

AIR FORCE AND NAVAL OFFICERS CGHS LTD

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(REGN NO.477/80)

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AFNO/09

23rd September 2022

MINUTES OF THE 43rd ANNUAL GENERAL BODY MEETING **OF AIR FORCE & NAVAL OFFICERS CGHS LTD HELD** **AT 10:00 AM ON 04 SEPTEMBER 2022** **AT THAPA MEMORIAL HALL**

- 1.0 **CONVENING OF THE MEETING.** The meeting was convened by the Management Committee under Section 31(1) of DCS Act 2003 and the Rules there under.
- 2.0 Video graphs of the proceedings have been done as per the existing instructions of the Registrar of Co-operative Societies on the subject.
- 3.0 **CHAIRMAN OF THE MEETING.** The meeting was chaired by AVM (Retd) SK Sharma, President Managing Committee.
- 4.0 **QUORUM OF THE MEETING** The provisions of section 48 (3) of DCS Rules 2007 have been complied with regard to quorum of the meeting. Attending members were welcomed by Secretary on behalf of Management Committee.
- 5.0 **OBITUARIES** At the outset two minutes silence was observed in memory of those members and families who left for their heavenly abodes in the period after last AGM. They are:-
- | | | | |
|-----|--|---|-------------|
| (a) | Late Air Cmde RK Pal | - | Flat No 653 |
| (b) | Late Wg Cdr RN Sharma | - | Flat no.567 |
| (c) | Late Mrs. Uma Devgon W/o Air Cmde OP Devgon, | - | Flat No 611 |
| (d) | Late Mrs. Sudha Khanna (Mother-in-law of Gp Capt P Sood) | - | Flat No 384 |
| (e) | Late Wg Cdr SC Khuller | - | Flat No 316 |



6.0 **ANNUAL REPORT BY THE MC.**

With the due permission of the Chairman the customary annual report for the Financial Year 2021-22 was read out by the Secretary on behalf of MC. The report covered the achievements and the actions taken by the Society since last AGM. The status on the important issues, ongoing projects and the major projects that the society plans to undertake during the ensuing year were also covered in the report. It was brought out that the Audit Report and Balance Sheet along with the related documents and schedules, annual budget and brief on formal agenda points were circulated to the members through e-mail, what's app, website, notice boards and hard copies. Following points were covered in the report:-

- (a) Management of Covid and availability of medical equipments in the Society.
- (b) Social Life in the Society.
- (c) Achievements of the Society
- (d) Power and Electricity.
- (e) Water Supplies.
- (f) Electric Installations.
- (g) Roads and Buildings' Maintenance.
- (h) Fiscal Management and Financial health of the society.
- (i) House Keeping
- (j) Security
- (k) Certificate of Completion.
- (l) Society Website.
- (m) Legal Cases.
- (n) Rooftop Solar System
- (o) Major tasks planned to be undertaken in ensuing year.

6.1 No clarifications were sought by the members with regard to this address.

6.2 The copy of the opening address cum annual report is placed at annexure 'A' to these minutes.



[Handwritten signature]

6.3 Thereafter the Chairman directed Gp Capt SK Chauhan to conduct the meeting on behalf of MC.

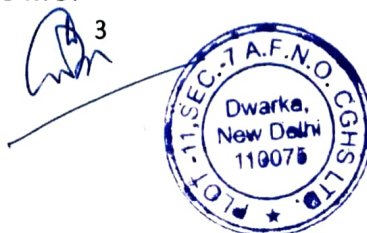
7.0 DISCUSSIONS AND PASSING OF BALANCE SHEET AND FINAL ACCOUNTS FOR THE FINANCIAL YEAR 2021-22.

The MC intimated that Audit Report and Balance Sheet along with the related documents and schedules were circulated to the members through website, e-mail, what's app and notice board. Hard copies were also made available to those who demanded these. MC informed the house that there are no audit objection. One small observation regarding reconciliation of members' accounts has been made by the CA. Since the dues outstanding against all members as on 31 March 22 have been cleared, the accounts stand automatically reconciled. The second is a recommendation regarding write off of non recoverable income tax dues amounting to Rs 6,41,108 (six lakhs forty one thousand and one hundred and eight only), which will be taken as a separate agenda point in this meeting. The financial status of the society related to reserves and investments is considered sound with current Fixed Deposits of over Rs 2.26 crores but maintenance funds will get pressed in coming months due to inflations prevailing as after effects of covid pandemic and increased expenditure on building maintenance due to ageing. The proposal for revision of maintenance charges is being taken up as a separate agenda point. No comments on balance sheet or audit report were received by MC from the members. The copy of the Balance Sheet and allied documents is placed at Annexure 'B'

7.1 **Decision:** The passing of the balance sheet was put to vote and was passed unanimously.

8.0 **PRESENTATION AND PASSING OF ANNUAL BUDGET.** The budget for ensuing year as compiled by the Management Committee was put into public domain and no comments have been received from the members. The salient features of the budget are as follows:-

- (a) Annual inflation has been catered for salaries, AMCs and services while arriving at budgetary figures.
- (b) Legal expenses are expected to increase substantially due to ongoing court cases thrust upon the MC.



