

Minutes of Meeting

Minutes of the **Special General Body Meeting** of the members of the Kanara Catholic Association held at 5.00 pm on Sunday, **August 28, 2016**, on the 1st Floor Hall at the KCA Premises in Bandra (W), Mumbai

Since there was no quorum of 30 members at 5.00 pm, the meeting was adjourned till 5.30 pm as provided by Rule 15 of the KCA Rules & Regulations.

Meanwhile refreshments were served to the members

The adjourned meeting commenced at 5.30 pm. 40 members present.

Sunil Alva, President, took the Chair. All members of the Managing Council (including 4 office bearers/ trustees and 5 Managing Council members took their seats on the dais).

Praveen Pereira, Hon Secretary, then read out the Notice & Agenda. Since a detailed explanatory statement had been provided giving the context & reasons of the expenditure, and all details of expenditure, bills and photographs of the work were made available on the KCA website, the secretary invited members to put forward their questions.

Melwyn Pais (Memb No P-6) stated that the Managing Council is giving members a 'fait accompli' & asking them to approve the expenditure after it has been spent.

The Chairman explained the 2-3 reasons that had been provided in the explanatory statement sent out with the SGM Notice. The KCA was in hibernation for several years and there were certain urgent maintenance-related matters to be attended to. There was an Income-tax related issue that the KCA was facing and certain amounts needed to be spent before March 31. Further, with the Annual Thanksgiving Mass scheduled for April 2, the Cultural & Recreation sub-committee, jointly with the Managing Council felt that the premises were in a bad condition (with the toilets in the lower hall almost unusable), and something should be done before the function, for members.

Melwyn Pais (P-6) felt that the General Body approval should have been obtained before a large expenditure & felt the Managing Council had made an error of judgement.

The Chairman explained that as per Rule 11(b) "*Awarding of Contract of over Rs one lakh after inviting quotations shall be reserved for the General Body*". A conscious decision was taken by the Council not to award any contract but to undertake the work by directly buying material & hiring labour for the work so that this Rule was not contravened. Although this was cumbersome for the Managing Council Members, it was decided to go ahead with as it was within the Rules of the KCA

Leslie D'souza (D-98) mentioned that all of us make mistakes & also felt that the Managing Council had erred in this matter as the amounts involved were large

The Chairman explained that based on the circumstances already mentioned the explanatory statement, it was a conscious decision by the Council to adopt a certain approach towards the expenditure by not awarding any contracts & wondered whether it could be termed a 'mistake'.

As already explained, the Income-tax matter required that we spend 18.15 lacs before March 31, 2016. If not spent, it would have resulted in huge tax outflow for the KCA.

No further amounts (other than some minor amounts on a fire exit) had been spent since April, pending this approval from the General Body.

Moreover, the highest levels of transparency had been maintained (all details of expenditure, bills and photographs of the work were made available on the KCA website) which showed the intent of the Managing Council to keep members updated about the repairs. The box file with all the details was also available before & during the SGM for those who wanted to inspect the details further.

Prashanth Pereira (P-47) queried why it took so long to call for the SGM, especially when the AGM is only a few weeks away and asked if there was any ulterior motive behind this?

Ryan Pais (P-76) (Managing Council member) explained that it was specifically decided to call a special meeting of the General Body and not mix it up with the AGM agenda, to show the importance the Managing Council attached to this matter.

The intention was to explain to the members the extenuating circumstances that required us to complete certain repairs before March 31.

The delay in holding the SGM was due to two key reasons:

1. A separate Legal & Finance sub-committee had been set-up in June 2016 to look into various Legal & Financial issues facing the KCA; this sub-committee consisted of experienced bankers & lawyers and is independent of the Managing Council. The Legal & Finance sub-committee was requested to independently review the expenditure which took some time.
2. The expenses put up to the General Body has been audited by our Statutory Auditor, M/s Gonsalves & Associates. The amounts contained in the resolution / explanatory statement will exactly match the amounts in our Annual audited accounts, which will be circulated with the AGM agenda

Eric D'sa (D-24) (Managing Council member) mentioned that the delay was also partly because we wanted to provide to the members not just details of the repairs, but also the previous year's accounts & balance sheets, so members could review the financial position of the KCA, including the balance in the repair fund, when approving the repairs. These have all been made available on the KCA website which was launched on July 23, 2016.

Prashanth Pereira (P-47) asked whether sealed tenders invited for the repairs and if they were they were opened at the Managing Council meeting?

