



# KANARA CATHOLIC ASSOCIATION

ESTD 1901 : REGISTERED UNDER THE SOCIETIES ACT XXI OF 1860 AND BOMBAY PUBLIC TRUST ACT 1950

ADMIN OFFICE: KCA Hall & Hostel, Yuvakalaya, Veronica Road, Bandra, Mumbai 400 050

REGD OFFICE: 14 Noble Chambers, Janmabhoomi Marg, Fort, Mumbai-400001

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## Notice:

The 86th Annual General Meeting (AGM) of the members of the Kanara Catholic Association will be held at **11.00 am on Sunday, September 3, 2017**, at the Ground Floor Hall at the KCA Premises in Bandra (W), Mumbai.

## Agenda:

1. To confirm the minutes of the Annual General Body Meeting held on September 25, 2016 and the Special General Body Meeting held on July 8, 2017.
2. To consider and adopt the Report of the Council, the Auditors Report and the Statement of Accounts for the Financial Year ended March 31, 2017.
3. To appoint a Statutory Auditor for the Financial Year ended March 31, 2018 and fix their remuneration.
4. To authorise expenditure on repairs & renovation of the KCA premises, upto a sum of Rs 30 lacs from the Building Repairs Fund.
5. To authorize the Managing Council to enter into conciliation proceedings under the Arbitration & Conciliation Act, 1996, in the ongoing court case involving the KCA office at Noble Chambers.
6. To discuss changes in the Membership Fees as contained in Rule 2 of the Rules & Regulations of the Association.
7. To discuss changes in certain Financial Authorization limits contained in Rules 11, 12 and 19 of the Rules & Regulations of the Association.
8. To discuss outsourcing of certain non-core services including Housekeeping & Security.
9. Any other business which may be brought forward with the permission of the Chair.

Explanatory Statements have been provided for each of the above Agenda points.

Sd/-

Praveen Pereira  
Hon Secretary, KCA

Date: July 29, 2017

## Note:

1. Members requiring any information on any matter arising from the accounts shall give notice in writing to the Hon. Secretary at the KCA Administrative office at least 7 days prior to the AGM.
2. If there is no quorum of 30 members at 11.00 am, the meeting will be adjourned till 11.30 am on the same date as provided in the Rules & Regulations. The adjourned meeting will commence at 11.30 am at the same venue and transact the business on the Agenda, regardless of the number of members then present.

## **Explanatory Statement:**

### **Item 1**

As per Rule 18(b) of the KCA Rules & Regulations, the minutes of the AGM held on September 25, 2016 and the SGM held on July 8, 2017 have been circulated to the members present at the meeting for information and concurrence.

As per Rule 16(b), the minutes of the AGM and SGM are to be confirmed at this AGM.

Since no specific objections were received on the minutes of the AGM held on September 25, 2016 within the stipulated time-period of 2 weeks, the minutes will be put up for confirmation without any changes.

Any objections received on the minutes of the SGM held on July 8, 2017 within the stipulated time-period of 2 weeks, will be incorporated and put up for confirmation.

### **Item 2**

The Report of the Managing Council, the Auditors Report and the Statement of Accounts for the Financial Year ended March 31, 2017 are circulated with this Notice.

The Financial Statements and Statement of Accounts have been scrutinized and reviewed by the Legal & Finance sub-committee, prior to final review by the statutory Auditor.

The Managing Council recommends to the General Body to consider and adopt the Statement of Accounts for the Financial Year under consideration.

### **Item 3**

Our auditors, M/s Gonsalves & Associates, have offered themselves for reappointment. The Managing Council recommends to the General Body to appoint M/s Gonsalves & Associates as Statutory Auditors for the Financial Year ended March 31, 2018 at a remuneration to be finalised by the Managing Council.

### **Item 4**

The KCA Hostel & Hall will be celebrating its Golden Jubilee in 2019. Over the past 18 months, the Managing Council has overseen substantial repairs to various areas of the building, as communicated in various issues of the KCA Newsletters (Amchi Khobor) as well as the website.

The total amount spent over the last 2 financial years is Rs 41.3 lacs as approved at the SGM held on Aug 28, 2016 and the AGM held on Sep 25, 2016. Detailed information on the same is available in the audited financial statements and Notes to Accounts contained in this booklet.

