

ANNUAL REPORT CUM OPENING ADDRESS BY MC
IN AGM ON 06 AUGUST 23

Dear Members,

1. The Management Committee feels greatly honored to present the last Annual Report of its tenure to the august members of the society. Covid 19 is gone and dusted and we all are living and celebrating life fully. To make up for the lost time, your MC has crowded the social calander by introducing cultural events like rain dances, Ganesh Chaturthi, Basant Panchmi and Basakhi. MC is hopeful that the new MC will make the social life livelier by adding more events and colour to the events.
2. The last year has not been very kind to the residents of our society. We have lost as many as 09 members and their families during last one year. MC appeals to the members and residents to devote time to look after themselves and their dear ones. Please make full use of jogging track, open gym and yoga classes available within our premises.
3. The annual report covers the achievements and the actions taken by the Society since last AGM. The status of the important issues, ongoing projects and the major projects / tasks 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 were circulated to the members. The salient features of these documents were covered in the brief on agenda points and have been included in the report as well. The copy of this report was also circulated to members. No comments from members were received on Audit Report.
4. In Dec 22, our society was adjudged as best housing society in Dwarka. The Dwarka Torch bearer award was presented to our society in a glittering ceremony on 17 December 22. There were over 250 societies in competition and performance was evaluated over 50 parameters. The celebration of prestigious award was conducted in the central lawns and was attended by over 250 residents. Earlier AFNOE had won a similar award on 17 Dec 2017 as well.



5. Towards managing future threats of Covid 19, we have total of five oxygen concentrators and two oxygen cylinders which are being periodically tested. Currently these medical equipments are being used in the cases of breathing problems by some residents.

6. During the last 12 to 18 months the incomes from booking of Guest rooms, community centre, lifts advertisements, notice board advertisements, stalls and canopies have revived and are expected to remain good during next year as well. However the maintenance expenses, particularly on buildings and electrical machineries are gradually going up due to ageing and above par 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.

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 question 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.

Electricity and Power

8. Close to 100% serviceability of LT and HT panels, transformers and DG sets has been maintained. Routine servicing of the two DG sets has been carried out. During last one year an amount of Rs 77,902 /= has been spent on repairs and maintenance of these assets. These installations have though completed their service life, are considered fit for at least five more years.

9. The societies of Dwarka have received advisory from Commission For Air Quality Management in National Capital Region and Adjoining Areas vide letter A-11018/01/2021-CAQM/35 dated 28 June 23, banning DG Sets for all purposes wef 01 Oct 23 and replace the DG Sets with dual fuel mode (Gas + Diesel) and retro-fitment of emission control devises to substantially lower the PM level. Our DG sets have already lived their useful life and the members may consider replacement of these DG sets with environment compliant generating sets. Federation is also taking up for exemption of societies due to very small usage of DG sets with very little power breakdown.



10. During the routine maintenance of LT Panels it was discovered that the earthing of the panels does not exist. It was quite surprising and could prove risky. Two panels were initially undertaken for installing earthing and when the work was found satisfactory, earthing of all the panels was undertaken.

11. Society has received claims of electricity subsidy pertaining to the period up to 31st March 2023 for flats consuming up to 400 units in a month. The refunds have also been made to all the residents as per claims / entitlements.

Water Supplies

12. The society has been able to manage zero water bills during the last year as well. In order to maintain zero billing we need to continue with our efforts to conserve water. The original cast iron / mild steel water pipelines are corroding and have started leaking. The repairs or replacement to these pipes is an expensive affair. A sub-committee was formed to look into the whole ambit of leaking pipes in the shafts. Their findings that the existing pipes are sturdy and there is no need for immediate replacement of these pipes have been accepted. The recommendation that the MC should attend to leaking pipelines in piecemeal manner, on as required basis is also being implemented.

Roads and Building Maintenance

13. The structural safety audit of our society was carried out two years back and the report was put in the public domain and is still available in the society website. As per report our buildings are safe from structural point of view and are capable of withstanding high intensity earth quakes. However a small number of the pillars and columns have been adversely affected due to seepage of waters. Structural safety audit is proposed to be repeated after two to three years and strengthening of load bearing components should be undertaken, if required.

