

# ***KENDRIYA VIHAR APARTMENT OWNERS' ASSOCIATION***

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## **MINUTES OF THE AGM HELD ON 10<sup>th</sup> JULY 2011**

1. The notice for the Annual General Body Meeting, Annual Report for the year 2010-11 and the audited report of the financial statement had been sent to all the members of the Association by post by 16 Jun 2011.

The 10<sup>th</sup> Annual General Body Meeting (AGM) of the Kendriya Vihar Apartment Owners Association (KVAOA) was held on Sunday, the 10<sup>th</sup> July 2011, at the Community Centre of Kendriya Vihar.

2. The meeting commenced at 10.20 AM, with lighting of a lamp followed by invocation and obituary references. The meeting was attended by 105 eligible members of the Association when the meeting was called to order.

3. The Business of the AGM was carried out as per sec 3 of Ch iv of the Bye Laws of the Association.

4. The President welcomed the members, and expressed his heart felt condolences once again to the bereaved families. He saluted the preceding Management Committees who had worked with great devotion and stated that Kendriya Vihar Bangalore is what it is today due to their efforts and could hold its head high amongst all Kendriya Vihars constructed by CGEWHO in different parts of the country. He also pointed out that since our complex has completed a decade of its existence, we need to face challenges as our assets are deteriorating. This would call for a vision for the future to meet the challenges head-on. He also stated that we have a tight schedule and implored the members to follow some ground rules as would enable effective participation by the large number of members and we could hear the various suggestions being made without much of floor talk.

5. Secretary read out the Annual Report of the MC for the year 2010-11. There was an active discussion on the report and several matters of interest to members were discussed. The major points brought out are:-

(i) Members Complained about the laxity on the part of the Security staff, especially in allowing the vehicles without sticker, inside. It was explained, that clear instructions have been given to them and interaction with the security agency is being held periodically and any lapse noticed are discussed for rectification. It was requested that the residents should also cooperate with the security staff especially whenever they enforce certain instructions, passed by the MC in the general interest. Residents losing temper leading to unpleasant situation is not uncommon. It should also be appreciated the limitations of the Association in deploying well trained (like the Ex- servicemen security agency.) security staff. A member suggested that the MC should ensure that the Fire Fighting equipments are kept in good working condition so that we are ready for any unforeseen eventuality. Another member suggested that all residents should be accessible by an intercom through CENTREX so that the security staff can verify with our residents whenever a visitor comes to the KV gate. The suggestions/ points brought out by the members are taken note of and it was assured that all measures would be taken to tighten the security within our limits.

ii) There were some suggestions and complaints about the poor functioning of our Lifts. Some members suggested that it will be useful to have one person in each block who could work as lift operator, and take immediate steps to get any malfunctioning reported and corrective action taken. Such a person could also be deployed for other functions like providing security in each block. It was explained that the experiment started in early 2011 with posting of one additional security guard per block did not prove a success. This is mainly due to inadequate time given for experimenting with the change in system. In as much as the lifts have become nearly 11 years old, some members suggested that the renewal / up gradation of the lifts should be taken up

immediately. It was informed that quotations for the renewal of the switches in the lifts have been already obtained and action to renew the same will be taken up shortly.

iii) Regarding the water logging in D-6 area, the President informed the members that the present MC has also taken up the matter with NHAI and they in turn assured that while widening the service road they will carry out necessary remedial measures. We hope that some positive outcome will result.

#### **AUDITED ACCOUNTS:-**

6. The treasurer of the Association presented the Audited Accounts for the year 2010-2011. There were quite a few questions raised by the members in the form of doubts and the treasurer replied all of them and gave clarifications. The points emerged out of the same are as under:-

#### **Interest on FD:-**

(i) Dr. Acharya pointed out that the interest accrued /added to the Corpus fund during this year seems to be too low when compared to the interest earned in earlier years and wanted to know the reasons for the same. It was clarified by the treasurer that there were differences in the figures of interest and TDS furnished by the Banks in TDS Certificates and those furnished by them to IT department and necessary steps have been taken to rectify the same. The differences will be reconciled during current year (2011-12) and necessary corrections will be made in 2011-12 accounts.

#### **Donations :-**

(ii) Shri. Sasthri pointed out that in the 2010-11 accounts, donations are not shown separately under the Balance Sheet, though shown separately in Schedule-I. It was suggested that the Donation fund should not be clubbed with Corpus Fund and after a brief discussion, the recommendation of the AGM was taken note of and the treasurer assured that henceforth donations will be disclosed separately in the Balance sheet instead of showing under Corpus fund.

(iii) A clarification was sought by a member as to the amount of Rs. 22500/- spent on badminton court was proper in as much as only few people (exclusively) use it and the place can be well utilized for parking of vehicles. It was explained that the court exists since 2003 and it is being used by many residents (adults and children) to play games and the Association itself as a safety measure has been permitting the residents to burst crackers during Diwali in the said place. There is absolutely no restriction for any resident for using the place for playing any game in an orderly manner. The fencing of the court constructed earlier by few members, over a period of time got damaged and was in shambles and was an eye-sore for many residents. As such when approached, MC decided to get it done properly and met a part of the expenditure of Rs. 22500/- out of maintenance fund. Once the court was done up, the students of TAEK WON DO requested for using the place and a sum of Rs. 500/-(appx) is being collected from them. MC is sure that the amount spent on the court will be recovered to the Association in due course. In this connection it was pointed out that instead of hiring a PA(Speakers) system every time the MC purchased a PA(Speakers with stand) system which not only saves money to the Association in hiring the PA system but also generate funds whenever some body hires it from us for use in community hall.

(iv) After these discussions the accounts for the year 2010-11 was approved by the AGM.