The Balance in the Building Repairs Fund is Rs 48.8 lacs. From this fund, an amount of Rs 30 lacs is proposed to be spent.

Initial budgetary estimates have been prepared & work needs to be prioritized. The main areas to be addressed are repairs of Hostel rooms and the terrace as well as repairs/painting of the staircase areas.

Expenses will be in compliance with the Rules & Regulations of the KCA and other applicable laws including the Bombay Public Trust Act and Income-tax Act.

The Managing Council recommends to the members to provide it an 'enabling' resolution authorizing the proposed repairs & renovation.

#### Item 5

In 2009, the KCA filed a suit in the Small Causes Court, Mumbai against Model Co-operative Bank, seeking its eviction from the KCA's rented office in the Noble Chambers building at Fort.

The 500 sq ft office has been the registered office of the KCA for several decades. It is also the registered office of the Mangalorean Catholic Educational Cooperative Society (MCECS) and the Mangalorean Catholic Cooperative Credit Society (MCCCS), which was converted into a Cooperative Bank in 1998, as allowed by the Reserve Bank of India at that time.

The MCECS and MCCCS were closely linked with KCA and considered 'sister' organizations since their formation in 1919 and 1916 respectively. A detailed article on the Noble chambers office has been carried in the recent Amchi Khobor newsletter (Jul-Sep 2017 issue), giving members a background and context of the issue at hand.

Little progress has been made in the case over the past 8 years, despite substantial amounts spent on legal fees. The Managing Council has had preliminary discussions with the management of Model Bank, and as advised by the KCA legal advisor intends to enter into conciliation proceedings under the Arbitration & Conciliation Act, 1996.

The Managing Council recommends to the members to provide it an 'enabling' resolution authorizing the Council to initiate conciliation proceedings and reach an early settlement of this vexed issue in the best interest of the Association.

#### Item 6

The KCA has three principal classes of members: Donor; Life; Ordinary

In the case of Donor and Ordinary Members, the Rules & Regulations of the Association authorize the Managing Council to change the fees from time to time. In the case of Life Members, no such authorization is provided.

The last amendment to the Rules & Regulations of the Association was in 1992. At the time, the Life Membership fee was fixed at Rs 500/-. Due to significant increases in inflation, this amount is not sustainable for the running of the Association. However, any increase in Life Membership Fee requires a change in the Rules & Regulations which the General Body of the Association is authorized to make.

The complete current Rule 2 of the Rules & Regulations of the Association which deals with Membership Fees as well as the Proposed Rule (with additions & deletions highlighted) is provided in Annexure 1 of this Explanatory Statement.

A summary of the Changes is as follows:

<b>Membership Category</b>	<b>Current Fee set in 1992</b>	<b>Proposed Fee</b>
Donor Member	Various sub-categories of Donor Members including Patron, Benefactor etc with fees ranging from Rs 5,000 to Rs 25,000	Rs. 50,000/-
Life Member	Rs. 500/-	Rs. 10,000/-
Ordinary Member	Rs. 50/-	Rs. 1,000/-

A couple of other proposed changes are that the entry fee of Rs 5/- is to be done away with and authorization to the Managing Council to change the fees from time to time.

Members may note that the Donor & Life Membership Fees are used to build up the Corpus Fund of the Association. The Corpus Fund is used by the Association to further its largely charitable objectives and reflects the strength and prestige of any Association. The current Corpus Fund of the KCA is just 2.85 lacs, which has been built up over a period of 116 years - an abysmal amount for the premier community organization of Kanara Catholics in Mumbai.

It may also be noted that membership to the KCA does not entitle members to any services like clubs and gymkhanas but rather is a contribution to help the Association pursue its Aims and Objectives.

Over the past 1 year, since the Ordinary Membership fee was increased from Rs 50/- to Rs 1,000/- by the Managing Council, 54 new members have joined the KCA with many more waiting to join. Many have expressed the desire to become life members and help the Association further its Aims & Objectives.

The Managing Council recommends to members to study the Rule change provided in Annexure 1 and authorize the increase in fees of the various categories of Membership.

