



No. KV-II/AGM /2018-19

Date: 23.09.2018

MINUTES OF THE 9th ANNUAL GENERAL MEETING (AGM) OF KV-II, AOA HELD ON 23.09.2018

The 9th Annual General Meeting of the Kendriya Vihar-II, Apartment Owners' Association was convened on 23.09.2018 (Sunday) at 11.00AM in the Community Centre-I, Kendriya Vihar-II, Sector 82, Noida. President, AOA welcomed all members of the KV-II. He informed the honourable members present, that the last i.e. 8th AGBM was held on 14.09.2014 and this is the first AGM, after the registration and adoption of the new Bye-Laws of the Association on 29.09.2014, under the Uttar Pradesh Apartment Owner's Act, 2010. The required quorum as per the AOA's new Bye-Laws, was not complete. However, the members present, after deliberations on relevant provisions in the Bye laws and which were also read before the members, decided unanimously to hold the meeting on the same date.

The agenda items were taken up for discussions and summary record of discussions are as under:

Agenda Item No. 9.1 - To confirm minutes of the 8th AGM held on 14.09.2014.

The Secretary presented the minutes of the 8th AGM as per the attached book let before the members of AOA present during the AGM. The minutes were confirmed and **approved** by the AGM.

Agenda Item No. 9.2 - Action Taken Report on the minutes of the 8th AGM held on 14.09.2014.

The Secretary presented the action taken report on the minutes of 8th AGM as per attached booklet, before the members of AOA present during the AGM. The action taken on the minutes which includes the draft report "Procedure for conduction of AOA Business" was **approved** by the AGM.

Agenda Item No. 9.3 - To consider and adopt Annual Report 2017-18.

The Secretary, AOA presented the Annual report for the year 2017-18 to the august gathering and told the members regarding the major achievement along with the future plans of the BOM. He informed the members that during its tenure, covered under the report, the BOM has worked in a responsive and transparent manner and managed the various



original and maintenance works of the society without utilizing the Corpus fund of AOA. This has been possible due to increased receipts as a result of the sustained efforts of the BOM to recover dues pending with the subscribers and vendors.

The Secretary explained the efforts made to settle the pending issue of EPF of staff of AOA on which several notices from the office of Provident Fund Commissioner were lying unattended when the present BOM took over. He informed that after a series of meetings with the officers of EPF office, the issue has been settled with the imposition of a minor penalty. An amount of Rs. 7,99,046/- has been deducted by that office in June 2018, from the account of AOA towards the EPF contribution of both the employee and the employer for the period 4/2013 to 2/2016. The remaining amount for the period beyond 2/2016 till the date the amount of each individual's account is streamlined and regularized is yet to be intimated by the EPFO. Some members also wanted to know the status of settlement of account by CGEWHO. President informed the AGM that matter has been taken up with the Ministry of Urban Development and may be resolved soon.

Members present also questioned the feasibility of installing additional CCTV Cameras when the experience of the residents about the working of the cameras installed during the tenure of previous BOM was not good. Vice President explained the necessity of CCTV cameras for a secure and safe environment in the society and measures that have been taken to ensure that cameras installed are fully functional round the clock. He informed that a proposal to install one additional camera in each of the block having two-way staircases is also under consideration. He also told about the number of cameras which have been brought under the central monitoring control in the office of AOA. A few members then also suggested that cameras may be installed in the lifts also to prevent wrong usage. President informed that if the AGM agrees this can be taken up. **AGM agreed.**

Members appreciated the work done on the three DG sets to ensure continuous supply of electricity in common areas in case of failure of main power supply. However, they also wanted to know the steps taken to make the DG set at SS-2 which is lying defunct since long, functional. President explained that the DG set at SS-2 has become unserviceable and can only be replaced. There is a risk in installing new DG sets as there are instructions of NGT not to use diesel generator sets in any establishment. An alternative is to go for procurement and installation of a PNG/CNG generator set. **AGM directed** that this option may be further explored and appropriate action taken to strengthen the generator service provided in the campus.



Members also commented on the state of cleanliness in the campus and in lifts, in particular. **AGM directed** to improve these services.

