

AIR FORCE & NAVAL OFFICERS CGHS LTD

AFNO / 09

04 September 2022

ANNUAL REPORT AND OPENING ADDRESS BY MC
IN AGM ON 04 SEP 22

Dear Members,

1. The Management Committee feels greatly honored to present Annual Report of the society to this august house. It gives nice feeling to be out of clutches of Corona but it is not yet time to loosen the guard. One of our members got infected by Covid 19 recently and is currently on ventilator in Manipal Hospital. We pray to almighty for her speedy recovery. MC also appeals to all the residents of the society to follow the mask discipline for some more time.

2. The annual report covers the achievements and the actions taken by the Society since last AGM. The status of this important issues and ongoing projects and the major projects that the society plans to undertake during the next one year or so will also be covered in the report. The Audit Report and Balance Sheet along with the related documents and schedules have already been circulated to the members. The salient features of these documents are covered in the brief on agenda points.

3. Starting with management of corona, we have total of five oxygen concentrators and two oxygen cylinders in fully serviceable conditions and are being periodically tested for its functionality. Due to ebbing of corona wave these medical equipments are being used in the cases of breathing problems of some residents. We are on the guard and ready to meet any future Corona related eventualities. In line with this objective, third covid vaccination camp was organized in the Community Center on 28th August where covishield, Covaxine and Children vaccines were provided to the residents, employees and helpers free of cost. More than 200 individuals made use of the opportunity.

4. The withdrawal of corona also brought back the social life in the society. Four excellent entertainment programs were put up by the children and residents on Deepawali, Republic Day, Basant Panchmi and Independence Day which were well attended and appreciated by the residents. This year's Independence Day was special for us also, where we honoured 23 of our octogenarians. Other



eight could not attend the felicitation ceremony. To welcome Indra Dev, rain dance was organized on 19 July 22. While Lohri, Holika Dehan, Holi playing. Ram Navmi, Durga Puja, Guru Parv and Christmas Day were celebrated with usual fervor; Ganesh Chaturthi celebrations very recently on 31 Aug and 01 Sep were new additions to our social Calendar.

5. In addition two Musical Evenings were organized with musical groups Maitri and Seniors Hub Dwarka on 13 March 22 and 03 July 22.

6. During the last six months the incomes from booking of Guest rooms, community centre, lifts advertisements, notice board advertisements and stalls and canopies have revived and are expected to improve further as the threat of corona subsides. However the maintenance expenses on buildings and electrical machineries are gradually going up due to ageing and par above inflations. In order to neutralize the pressure on maintenance funds, a nominal increase in the monthly maintenance charges is being proposed as a separate agenda point in our meeting today for consideration and approval.

7. An appeal had been made to members to analyze audit report, balance sheet, annual budget, brief on agenda points and this annual report. The members' queries and questions have been and are being addressed. Management Committee requests all the members to note down the observations and queries and the same will be taken up after the mandatory agenda has been completed. Members' points will be taken thereafter. Let us now start with AFNOE Specific Issues presently confronting us.

Electricity and Power

8. Close to 100% serviceability of close to quarter of a century old LT and HT panels, transformers and DG sets has been maintained. Major servicing of two transformer including oil change (Costing about Rs 94,000) and routine servicing of the two DG sets have been carried out. These installations have though completed their service life, are considered fit for some more time provided they continue to get adequate maintenance attention.

9. All the societies of Dwarka have received notice from environment ministry of the Govt of NCT Delhi not to use DG Sets as electricity back up and replace the DG Sets with CNG or PNG Sets by 30 Sep 22. We have approached federation for co-operative societies for taking up the issue centrally, since the electricity breakdown in Dwarka and hence utilisation of DG Sets is negligible.



MC will call SGM should a need for replacement or up-gradation of our DG Sets arises.

10. Society has received claims of subsidy on electricity pertaining to the period up to 31st March 2022 for flats consuming up to 400 units in a month. The refunds have been made over to all the residents as per claims / entitlements.

Water Supplies

11. The society has been able to manage zero water bills during last year. In order to maintain zero billing. We need to continue with our efforts to conserve water. The original mild steel water pipelines are corroding are showing signs of ageing. These being common pipelines are to be repaired / replaced by society at a high cost. This expenditure is expected to continue till all pipelines are replaced. We are keeping a close watch on this.

Roads and Building Maintenance

12. The structural safety audit of our society was carried out during the last year. The report was put in the public domain. Following are the salient features of the report:-

(a) The buildings are safe from structural point of view and are capable of withstanding high intensity earth quakes.

(b) Some of the pillars and columns have been adversely affected due to seepage of water. Jacketing of the affected pillars will be undertaken shortly through a sub-committee in order to maintain structural integrity of the elements.

(c) Unauthorized constructions and extensions without pillars and beams support can impact the balance of the towers.

13. The fire system and appliances are fully serviceable and tested about two month back. Water hoses and couplings are fully functional.

14. The water proofing of the terraces is gradually giving way due to ageing resulting in roof leakages. The damaged roofs are being repaired. This is a temporary phenomena. Quality waterproofing will be discussed through a separate agenda point.

15. With sustained efforts central park has been brought up and maintained in spite of water scarcity

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16. Substantial part of the service road between block three and four and some parts in other blocks have developed cracks and small pot holes. Patch repairs are being carried out and which may last about five years. Replacement of the damaged portion of the road with major cracks will need to be planned thereafter. (as was done for the road near the main gate).

Fiscal Management and Financial Status of the Society.

