

AIR FORCE & NAVAL OFFICERS CGHS LTD.

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AFNO/09

2nd August 2023

44th ANNUAL GENERAL BODY MEETING : 06.08.2023

Introduction:-

1. Further to our Advance notice dated 14.07.2023 for convening the annual general body meeting of our society to be held on 06.08.2023.
2. The quorum for the meeting will be observed in accordance with Rule 48 of DCS Rules 2007.
3. The annual budget, balance sheet, income and expenditure account and audit report were submitted to members through whats app, website and emails. The MC's Agenda point and brief on each agenda point were also put in members' domain. The members were requested to read and understand the agenda points. Observations on Agenda Points were also invited. No observation or comment on the MC's agenda points have been received from any member.
4. Some agenda points have been received from the members and are being replied to the member concerned. The members' agenda points selected for discussion / decision are listed after MC's agenda points. In case of members' point, the MC will introduce the point and member raising the point will be requested to brief the house on his point. The AGM will thereafter discuss and decide on the agenda point.

5. MC's Agenda Points With Brief On Each Point

- a. **Opening Address Cum Annual Report.** The opening address cum Annual Report was sent through email, website and what's App to the members. Members are advised to read the same and make observations / comments by 04 August if any so that MC gets sufficient time to respond.
- b. **Presentation and Passing of the Balance Sheet for 2022-23.** The Audit Report and Balance Sheet along with the related documents and schedules were circulated to the members. Hard copies were also made available in society office for perusal as required. In audit report, there is no audit objection of concern. The financial status of the society related to reserves and investments is considered sound with current Fixed Deposits of over Rs 2.50 crores. The house is requested to accept and pass the audit report and Balance Sheet.



- c. **Budget For Next One Year.** The budget for next one 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:-
- i. Annual inflation has been catered for in salaries, AMC's and services while arriving at budgeted figures.
 - ii. Legal expenses are expected to remain high due to ongoing court cases where lawyers may have to be hired.
 - iii. 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 steadily going up.
 - iv. The budget shows excess of expenditure of app Rs 133 per flat per month during next year.
Approval of the budget is requested from the house.
- d. **Upward Revision of Monthly Maintenance Charges.** In order to offset the stated shortfalls, MC recommends an increase in monthly maintenance charges of Rs 100 per month per flat with immediate effect. House is requested to approve
- e. **Generating Income Tax Reserve Fund Against the Pending Case.** The Chartered Accountant has advised to generate IT reserve fund to cater for contingency of IT refunds not materializing. MC agrees with the CA being a sound accounting practice. The proposal will also eliminate the need for writing off refunds filed. MC proposes house approval for generating the reserve fund.
- f. **Change of Bank For Fixed Deposits From Delhi State Cooperative Bank to Indusind Bank.** The fixed Deposits were made with Delhi State co-operative bank since the interests were exempt from IT, even though the bank does not instill the confidence of a Govt or other scheduled banks. The interests from co-operative banks are also slightly lower. On analysis MC is of the view that Indusind bank offers best interest rates with security. The comparison sheet has. The changeover will not only provide better security of funds but the income on interest by 0.65 percent per year. The changeover will take place on each maturity. The house is requested to approve.

6. **Members Points.** Following Members' points have been shortlisted for discussion in AGM:-

- a. **Point By Maj Gen Venkataraman. Reduction of financial powers of MC from Rs 1,00,000 to Rs 50,000.** Since the MC is repeatedly splitting the purchases to bring it within the financial powers of Rs 1,00,000 the financial powers of MC be reduced to Rs 50,000. On request from the member, he has not been able to quote even one case where the purchase has been split. The financial powers of the MC were fixed in



2006 about 17 years back. MC is of the view that the financial powers of the MC should be doubled atleast.

- b. **Point By Gp Capt VS Gandhi. Creation of Children Fund by contribution of Rs 100 per month per flat.** The point had come up for discussions in earlier GBM also and was not accepted by the house. The member is requested to come and brief the house on his agenda point.
- c. **Point BY Flt Lt SS Yadav. Violation of Provisions of Rule 60 (1) by the MC.** MC has been processing the Purchase / works proposal by circulating among the select members for approval. Treasurer is omitted in the chain also. The rule 60 (1) reads as follows:-

A committee of a co-operative society will exercise all the powers of the co-op society, discharge all the duties as may be specified in its bye laws by means of resolutions passed at its meetings. No resolutions shall be passed by circulation to the members of the committee.

MC is of the firm opinion that routine purchase / repairs orders are no resolutions. Resolutions are discussed and passed on policy or major expenditure cases where discussions are desirable. Once the absolute financial powers are delegated, it is the prerogative of MC to lay down the procedure for utilizing the same. The procedure for approval and payments against the requirements was approved by MC through a resolution in MC minutes on 28th June 2014, which is reproduced:-

In order to speed up the decision making process, the process of sending the demands register to all the members will cease with immediate effect. Once the demand is registered by the concerned member, it will be handed over to Secretary for scrutiny. Once recommended, it will be passed on to the president for approval. Once the procurement /expenditure is completed, it will be passed to treasurer for payment / accounting action.

First of all these individual cases are only procedures and are no resolutions. Secondly the approved procedure is being meticulously followed by the MC. It is nowhere laid down that treasurer has to be member of purchase proposals and MC is of the view that treasurer is not required to be a member of proposal of purchase cases. Treasurer comes into picture at the time of making payment only. In case each and every purchase is taken as a resolution MC will need to meet many times daily. That certainly cannot be the spirit of Rule 60 (1). MC appeals to member to withdraw his complaint to RCS and not make MC spend money on hiring the lawyers. Member is now requested to brief the house on his point.

- d. **Point By Wg Cdr ML Kapoor. Briefing the House on Outcome of Meeting between MC and Sub-Committee on Repair / Replacement of Pipes.** In the last SGM, it was decided by the house that the members of sub-committee for the seepage and the MC should meet and sort out the



differences and comeback to the house after 15 days to brief about the outcome of the meeting.

The meeting was duly held and minutes circulated to the members. The sub-committee insisted on opening the 96 shafts (out of 144) at a cost of Rs 39.5 lakhs and leaving the future repairs to MC in case to case basis. As per sub-committee opening of 96 shafts and payment of stated amount is non negotiation. On the other hand MC was of the view that in case there is no replacement, opening the shafts for symmetry and better visibility is waste of money. Since sub-committee was insistent on its stand a no go situation emerged and MC decided to go ahead with the piece meal repairs maintaining status quo. With the help of Capt Mohit Kapoor a new vendor has been found out who is cheaper by Rs 1,700 per shaft and is willing to take up piecemeal job as well. The Member is now requested to brief the house on this point.

7. **Working Lunch:-**

A vegetarian lunch is being arranged at 13:30 pm. **Spouses are welcome to join.**

8. **Approval by Managing Committee**

The above agenda points and related details were discussed and approved by the Managing Committee during its meeting held on 1st August 2023.





(KGR Menon)

Secretary
For Management Committee

Distribution:

1. All members- through E-mail / whats app / website and notice boards of society.

2. **Copy to:-**

Registrar of Co-operative Group Housing Societies -
Old court Building Parliament Street, New Delhi-110001

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