14. Unauthorized constructions and extensions without pillars and beam support can impact the balance of the towers. MC appeals to all the members not to modify the basic structure with non-compoundable violations and not to fall for greed of gaining a few square feet area at the cost of structural safety.

15. The main service road from main gate to rear gate has broken at a number of places and need to be repaired properly. This task will be undertaken after monsoon and actual damage assessed. If required, portion of service road will be done up with readymade concrete cement mix (as was done for the patches in front of main gate and rear gate)



16. The fire system and appliances are fully serviceable and tested through a fire drill about three month back. Water hoses and couplings are fully functional.
17. The water proofing of the terraces is gradually giving way at a number of places, due to ageing and non concretization at initial stage, resulting in leakages in top floor flats. The damaged roofs are being repaired in a piecemeal manner. This is a short term solution. At some point of time in near future, relaying of terraces will have to be considered by honourable members.
18. The central and other parks are being continuously upgraded by increasing the green areas and we are proud to be living in the one of the greenest societies of Dwarka. During last one year the focus has been on planting fruit trees in order to attract more birds. The gardening is primarily with bore well water. The societies have received instruction that now even the pruning of trees will be undertaken by forest department. Cutting / pruning of trees without written permission is now non-bailable offence with very heavy financial penalties.

Fiscal Management and Financial Status of the Society.

19. Post installation of lifts, the fixed deposits have again risen to Rs 2.50 crores including accrued interest. The society 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.
20. 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 refunds against assessment year periods from 2005-06 to 2011-12 is non recoverable, being time barred. This point was discussed during last AGM as well and house had directed MC to take up with RCS for clearing the amount as bad debt. The matter was taken up with the RCS but no response came. On rethinking the MC is of the view that this amount should not be treated as bad debt since the liability was never accepted by the Income Tax Department. In two cases, the IT return was also not available with the IT department. Hence MC has cleared this amount of Rs 6,41,108 against the income and expenditure account for 2022-23 in consultation with CA.
21. Our Income tax return of assessment year 2015-16 came up for scrutiny and a claim of Rs 12,68,070 (Twelve lakhs sixty eight thousand and seventy



only) was slapped on the society. Anomaly in calculations of Income tax calculations were pointed out which is partly correct. We have responded through CA with revised calculations and balance sheet and we are hopeful of getting relief from the appellate body. We have a fairly strong case for refund of major portion of the claim. Covid 19 has delayed the decision of our case. The Auditor has advised that a reserve should be generated in books of accounts to offset the amount of claim in case the relief is not agreed by appellate body. The reserve is proposed to be created in the accounts of 2023-24.

House Keeping

22. 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. Our standard of cleanliness came for appreciation during assessment for selecting best society.

Security.

23. During the security audit of the Dwarka societies by ACP Dwarka and his staff our security set up of the society was found satisfactory. By the grace of God, we did not have any event of theft or housebreak during last seven years. But there is no place for complacency and the residents are requested to make their flats entry, temper proof. The strengthening of front doors and locking system in particular is recommended.

24. Access control system installed about one and a half years back and CCTVs are working satisfactorily and are being monitored.

25. Our old front gate barrier had lived its useful life and has been replaced with new state of the art equipment within the financial powers of MC. The rear gate boom barrier has temporarily become unserviceable due to ingress of water due to monsoon rains. It should be functional in next few days time.

Certificate of Completion

26. The members have been briefed, from time to time, about the status of court case filed by some of the members in 2018, where MC is also a respondent. The situation has become more complicated due to non compoundable constructions existing in over 150 flats as per data collected by DDA. The society has stated in the court that it will implement the orders of



honorable court or any other competent agency. In the interim period, some owners of first floor flat have also approached the court to include them also as an interested party. The next hearing of the case is on 30 Aug. The details will be shared with the members after hearing. Till now the MC has been attending to the courts by itself, however MC may have 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 procedures as well. Going by the progress of last five years, the verdict of the case may take some time.

Lifts Maintenance

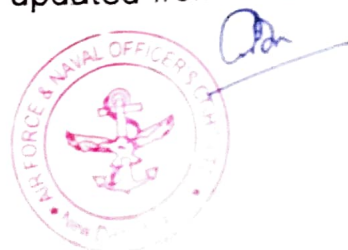
27. The 24 lifts were installed between the period 21 Aug 18 to 25 Oct 19. As directed by the General Body, comprehensive AMC was entered for maintenance of lifts with OEM, M/S Kone, with a commitment for five years with an annual price escalation of six percent per year. The terms and conditions and other details of the agreement were briefed to the members through meetings and circulars. The serviceability of the new lifts has been close to 100% and the services of OEM for AMC are considered satisfactory.