17. Post installation of lifts, the fixed deposits have risen to over Rs 2.26 crores and we can meet certain cost intensive projects if and when approved by the house. While the status of reserve funds and investments is considered satisfactory, the maintenance funds are expected to go under some pressure due to reasons already stated.

18. 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 year period 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 the management 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 recommends the write off of the dues against Income and Expenditure account of ongoing financial year. This also is being taken up as a separate agenda point.

19. Our Income tax return of assessment year 2015-16 came up for scrutiny and a claim of Rs 12,68,070 was slapped on the society. We have responded through CA and are hopeful of getting relief from the appellate body. We had a minor setback due to untimely death of our Chartered Accountant due to Covid 19. In case the relief does not come we will come back to general body for a discussion / decision on the issue.

House Keeping

20. The housekeeping standards have improved marginally after housekeeping staff taken on society rolls. The process of segregation of garbage and processing of solid wastes is planned to be restarted. The segregation will be at flat level and detailed instructions will be issued shortly.

Security.


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21. ACP Dwarka had visited our society about an year back and suggested measures to improve society's security. The corrective actions have been put in place. The security framework in the society is considered adequate and satisfactory. By the grace of providence, we did not have any event of security lapse or during last six years. But there is no place for complacency and the residents are requested to make their flats entry tamper proof.

22. The CCTV Cameras installed in lifts were not working properly due to some technical problems. MC decided to relocate the cameras covering the staircase area and the DVRs have also been located near the stairs at ground floors for easy monitoring. All the relocated cameras are fund delivering their allotted tasks.

23. DCP Dwarka visited our society on 16 July 22 for an interaction with senior citizens of the society. It gave an opportunity to understand various safety and security issues affecting us and action being initiated.

24. Access control system popularly termed as No- broker hood installed about one and a half years back is working satisfactorily.


25. Both the boom barriers are functional. In view of the ageing of our boom barriers a comprehensive AMC has been entered in to with the WEM at a cost of Rs 18000 per year.

Certificate of Completion

26. The members will be aware that the efforts to obtain CoC for the society in past have proved unsuccessful. The situation has become worse due to non compoundable constructions by a number of flats by members. About 40 members from second to top floor have approached the Delhi High Court in 2018. The society has stated in the court that it will implement the orders of honorable court or any other competent agency. On requirements from honourable court, DDA has compiled the details of violations in the society and as per available details more than 150 flats have violations. In the interim period, some owners of first floor flat have also approached the court to include them also an interested party.

27. Last hearing of the case was on 01 Sept. The details will be shared with the members shortly. As brought out in the last AGM, MC is planning to hire a lawyer to represent the case since it is not possible for MC members to attend court proceedings. MC members are not knowledgeable on DDA and court




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procedures as well. Going by the progress of last four years the verdict of the case may take some more time.

Society Website.

28. The new society website with the domain name afnocghs.com (very simple to remember) has been launched recently. While an amount of Rs 5259 has been spent for obtaining domain name for a period of three years. The renewal fees will need to be paid thereafter. The website has been developed free of cost with local talent. All the essential information's are incorporated in the website. Members are requested to visit the website and suggest additional information or other improvement that need to be incorporated in the website.

Legal Cases

29. Some members approached the RCS against society action of ratification of MC decision. The case had gone for arbitration where unfavorable award came. MC has gone in appeal in the Delhi Co-operative Tribunal and is hopeful of reversal of verdict. The services of the advocates had to be taken since MC does not have legal expertise. This has not only resulted in heavy burden on society but is also adversely affecting the functioning of MC.

Roof Top Solar System

30. This is typically a case of lost opportunity. MC tried hard to get the system installed when subsidy of 30% and later 20% was available on domestic solar systems. In addition carbon credits of Rs two per unit electricity generated were also available for some time. Both the benefits are not available now. The Solar system which would have cost about 1.30 crores three years back is costing 1.5 to 2.0 crores depending upon the configuration we choose. Taking the higher rate of interest and carbon credits into consideration the brake even period has gone up from 4.5 years to more than six years. As far as RESCO model is concerned quality vendors are no more interested to install Solar System at less than Rs 4.5 per unit. We are now looking forward to reintroduction of subsidy by Central / state government. Due to this very reason no CGHS is installing new Solar System. In case we had grabbed the opportunity three years back 60 to 70% cost would have been recovered by now.



Major Tasks For Ensuing Year.


31. While the normal maintenance activities will be undertaken within the financial powers of the Management Committee. MC is approaching General Body to utilize Building Reserve fund and fixed deposits to meet one of these commitments as a separate agenda point. MC will also come back to the general body in case any expenditure exceeds its financial powers.

(a) Distempering of Common Areas. The corridors, stairs, stilt parkings and other common areas were distempered about six years back and are due for distempering again. In order to save 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 will be requested to approve an expenditure of not exceeding Rupees seven lakhs and utilization of building reserve funds and investments to meet the expenditure.

(b) Repairs to Lift Wells. The water proofing of some of the lift wells has given way and there is seepage of water through the walls of lift well. Proper water proofing through professional agency needs to be undertaken. Water proofing of each well will cost about Rs 12000. The water proofing will be undertaken in a staggered manner under MC's financial powers from maintenance funds. The total cost will be about one and a half lakhs rupees.

(c) Repairs to Damaged Rooftops. The roof top terraces have developed cracks at places and bricks have become loose. The temporary repairs is planned to be undertaken under MC financial powers from maintenance funds by hiring labour and procuring materials in staggered manner. The proposal for proper waterproofing will be taken up as a separate agenda point.

32. In the end the Management Committee would like to thank all the members who have spared their valuable time to attend the meeting and for the patient hearing. MC wishes good health and prosperity to all the members.


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