**Members may please note that as per Rule 41, KCA Rules and Regulations may be amended, repealed, altered, revoked or added to at any time only by a two-thirds majority of members present at a General Body Meeting.**

**Further, as per the Maharashtra Public Trusts Act, 1961, all changes to Rules and Regulations need to be ratified by the office of the Charity Commissioner, Mumbai.**

#### Item 7

Certain rules in the KCA Rules & Regulations lay down Financial Authorization limits for various aspects of the running of the Association. These rules were last changed in 1992 and are in urgent need of updating to keep up with inflation and the changing times.

A summary of the Rules & Proposed changes is as follows:

Rule No	Rule Coverage	Current Limit set in 1992	Proposed Limit	Additional Information on Proposed Rule Change
11	Contracts to be approved by the General Body	Rs 100,000/-	Rs. 500,000/-	Contracts less than 5 lacs will be approved by the Managing Council
12	Payments by cash	Rs. 500/-	Rs. 20,000/-	Income-tax limits are Rs 20,000/- for cash payments Proposed rule to also allow use of Electronic Banking Channels like e-payment, RTGS / NEFT
19	Receipts to be signed by Office Bearers	Rs. 100/-	Rs. 50,000/-	Staff will be authorised to sign receipts below Rs 50,000/-

The Managing Council recommends to members to study each of the above Rule changes provided in Annexures 2, 3 & 4 and authorize the changes for the smooth & effective functioning of the Association.

**Members may please note that as per Rule 41, KCA Rules and Regulations may be amended, repealed, altered, revoked or added to at any time only by a two-thirds majority of members present at a General Body Meeting.**

**Further, as per the Maharashtra Public Trusts Act, 1961, all changes to Rules and Regulations need to be ratified by the office of the Charity Commissioner, Mumbai.**

#### Item 8

The Managing Council is evaluating whether certain non-core activities of the KCA like security and housekeeping services should be outsourced or done in-house by KCA staff.

In keeping with current best practices of leading institutions, quotations were received from leading Security & Housekeeping vendors. Further negotiations will be held once an approval is received from the General Body. It should be noted that Security services is already outsourced to an agency, but a comprehensive Security & Housekeeping agency is being evaluated.

The Managing Council recommends to the members to evaluate benefits of outsourcing and to provide an enabling resolution to the Managing Council to finalise such arrangements & contracts with appropriate vendors.

#### **Annexure 1: Current & Proposed Rule 2**

Current Rule 2 of the Rules & Regulations of the Association reads as follows:

There shall be three principal classes of members: Donor; Life; Ordinary

a) A **Donor** member will be an individual who is otherwise eligible for membership of the Association and will be one paying a membership fee indicated hereunder or a higher sum as the Council of the Association as per Clause III of the Memorandum of Association may from time to time fix and will include the following:

Patron	Rs.25,000/-
Founder	Rs.10,000/-
Benefactor	Rs. 5,000/-

Existing Donor members who have been categorized as Governor, Chief Patron, Benefactor A, Benefactor B and Benefactor C shall however continue.

b) **Life** Member on payment of membership fee of Rs.500/-.

Provided that:

- i. All persons eligible for membership as aforesaid in sub-clauses (a) and (b) shall be exempted from payment of annual subscription and shall have all the rights and privileges of an ordinary member.
- ii. Any member may be admitted to the next higher class of membership on his paying the difference between the membership of the class to which he belongs and the next higher class.
- iii. Members Children between the ages of 18 and 19 may apply as ordinary members and are eligible to change over to life members between the ages of 21 and 22 by paying only the difference between the life membership fee and what they have paid as ordinary members.

c) **Ordinary** members on payment of Rs. 50/- a year payable in advance in the first month of the official year or a higher sum as the Council of the Association may from time to time fix. Any member who fails to pay his subscription before the end of the year in which it is due shall be deemed to be a defaulter. A defaulter shall not have the voting right and he shall not be an office bearer.

d) An entrance fee of Rs.5/- shall be charged on application for membership of a Donor, Life and Ordinary member.

e) All ordinary members who have been continuous members of the Association for 20 years without any default on their part shall automatically be treated as Life Members. The Council's decision shall be deemed to be final.