Secretary also told the members that the present BOM which took over the reins on 25.09.2017 is also saddled with the task of placing before this AGM the Annual reports for the year 2014-15 and 2015-16, submitted by the previous BOM and contained in the booklet already circulated to the esteemed members for consideration and approval of AGM. It was further informed that no Annual report for the year 2016-17 was prepared by that BOM. President intervened to inform that although special requests were made by him to the office bearers of the previous BOM vide letter dated 15.09.2018, to be present in this AGM to deliberate upon the agenda items in the aforesaid booklet pertaining to their tenure, but no ex-office bearer except two who are also the office bearer in the present BOM have come to attend the AGM. Therefore, in their absence it will not be proper for the present BOM to dwell on the agenda, mentioned in the booklet apart from the two agenda points already discussed before. **AGM accepted** the views of the BOM.

Thereafter, Annual Reports for the year 2017-18 was adopted by the AGM In respect of the Annual reports of the years 2014-15 and 2015-16 AGM decided to adopt the reports as *fait accompli*.

Agenda Item No.9.4- To consider and adopt audited accounts for the year 2017-18.

Secretary informed the AGM that the audited accounts for the year 2017-18 were already circulated to the members and solicited their comments thereon. Members raised various queries on audited accounts and wanted to know the reasons for the amount shown against the EPF payable under the current liabilities, the expenditure incurred in excess of the total income creating a deficit of huge amount during the year 2017-18 and expenditure incurred on intercom service when no such service was virtually available during the year. Secretary replied to all these queries one by one. President also provided the detailed explanation on the EPF dues to be paid in respect of staff of AOA for the period 2/16 onwards and large number of maintenance activities under taken during the year that has resulted in incurring considerable expenditure.

As regards the expenditure on intercom services a detailed clarification was given by the Vice President. The expenditure incurred under this sub-head was on account of a part payment which was due to the Intercom service provider for the period he provided the service as per the rates and terms and conditions approved for this service by the earlier



BOM. The services of this intercom were revived by the present BOM without any extra expenditure as this was considered essential for security of the society. Vice President further informed that the service provider has not yet completed the work assigned to him and no further payment will be made to him until the work is complete and the services are found satisfactory. This was **agreed to by AGM.**

It was also pointed out by the members that previous and the present BOM have incurred expenditure without getting budgets for the relevant years passed by the AGM. President agreed with the members that annual Budgetary exercise is an essential mechanism for fiscal control on expenditure and no expenditure under any head should be made without making provisions for the same in the budget. But due to peculiar administrative circumstances which have existed since the last four years, AGM could not be held at regular intervals necessitating expenditure under the various heads for managing affairs of the Association without prior budgetary approval. **AGM then directed** that it must be ensured that Annual Budget is prepared and got passed/approved by the AGM in advance.

Thereafter the audited accounts for the year 2017-18 were passed by AGM. AGM further decided that the Audited Accounts for the FY 2014-15 and 2015-16 which are available, can only be considered as of now as passed and adopted as *fait accompli*.

It was informed by the Secretary that the audited accounts for the FY 2016-17 was not submitted by the then CA , M/s Sonika Aggarwal & Company, Chartered Accountants & Advocates , C-90 Sector-15 , Gulmohar Commercial Complex, Noida (U.P.) in spite of many requests by the present BOM. This was one of the reasons for discontinuation of her services in March 2018. After her services were discontinued, she served legal notices to the BOM for alleged harassment and non settlement of her dues . BOM has replied to her notices. AGM took a serious view of this matter and **directed to get** the accounts for the year F.Y.2016-17 audited. The present CA, Shri Rajesh Jain who was attending the AGM explained that he can only assist in preparing the accounts for the financial years which have not been audited but he is not authorised to sign those audit reports and the same will have to be got signed by the former CA , being the statutory auditor of KV-II, AOA during that period. **AGM decided** that the former CA may be approached to furnish the audited report for the year 2016-17 and in case, the CA refuses to do the same then a complaint may be lodged with the



Indian Institute of Chartered Accountant (IICA) for taking appropriate necessary action. The work of audit of the 2016-17 may be assigned to the present CA for which he may be reasonably compensated by additional remuneration to be decided by the BOM accordingly.