28. The revision of AMC is falling due shortly. MC is of the opinion that lift is a safety and essential service and long term maintenance agreement, for three to five years should be entered with OEM only. We had been penny wise in maintenance of previous Bharat Bijli lifts and the consequences are well known to members. The MC will form a sub-committee to renegotiate the terms of agreement and come back to house since monthly amount payable will be beyond the financial powers of MC.

29. About three months back, a false alarm had been raised by a child stating that the lift had a free fall when power had gone off. On checking of the lift, it appeared to be a case of Automatic Rescue Device (ARD), a safety device, taking over, on power breakdown, with a slight jerk which is normal.

Society Website.

30. The new society website with the domain name afnocghs.com (very simple to remember) had been launched more than a year back and is working satisfactorily. No expenditure other than fees for obtaining domain name for a period of three years has been incurred. The website has been developed free of cost with local talent. All the essential informations required by members related to the society are incorporated in the website and information updated from time



to time. Members are requested to visit the website regularly to keep them upto date with the society affairs.

Legal Cases

31. There are two legal cases pending in the court. One relates to COC has already been covered. The second case relates to increase of maintenance charges by Rs 200 per month during Covid 19 period. Both the cases have been initiated by the members with MC as respondent. The house had permitted hiring of lawyer to defend the cases. But keeping the financial interest of the society under consideration, the cases are currently being contested by the MC only otherwise the legal fees would have been about Rs 05 lakhs easily. But this may not continue for long. The MC is not having knowledge of finer legal nuances and court procedures. MC also has no knowledge of associated laws and thus may not be able to contest the case appropriately. Hence hiring of competent legal services may become a necessity and will be resorted to as required.

Tasks Undertaken During Last One Year

32. Following Major tasks were undertaken:-

- (a) Distemping of common areas at a cost of Rs 14,18,120 against financial approval of Rs 15 lakhs.
- (b) Replacement of old Boom Barrier at main gate with a new one at a net price of Rs 57,000.
- (c) Procurement of plastic chairs, plastic tables and dust bins at a price of Rs 59,216.
- (d) Repair and maintenance of DG sets, Transformers and electric sub-station at a price of Rs 77,902.
- (e) Earthing of LT Electric Panels in meter rooms and electric sub-station at a price of Rs 2.5 Lakhs by buying materials and hiring labour.

Major Tasks For Ensuing Year.

33. The normal maintenance activities will be undertaken within the financial powers of the Management Committee. Following major tasks are proposed to be undertaken during next one year. MC will come back to the general body wherever the expenditure would exceed MC's financial powers.



- (a) **Entering a New 03 to 05 Years Agreement With OEM For Lifts Maintenance.** The existing agreement is falling due for renewal. MC will compose a sub-committee to negotiate agreement for next three to five years hopefully with advantage to society. The members will be kept informed of the progress. MC thereafter will come back to general body for approval of the proposal.
- (b) **Another Attempt At Solar Power System.** During last 03 - 04 years the prices of electric Power have gone up by approximately 02 Rs per unit. The new power rates come to approximately Rs 08.00 per unit after taking fixed charges, increase in levies and recent increase in tariffs into account. This makes solar systems viable once again, even though price of solar system has gone up by 30 to 40% in the interim period. MC will form a sub-committee and put up proposal for approval of the house. Source of funding will also be covered in the proposal.
- (c) **Repairs to Damaged Rooftops.** The roof top terraces and walls 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.

Conclusion

34. In the end, the Management Committee would like to thank all the members who have spared their valuable time to attend the meetings and for the patient hearing and support provided during our complete tenure. MC is particularly thankful to the silent majority who were encouraging and appreciative of selfless social service provided by us. The instinctive support and the unity shown in fighting Covid 19 will always be remembered by MC Members. We wish good health and prosperity to all the members and are confident that the future MCs will further build up on hard work and sweat of previous and current Management Committees. At the end may I request the members to be brief while addressing the house on any subject?