7. **Budget Estimates:** - The Budget Estimates for the year 2011-12 was presented by the treasurer. After a brief discussion and clarifications by the treasurer the same was approved by the AGM.

#### **8. Appointment of auditors:-**

The Treasurer proposed the name of Sri. A. Balasubramanian, Chartered Accountant, as auditor of the Association for the year 2011-12 on a remuneration of Rs. 15000 per annum and AGM approved the same.

## **9. Resolutions on Rearing Pets (dogs) in KV:-**

The President and Secretary averred that the Resolution is being placed before the members with a great deal of sadness and anguish as the MC can understand the feelings of the dog lover. All the same the Secretary explained the circumstances under which the resolution is being brought forward and the large number of complaints received in the office (mentioned in para 1 to 4 of the Resolution circulated along with the Notice) regarding the nuisance experienced by the residents and the need for the resolution.

Shri.Saha(C-7;488) stoutly opposed the proposal- almost without any interruption-, and enumerated the benefits of rearing the Pets (dogs). He requested the members to reconsider the proposal. He was also supported by Mrs. Sindhu Purushothaman. However many members were of the opinion that the nuisance made by the pet dogs has reached an unbearable proportion and in the general interest of the residents the resolution should be adopted. There after the AGM adopted the resolution.

10. There were two vacancies in the Management committee and in order to fill up the same elections were notified on 27 Jun 2011. After the due process of election, Shri .Aftab Ahmed Returning Officer declared the results in the AGM that S/Shri. PC Roy Ghatak and G.Raghavendra, stands elected.

## **11. Introduction of Road User Charges:-**

The President recalled that during 2008, the internal roads of KV were asphalted at an expenditure of Rs. 16.0 lakhs (appx). The roads are already showing signs of wear and tear due to the heavy traffic and at this rate the roads will get damaged completely by 2015/2016 and we may have to go in for re-surfacing which may cost Rs. 30.0 lakhs, at the present level of inflation.

Apart from nearly 180 resident owners, 410 tenants are actually using the internal roads. Most of the tenants might be leaving our complex by then (2015/ 2016) and it is not fair to collect another fund (like LTRIF), at that time from the owners-especially from non resident owners- towards resurfacing cost of the roads. Therefore it has been decided by the MC to levy a small amount as road user charges from the actual user of the road just to cover the anticipated expenditure of Rs.30.0 lakhs in 2015 /2016. This amount will be exclusively used only to maintain the roads and storm water drains.

Several members spoke on this issue and briefly the points made are as under:

-- Instead of separate Road user charges why not institute a system of parking charges and it may be possible to generate additional funds which could be utilized for maintenance of roads, storm water drains, etc.

--The road user charges appear to be another way of smuggling in parking charges in another name.

-- The legal implications of parking charges should be comprehensively examined so that the legality is firmly established before the parking charges under whatever name is instituted.

--Is it at all necessary to create a separate fund, or should we think of raising the capital when it is decided to undertake road resurfacing work as was done earlier.

It was agreed that levying Parking charges may have its legal implications and what is envisaged now is not parking charges but Road user Charges. It was further explained that the Road User Charges are in the nature of actual user charges and those not using with four or two wheelers will not be affected. Moreover we need to note that there is large majority of tenants who make use of the road facilities and there is some measure of turnover of the tenants and the idea was that those who use the road should contribute towards its upkeep and maintenance. From our past experience, the idea of raising large sums at one go, does not seem to be sound, especially from non resident owners.

It was however suggested that since there were no notes circulated in respect of this agenda item MC may circulate a note and examine the legal issues and then MC may take a decision.

## **12. Creation of Capital Renewal Fund:-**

It was explained by the President that since our capital assets especially plant and machinery have aged beyond their life it may become necessary to undertake capital replacement. Since we have not capitalized the account nor do we set apart any fund for depreciation over a period of time, we have not built up funds for replacement,

ultimately resulting that we do not have enough funds to meet out emergent major expenses. It was proposed that a sum of Rs. 25.0 lakhs available from the excess income may be used to create a Capital Renewal fund to under take the major repair and replacement of machinery/ equipments of Kendriya Vihar. This fund could be further augmented annually, out of the additional maintenance charges being proposed to be generated by the enhancement in differentials (from the existing 20% to 40%) between the resident owners and those residing in dwelling houses rented out to the tenants. While many members agreed and welcomed the proposal, some members suggested that capital renewal fund should not be restricted to only machinery and equipment alone which need major works but also to all other major works (including civil works). This will avoid creation of several separate (head of accounts) funds. It was also observed that the Rules governing the Fund should be formulated afresh and circulated among the members. Subject to this the proposal to create a Capital Renewal Fund was approved by the members.

13. Shri. H. T. Krishnamurthy (B-2/269) sought to raise matters pertaining to the maintenance charges and Shri. Vargheese Gee (D-5/83) raised a point of order as to whether the AGM could discuss an item of policy nature, not included in the agenda. The President explained that following the meeting of AGM-7 in 2008, a maintenance fee structure committee had been constituted but it could not come to a consensus and the matter was reported back to the Management Committee. Shri. HT Krishnamurthy walked out of the meeting. The AGM decided that the present Management Committee may take a view and formally bring up the matter before the next AGM. The President, however expressed his apprehension whether the MC would be in a position to arrive at a consensus but it was felt that an attempt be made.

14. Shri. Karunakaran Nair expressed, that it is necessary to have a re-look at the long terms maintenance collection made especially in respect of 'A' block flats. He was of the view that the area to be painted in block 'A' is much less, as there is no stilt and the painting charges collected is disproportionate.

15. Shri.Promod Nayak MC member thanked all the members who have participated in the AGM, and all others who contributed to the smooth and successful conduct of the meeting.

President

Secretary

08.08.2011