Agenda Item No.9.5- To consider and adopt Budget Estimates for the year 2018-19

Secretary, AOA presented the Budget for the Year 2018-19 before the House. The total Budgetary expenditure proposed was Rs.5.3223 crores against the total actual expenditure of Rs. 3.6588 crores during the year 2017-18. Some members wanted to know the reason for increase in budgetary estimates in salary and wages subhead. Secretary clarified that it was mainly due to the payment of outstanding dues to EPFO in respect of employer and employee contribution to PF for the period 4/2016 onwards. It was also pointed out by some members that the total amount allocated in the budget has been unnecessary inflated by including expenditure on major repair works such as fire fighting system maintenance, road maintenance, boundary wall maintenance etc. and that the expenditure on these works should not be included in the budget which should only cover the expenditure for managing the day to day affairs of the Association.

It was clarified that all major works mentioned are essential and involve heavy expenditure. As per the decision of the earlier GBM the corpus fund of AOA and interest accrued thereon can be used for taking up such major works in the manner as decided and approved by AGM. Para 37 of the Bye-Laws also provides for members contributing their share for carrying out such major repairs. Further, a decision of the earlier GBM already exists according to which 50% of the total annual interest accrued from FDRs is required to be reinvested and interest amount upto 50% only may be used, if required, for routine expenditure of the AOA. Notwithstanding the position stated above, there was a general consensus among the members that budgetary provisions has to made in the annual budget for all such major works planned for the year. The House was informed that the budget estimates under various heads/subheads have been worked out taking into consideration the actual expenditure of the previous financial year, projected receipts and future plans for this year.

AGM thereafter, with voice vote approved the budgetary expenditure of Rs. 5.65 crore for the F.Y. 2018-19 **subject** to payment of actual expenditure



on committed expenses and investment of Transfer Fee in a fund of the Association for being used for major repair works.

As the expenditure for 2017-18 has already been approved by the AGM and previous BOM has already incurred expenditure during the years 2015-16 and 2016-17, it was felt by the AGM that there was no point in taking up the Budget for the year 2015-16 and 2016-17 for discussion.

Agenda Item No.9.6 - To consider and adopt Resolutions moved by BOM

Resolution No.1 - Increase in monthly subscription to consider and adopt the report of Subscription Review Committee set up vide order 6.11.2017.

Report of Subscription Review Committee **adopted in toto** the report and decided that the revised rates of subscription, as mentioned in the report, in respect of each category of flats **may be implemented w.e.f. 01.10.2018.**

Resolution No.2 - Applicability of GST to services provided by the AOA:

Adopted. GST Registration Number of the Association may be obtained and the same along with the services provided by the Association, likely to be covered under GST may be notified for information of the residents.

Resolution No.3 - Holding of election to BOM:

The tenure of the present BOM will be coming to an end on 24.09.2018. President informed that the present BOM favours holding of early elections for electing a new BOM, by the end of next month and an election committee may be formed by AGM for conducting the elections. After detailed discussion amongst the members present, it was decided unanimously that the present BOM will initiate and complete the election process in the first quarter of the next F.Y.2019-20, tentatively by 7th April 2019, as per the provisions of registered Bye-Laws of the Association and the procedure laid down under item 3 of the Procedure for conduction of AOA Business that has been adopted by the AGM. The present elected BOM shall hand over the charge to the so elected BOM.



Agenda Item No. 9.7 – Consider and adopt the resolutions, if any moved by members.

Moved by	Proposed by	Seconded by	Decision
Om Prakash, C-132/1	R.K.Varma, C-164/1	Syed Asif A Naqui, B- 20/1	
Resolution No.1	A Committee to be named as Election Committee may be appointed by AGM to ensure that elections for BOM may be held in time as per AOA Bye-laws.		Dropped
Resolution No.2	Postal ballot for voting may be exercised to ensure participation of maximum number of AOA members		Dropped
Resolution No.3	Internal Audit Committee may be appointed as in past for check and balance of AOA accounts.		Adopted. Since no member offered his service for the IAC, the present IAC consisting of S/Shri S.C.Sharma, Om Prakash and O.P.Bhati may continue for the FY 2018-19 and till the next AGM .