(c) With the ageing of installations like transformers, sub stations, DG Sets, Service roads, leaking roof and water pipelines, the building and machinery maintenance expenditures are steeply spiraling.

(d) The budget shows excess of expenditure of about Rs 135 per flat per month during the ensuing year.

(e) Copy of the Budget is placed at **Annexure 'C'**

8.1 Some members objected to Management Committee using society funds for defending the legal cases. MC intimated that this will be discussed as a separate agenda point in this meeting.

8.2 **Decision**. The annual budget was put to vote and passed unanimously.

9.0 **REVISION OF MONTHLY MAINTENANCE CHARGES**. The Management Committee intimated that In order to offset the already stated shortfalls, MC recommends an increase in monthly maintenance charges of Rs 100 per month per flat with immediate effect. The issue of increase in legal expenses again cropped up. MC stated that issue will be discussed as a separate agenda point in this meeting itself.

9.1 **Decision**: The proposal for increasing the maintenance charges by an amount of Rs.100/- per flat per month was made by Air Cmde Anand Atri and seconded by Flt Lt SS Yadav. This proposal was approved by the house with overwhelming majority by show of hands. The approval will be applicable to the tenants as well at the same rate of Rs.100/- per flat per month.

10.0 **STRIKE OFF OF NON-RECOVERABLE INCOME TAX DUES**. MC intimated that in the previous audit report the Chartered Accountant had noted that an amount of Rs 6,41,108 (six lakhs forty one thousand and one hundred and eight only), pertaining to assessment years from 2005-06 to 2011-12 is non recoverable being time barred. This point was discussed during last AGM as well and house had advised to make one more attempt to recover the dues and come back to the house with the response. The CA had gone through the status of our IT returns and has reconfirmed that there is no possibility to recover these time barred dues since these returns are not reflected against our PAN.



MC recommended the strike off of the stated dues of Rs.6,41,108/- against Income and Expenditure account of ongoing financial year.

10.1 Some members also intimated that they have checked from their CAs and found that there is no feasibility of receiving Time barred dues from the IT Department. Hence the amount should not appear in the balance sheets.

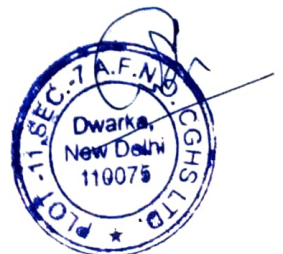
10.2 Some members wanted to know the reasons for the claims becoming non recoverable. Gp Capt YP Jindal explained at length as to how these claim were not accepted by the income tax department. He further confirmed that the proposal from MC is in order from the taxman's point of views.

10.3 One member pointed out that, the write off action will require approval from the RCS, as per rule 78 of DCS rules 2007. MC intimated the house that appropriate action will be initiated for clearance of this unrecoverable amount, Matter will however be referred to RCS for advice and approval.

10.4 **Decision.** The proposal of clearance of the strike off of an amount of Rs 6,41,108 (Six Lakhs forty one thousand one hundred and eight only) as a charge against the maintenance account (Income and Expenditure account) was put to vote and approved unanimously by show of hands. MC will take necessary action to remove this amount from balance sheet after taking up the issue with RCS for approval as mandated by Rule 78 of DCS Rules 2007.

11.0 **UPWARD REVISION OF DIWALI CELEBRATIONS CHARGES.** The MC intimated the house that these charges have remained static at Rs 300 for the last six years. On the other hand expenses have gone up due to increased scale of celebrations, higher honorarium to staff due to increased salaries and inflations. MC proposed to increase this amount to Rs 400 per occasion of Diwali, till further revision.

11.1 One member pointed out that the electrification of the society during Diwali should be done for full seven days – viz three days before Diwali , Diwali day and three days after Diwali. Another member objected to this proposal and stated that one day's electrification was adequate and common area charges must be controlled. The member



also stated that the Diwali charges should be voluntary and optional as he did not want to pay this amount.

11.2 **Decision:** After discussion the following decision was arrived at:-

(a) The proposal to increase the Diwali charges from Rs 300 per flat to Rs 400 per flat till further revision was approved with overwhelming majority. It was also approved that the charges will be voluntary in nature.

(b) The lighting in the society is to be undertaken for seven days as stipulated at 11.1 above.

12.0 **DISTEMPERING OF COMMON AREAS.** MC intimated the house that the corridors, stairs, stilt parking's and other common areas were distempered about six years back and are due for distempering again. In order to save on society funds, the project is planned to be undertaken by directly procuring the materials and hiring the labour. The project undertaken last time had cost about five lakhs. The house was requested to approve an expenditure of not exceeding Rupees seven lakhs and utilization of building reserve funds and investments to meet the expenditure.

12.1 Members while agreeing with the requirement felt that the distempering should be completed by Diwali. MC stated that all out efforts will be made to complete the project by Diwali of course with no compromise in the quality of work.

