

Major Repair Fund

A Co-operative Housing Society may collect contribution to major repair fund as per the decision to be taken in General Body Meeting of Society. However, the rate of contribution must necessarily be on the basis of the area of the flats.

The use of the major repair fund, as the name itself suggests, is to be done for undertaking major repairs of the property of the Society. The decision about using the fund is therefore to be taken by the General Body only and it cannot be left to the Managing Committee to decide. Moreover, appointment of architect as project management consultant, appointment of legal advisor for drafting the contract of assignment and tendering process are necessary prerequisites for proper execution of the required and intended major repair to the property of Society.

None of the expenses relating or attributable to the major repairs should be accounted under other headings. If care is not taken for above noted accounting requirement it can take the shape of bone of contention later on.