What the 2026 GR provides: The Secretary must convene a Managing Committee meeting within 30 days of receiving the redevelopment Project Report. Members may inspect the report and submit suggestions at least 7 days before the meeting, and these must be considered before the report is approved.

The 2026 GR also requires the draft tender to be prepared and discussed at this stage, with the date, time and place of the next Special General Body Meeting for finalising the tender to be fixed.

Why it matters: The earlier GR required the meeting to be called after receipt of the report but prescribed no specific timeline. The 2026 GR introduces a 30-day deadline, reducing delays in the redevelopment process.

4. Public notice inviting tenders

What the 2026 GR provides: The draft tender must be placed before the Special General Body Meeting and approved by a majority. Thereafter, tenders must be invited through public notices in Marathi and English newspapers with wide local circulation. Members may also suggest reputed developers.

Why it matters: Unlike the earlier GR, the draft tender now requires member approval and the tender must be publicly advertised, promoting greater transparency and competitive bidding.

5. Opening and revision of tenders

What the 2026 GR provides: Under the 2019 GR, tenders were opened in the presence of all at a Managing Committee meeting within 15 days of the last date for submission. The 2026 GR shifts this to the Special General Body Meeting, to be held within 30 days. The first extension for receiving fewer than three tenders has also increased from one week to at least 15 days, followed by a further one-week extension. The 2026 GR also allows tenderers to submit revised tenders.

Why it matters: Opening tenders before the General Body strengthens transparency, while the longer extension and the opportunity to submit revised tenders can encourage more competitive bids.

6. Time-bound appointment of an Authorised Officer

What the 2026 GR provides: The Managing Committee must submit the redevelopment records to the Registrar for appointment of an Authorised Officer. These include the SGBM minutes, member list, Project Report, details of tenders and comparative statement. The Registrar must decide on the appointment within 14 days of receiving the proposal.

Why it matters: The Registrar now receives a fuller picture of the redevelopment process before developer selection. The 14-day deadline reduces administrative delays, while the expanded documentation promotes greater oversight.

7. Greater transparency in developer selection

What the 2026 GR provides: Appointment of a developer requires the written approval of at least 51% of the total membership, obtained from members present physically or through video conferencing. The vote or opinion of an absent member cannot be counted. While voting is ordinarily by show of hands, one-fifth of the total members may request a secret ballot in writing, which the Authorised Officer must conduct at the society's cost. The same facility for secret voting must be arranged for members participating through video conferencing.

Why it matters: The 2026 GR clearly defines who can vote and how consent is recorded. The secret-ballot option protects members from pressure and ensures greater fairness in developer selection.

8. Free inspection of redevelopment documents

What the 2026 GR provides: The society must make redevelopment-related information available to members free of cost for inspection. This includes meeting notices and minutes, video recordings of General Body Meetings, Project Management Consultant reports, tender drafts and tenders, comparative statements, the draft Development Agreement and other relevant redevelopment documents. Members may also obtain copies on payment of the prescribed charges.

Why it matters: Members gain direct access to the documents on which key redevelopment decisions are based. By making access to redevelopment records an express obligation of the society, the 2026 GR strengthens transparency.

9. The bank guarantee is no longer fixed at 20%

What the 2026 GR provides: Under the 2019 GR, the developer was required to furnish a bank guarantee equivalent to 20% of the total redevelopment cost. The 2026 GR does not prescribe a fixed percentage. Instead, the amount and form of the bank guarantee are to be determined with the approval of the General Body.

Why it matters: The bank guarantee serves as financial security for the society in the event of the developer's failure to perform its obligations. The 2026 GR gives the General Body greater flexibility to negotiate the amount and terms of this security.

10. Three-month deadline for the PAAA

What the 2026 GR provides: The 2026 GR continues to require registration of the Development Agreement with the society and the Permanent Alternative Accommodation Agreement (PAAA) with each member under the Registration Act, 1908. However, it now specifically requires the PAAA to be executed within 3 months from the registration of the Development Agreement.

Why it matters: The three-month deadline ensures that members' individual accommodation arrangements are formalised within a defined period, bringing greater certainty to the transition from the existing premises to the redeveloped premises.

11. Three-month deadline for new flat and shop holders to become members

What the 2026 GR provides: Under the 2019 GR, admission of new flat and shop holders as society members required General Body approval, with no prescribed timeline. The 2026 GR shifts this responsibility to the Managing Committee, which must decide their membership applications and issue membership and share certificates within 3 months of completion of the redevelopment project and receipt of possession.

Why it matters: By replacing General Body approval with a defined responsibility and timeline for the Managing Committee, the 2026 GR seeks to prevent membership applications from remaining pending and ensures that new owners can be formally recognised as members within a specified period.

12. Flat allotment now needs a Special General Body meeting

What the 2026 GR provides: The 2026 GR retains allotment according to the existing floor sequence or position, as far as possible, with a lottery where necessary, to be arranged by the developer after completion of the building. However, the allotment must now take place through a Special General Body Meeting with at least 14 days' notice, and the procedure must be approved by a majority of members present, subject to at least 51% of total membership. The meeting must be video-recorded, and the minutes, recording and certified allotment list must be submitted to the Registrar within one month.

Why it matters: The 2026 GR gives members a direct role in the allotment process and adds formal recording and reporting requirements, making the process more transparent and easier to verify.

13. Office-bearers can be held liable for violations

What the 2026 GR provides: The 2019 GR did not expressly provide consequences for violations of the redevelopment procedure. The 2026 GR provides that where its provisions are violated, or members are cheated or misled through collusion by

office-bearers, the concerned office-bearers and committee members may be liable for action under Sections 79A(3) and 78A of the Maharashtra Co-operative Societies Act, 1960.

Why it matters: This introduces a clear accountability mechanism for those responsible for conducting the redevelopment process. It reinforces the need for office-bearers to follow the prescribed procedures and gives members a statutory basis to seek action where redevelopment is conducted in violation of the GR or through collusion that prejudices members.

14. 20% of members can seek a Special General Meeting

What the 2026 GR provides: At least 1/5th of the members can submit a written request, along with their plans, suggestions and recommendations for redevelopment, to seek an SGM. The Managing Committee must record the request within eight days, and the Secretary must convene the SGM within two months, with 14 days' notice to members.

Why it matters: Members can formally initiate redevelopment discussions, with clear timelines and an opportunity to put forward their recommendations.

What This Means for Societies, Members and Developers

The 2026 GR makes redevelopment more transparent, participatory and time-bound. For societies and managing committees, it introduces clearer procedures, defined timelines and greater accountability at each stage of redevelopment. Members are given a stronger role through access to documents, participation through video conferencing, voting, secret ballots and the ability to seek a Special General Meeting. Developers, meanwhile, face a more transparent and competitive selection process through public tendering, comparative evaluation and greater member scrutiny. Overall, the new framework seeks to ensure that redevelopment decisions are not concentrated in the hands of a few, but are taken through a structured process with greater protection for the interests of society members.

Conclusion: Does the New Framework Solve the Problems It Was Meant to Solve?

The 2026 GR addresses several of the concerns that led to the revision of the earlier framework. By introducing clearer timelines, greater member participation, public tendering, improved access to documents and accountability for procedural violations, it seeks to make redevelopment more transparent and structured. However, its effectiveness will ultimately depend on how consistently these provisions are implemented by societies, members, developers and the Registrar. The framework provides stronger procedural safeguards, but whether these translate into smoother and fairer redevelopment projects will become clear only through its practical application.