12.2 **Decision:** The proposal of expenditure of Rs 7,00,000 (seven lakhs only) for undertaking the distempering of society common areas was put to vote and approved unanimously. It was also approved that the investments and building reserve fund will be utilized for the purpose.

13.0 **FORMATION OF SUB- COMMITTEE ON CERTIFICATE OF COMPLETION.** MC intimated that this point is being put up since a number of members had approached MC and want a negotiated formula to break the deadlock. A number of Whats app messages had been received on the subject. Views were expressed by both the parties namely owners of first floor flats and owners of second to eighth floor flats. Since neither of the group was willing to compromise, a negotiated solution appeared non workable. The



subject being sub judice, it was agreed that the issue be left for the court to decide and wait for the court verdict. MC also brought out that it is also one of the respondents and it is beyond the technical competence of the MC to offer opinions in the court. MC may have to hire a suitable advocate for the purpose.

14.0 HOUSE STANDING COMMITTEE : FLT LT SS YADAV. Since the formation of house standing committee or control committee or any other committee by any name cannot be formed to control or participate in the society management as per rule 106 (10) of DCS rules 2007, this point was withdrawn by the member.

15.0 MEASURES TO REDUCE COMMON AREA CHARGES :FLT LT SS YADAV
The member stated that the common area charges have been increasing and have become highest in last few months going over 700 rupees per month.. MC countered the points with an excel sheet showing month wise common area charges for seven years which shows steady decline and the average common area charges have been below Rs 400 for the last five years. The month to month variations cannot be avoided due to difference in timings of BSES and Society meter readings. Figures were read out from the excel sheet (copy placed at **annexure 'D'**) and it was brought that in a number of months the common area charges were either nil or negligible. On the other hand the charges were quite high on some other months. This is primarily on account of different billing cycles. We should look at averages rather than the absolute values. It was also brought out that recently the taxes and other levies have been increased and due to this, higher charges are inevitable even though the numbers of units consumed remain same or is lower.

15.1 The point was not pressed further after explanation by the MC.

16.0 ENGAGING ADVOCATES AT SOCIETY COST. Flt Lt SS Yadav. Flt Lt SS Yadav brought out that as per **para 7** of minutes of General Body Meeting held on **25.03.2006 (Placed at Annexure E)**, the General Body had directed not to incur any expenditure on hiring of advocates. Hence the payments of Advocate fees / charges are illegal. He was supported by Air Cmde A Atri and few other members. On the other hand some members were of the view that MC cannot be expected to fight legal battles related to performance of its duties and the costs of defending the decisions of MC and Society has to be borne by the society. Heated discussions on the subject continued for some time.



16.1 When the peace prevailed MC brought following to the knowledge of the house:

(a) The minutes referred by the member only restricts MC to file the legal cases at its own without prior approval of the house. In case any members file cases against MC or General Body decisions MC is duty bound to defend the case.

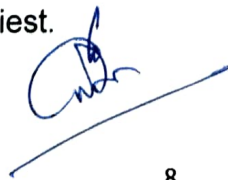
(b) The section 43 of DCS Act 2003 was read out to the house by the MC. It clearly empowers MC to institute and defend suits and other legal proceedings.

16.2 MC further clarified that MC has not filed any case and has not violated the rulings of the GBM in word or spirit. The stated case has been filed against the decision of AGM for ratifying the revision of Monthly Maintenance Charges. MC cannot function with a stigma attached to it and in case house does not agree to incurring expenditures on defending this case, MC has no choice but to resign immediately.

16.3 A number of members wanted to put to vote the options of defending the case at society cost or not proceeding with legal proceedings any further.

16.4 **Decision.** The proposals were put to vote and the house approved by thumping majority by show of hands that MC should defend the legal proceedings at society costs as given in the bye laws of the society and section 43 of DCS Act 2003. Seeing that the decision has not gone in their favour the concerned members started shouting and walked off.

17.0 **IMPROPER PARKING OF VEHICLES.** Col Shamsher Kinha (Flat no.642) brought out that improper parking is causing hardships to the residents. Entrance points to service roads are occupied for prolonged periods which can adversely affect emergency evacuations. Gp Capt SK Chauhan (security member) intimated that revised parking guidelines are under compilation and will be issued shortly. Efforts will be made to address all issues of members. The point is being treated by MC as a work in progress and will be completed at the earliest.

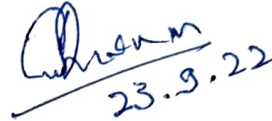


18.0 CONCLUSION It was already 1340 hrs and the members' points having been discussed the members started moving for lunch. Hence meeting was declared closed at 1345 hrs.

19.0 Approval of These Minutes by Managing Committee These minutes were discussed in the meeting of the Managing Committee held on 23rd September 2022 and approved for release.



(SK SHARMA)
Air Vice Marshal (Retd)
Chairman of the meeting



(KGR MENON)
Hony. Secretary
For Managing Committee

DISTRIBUTIONS:-

Members - Through Notice Board / E-mail / What's App and Website.

Copy to:-

Assistant Registrar of Co-operative Societies (SW)
Parliament Street, New Delhi -110001 - By Speed post
(With CD containing video recording of AGM Meeting)