Proposed Rule 2 of the Rules & Regulations of the Association, with additions & deletions highlighted

There shall be three principal classes of members: Donor; Life; Ordinary

a) A **Donor** member will be an individual who is otherwise eligible for membership of the Association and will be one paying a membership fee indicated hereunder of **Rs 50,000/-** or a higher sum as the Council of the Association as per Clause III of the Memorandum of Association may from time to time fix and will include the following:

Patron	Rs.25.000/-
Founder	Rs.10.000/-
Benefactor	Rs. 5.000/-

~~Existing Donor members who have been categorized as Governor, Chief Patron, Benefactor A, Benefactor B and Benefactor C shall however continue.~~

b) **Life** Member on payment of membership fee of Rs.500/- **10,000/- or a higher sum as the Council of the Association may from time to time fix.**

Provided that:

- i. All persons eligible for membership as aforesaid in sub-clauses (a) and (b) shall be exempted from payment of annual subscription and shall have all the rights and privileges of an ordinary member,
- ii. Any member may be admitted to the next higher class of membership on his paying the difference between the membership of the class to which he belongs and the next higher class.
- iii. Members Children between the ages of 18 and 19 may apply as ordinary members and are eligible to change over to life members between the ages of 21 and 22 by paying only the difference between the life membership fee and what they have paid as ordinary members.

c) **Ordinary** members on payment of Rs. 50/- **1,000/-** a year payable in advance in the first month of the official year or a higher sum as the Council of the Association may from time to time fix. Any member who fails to pay his subscription before the end of the year in which it is due shall be deemed to be a defaulter. A defaulter shall not have the voting right and he shall not be an office bearer.

~~d) An entrance fee of Rs.5/- shall be charged on application for membership of a Donor, Life and Ordinary member.~~

e) All ordinary members who have been continuous members of the Association for 20 years without any default on their part shall automatically be treated as Life Members. The Council's decision shall be deemed to be final.

## **Annexure 2: Current & Proposed Rule 11**

Relevant Portion of Current Rule 11 of the Rules & Regulations of the Association reads as follows:

Awarding of Contracts of over Rs one lakh after inviting quotations shall be reserved for the General Body.

Proposed Relevant Portion of Rule 11 of the Rules & Regulations of the Association, with additions & deletions highlighted

Awarding of Contracts of over Rs ~~one~~ **five** lakh after inviting quotations shall be ~~reserved for~~ **subject to approval by** the General Body.

## **Annexure 3: Current & Proposed Rule 12**

Relevant Portion of Current Rule 12 of the Rules & Regulations of the Association reads as follows:

Payments of more than Rs.500/- shall be made only by cheques signed by the Hon. Secretary and Hon. Treasurer.

The signature of the Hon. Treasurer must be compulsory. In the absence of the Hon. Secretary, a member of the Council may be authorized to sign the cheques. Similarly, when the Hon. Treasurer is out of station, the Hon. Secretary and the authorized Council member can sign the cheques.

Proposed Relevant Portion of Rule 12 of the Rules & Regulations of the Association, with additions & deletions highlighted

Payments of more than Rs.500/- ~~Rs 20,000/-~~ shall be made ~~only~~ by **valid Electronic Banking channels or** by cheques signed by the Hon. Secretary and Hon. Treasurer.

The signature of the Hon. Treasurer must be compulsory. In the absence of the Hon. Secretary, a member of the Council may be authorized to sign the cheques. Similarly, when the Hon. Treasurer is out of station, the Hon. Secretary and the authorized Council member can sign the cheques.

**Payments less than Rs 20,000/- may be made by cash or by cheque or by valid Electronic Banking channels and the same may be executed by the staff or office bearers of the Association, expressly authorized by the Managing Council by way of resolution.**

## **Annexure 4: Current & Proposed Rule 19**

Relevant Portion of Current Rule 19 of the Rules & Regulations of the Association reads as follows:

All funds of the Association shall be deposited / invested in a Bank and in such other legally permitted investments or a Co-operative Bank approved for the purpose by the Council.

Receipts for sums exceeding Rs.100/- shall be signed by the Honorary Treasurer and one of the members of the Council appointed for the purpose.

Proposed Relevant Portion of Rule 19 of the Rules & Regulations of the Association, with additions & deletions highlighted

All funds of the Association shall be deposited / invested in a Bank and in such other legally permitted investments or a Co-operative Bank approved for the purpose by the Council.

Receipts for sums exceeding Rs. ~~100/-~~ **50,000/-** shall be signed by the Honorary Treasurer and one of the members of the Council appointed for the purpose.

**Receipts for sums less than less than Rs 50,000/- may be signed by the staff of the Association, expressly authorized by the Managing Council for such purpose.**