Agenda Item No. 9.8 - To consider and approve the appointment of Auditor for the year 2017-18 and beyond.

Adopted. The appointment of Shri Rajesh Jain CA as statutory auditor of Association is continued for 2018-19 and till the next AGM.

Agenda Item No.9.9 - Removal of AOA members from whom heavy dues are pending.

Adopted with modifications that (i) legal notices may be given to the defaulters after exhausting normal channels viz., persuasion by telephonic calls, at least two written requests at the interval of 15 -20 days informing the defaulters the consequences that they may face in future for not clearing the dues outstanding against them; and



(ii) No penalty can be imposed by the AOA to outstanding dues of shops which are under litigation. BOM may explore options for engaging good counsel to expedite decision from the courts.

Agenda Item no.9.10 - To consider any other business that may be brought forward during A.G.M. with the prior permission of the chair.

1. Shri R.S.Rawat, B-43/1 with some other residents raised the issue of charging of transfer fee @ 2% of the transfer value for transfer of apartments in the society. According to them this was not correct and it may be reduced to ½ % as stipulated in the UP Govt. Model Bye-Laws Notification No. 3977/8-1-11-115 D.A. dated 16.11.2011 '*the transferor of an apartment owner shall pay ½ % of the transfer value to the association for transferring the apartment*'.

Secretary explained that the issue of fixing of transfer charges was discussed and deliberated by the Bye-Laws Committee of KV-II, AOA in the light of the provisions of the UP Apartment(Promotion of Construction ,Ownership and Maintenance) Act, 2010 ,Model Bye-Laws and the then existing laws of the KV-II, AOA in its meetings held on 11th and 14th May 2014. Bye- laws Committee recommended that '*As per UP Apartment (Promotion of Construction ,Ownership and Maintenance) Act, 2010 (clause - 7) transfer fee is to be charged in the range of 1-2 % , while in the Model Bye Laws (ref. Section 39), there is a provision of transfer fee of ½% of the transfer value. This needs be reviewed in the light of the provisions under the Act.*' On the recommendations of the Bye Laws Committee , the General Body in its 8th meeting held on 14.09.2014 adopted the model Bye Laws with the amendment that transfer charges be fixed at 1- 2% . Secretary further informed that the new Bye-laws of KV-II AOA under the UP Apartment (Promotion of Construction ,Ownership and Maintenance) Act, 2010 was registered on 29.09.2014 with the approval of the General Body. In the newly registered Bye-Laws (Chapter V, Section 39) it has been provided that the transfer of an apartment owner shall pay 2% of the transfer value and therefore the transfer fee of 2% of transfer value is being charged by the AOA.

Secretary also informed that the transfer fee at a maximum rate of 1% has been substituted by UP Act No. 30 w.e.f. 19.09.2016. He read the



amended provisions of the UP Apartment (Promotion of Construction, Ownership and Maintenance) Act, 2010 before the august house and informed that the Deputy Registrar, Firms, Societies & Chits, Vikas Vihar, Mohanpuri, Meerut is being requested to confirm this amendment in the Act and appropriate necessary action in this regard will be taken on receipt of confirmation from that authority.

2. Some honourable members pointed out that unauthorized constructions has been done by a number of owners in their flats even changing the FAR as well as in the stilt parking slots allotted to them thereby blocking the common areas from the reach of other residents and maintenance staff. President explained that in terms of Para 40 of the Bye-laws of KV-II AOA, governing the use of Apartments, Common Areas and Facilities and Limited Common Areas and Facilities, action has been taken by the BOM in a number of such cases by writing to the competent authority for their removal and taking appropriate necessary action in accordance with the provisions of law. **AGM directed** to pursue the matter with the competent authority.

The AGM of the Association ended with vote of thanks.

(Anil Uniyal)

Secretary