The Chairman explained that as per Bombay Public Trust rules, quotations & tenders were required but nowhere were 'sealed' tenders mentioned. In any case, while the total expenditure added up to 21 lacs, it was actually a series of smaller works. Detailed statements & break-ups were provided in the Explanatory Statement of the SGM notice as well as on the KCA website. If it was one single large expenditure then 'sealed' quotations & tenders would be more appropriate although not required by law.

Praveen Pereira, Hon Secretary, confirmed that 2-3 quotations were obtained and all decisions were taken at Managing Council meetings and were duly authorised & minuted accordingly. In fact the Managing Council had 4-5 meeting between Feb 15 (when the work started) and March 31, 2016, to monitor & review the progress of the work

Adrian Correa (C-56), suggested that we should come up with guidelines stating the threshold amounts for sealed tenders, below which quotations could be called & decided by the Managing Council.

Yvonne Cornelio (C-40) mentioned that the amount of Rs 1 lac in the KCA Rules was based on Rules which were quite old but the Council should have still taken prior General Body approval.

The Chairman mentioned that the Rules were last changed in 1992. We needed to update the rules & would do so at a future AGM / SGM.

Sunil Rebello (R-46) requested the Chairman to introduce the Managing Council members on the dais. The Chairman duly obliged as some of the members may not have known all Managing Council members

Yvonne Cornelio (C-40) asked why the list of Managing Council and sub-committee members was not circulated to members.

The Chairman mentioned that these details were available on the KCA website which was regularly updated from time to time.

Yvonne Cornelio (C-40) also wanted some details about the structural audit which was done

The Chairman stated that all buildings older than 30 years in Mumbai needed to submit a structural audit report by a licensed engineer to the BMC. This was carried out at the KCA building in Feb-Mar 2016 but was yet to be submitted to the BMC, as the structural engineer suggested we first complete some additional repairs.

As the discussion continued, there was a heated exchange between **Prashanth Pereira** and **Vernon Alvares**, Hon Treasurer.

Some members still felt that the Managing Council had erred in not taking prior General Body approval.

At this point, the Chairman, on behalf of the Managing Council, apologized for not taking prior General Body approval. A proposal for further repairs was being worked upon and would be included in the AGM agenda for General Body approval.

He also requested that he be allowed to make a few points on this matter:

- This Managing Council is well aware of the disputes that crop up, especially when it came to repairs, and was keen not to repeat the mistakes of the past
- Therefore the highest levels of transparency were maintained right through; several members helped & were involved in the repair & renovation process. The details provided in the explanatory statement, bills & photographs on the website, even holding this SGM were in fact in the interest of transparency & upholding the credibility of the institution.
- Right up to February 2016 (soon after the suspension of 58 members was revoked), the Council had not planned any major repairs. However, on February 14 when the Cultural & Recreation sub-committee met with the Managing Council for the first time (almost 15-20 members present), there was a positive energy/spirit and all agreed to take up the repairs on a war-footing before the April 2 function. Even though as President, he was travelling abroad from Feb 15 to Mar 10, the work proceeded smoothly thanks to the cooperation & team-work of many members.
- In any case, the Managing Council never set-out and said 'Let us spend 20 lacs'. There were a series of repairs in different areas of the premises (hall, bathroom, compound etc) which all added up to 21 lacs. Some of them were classified as 'Urgent Repairs' while others were classified as Renovations / Improvements as per the details provided in the Explanatory Statement to the SGM Notice & Agenda.

- In this process, we were also able to comply with the Income-tax requirement of spending 18.15 lacs before March 31, 2016. This has helped avoid a large Income-tax liability (including interest & penalties) for the institution.
- He also pointed out that as Trustees, there were several liabilities & responsibilities to be considered; what if some broken plaster fell (as happened in the Ground Floor hall) on someone?; what if the false ceiling collapsed (as happened in the ladies toilet a couple of months ago) on someone?; what if there was fire on the first floor halls? (a basic fire exit has now been created on the mezzanine floor).
- Running a charitable trust was already becoming more & more complex with multiple regulations & laws, trustee liabilities, tax implications etc. He requested the members to consider these points when it comes to repairs and we all need to work together to protect the KCA as an institution, irrespective of the individuals involved.

Leslie D'souza then suggested that the resolution be brought forward and requested the Hon. Secretary to put the Resolution to vote.

The Resolution was put to vote:

Resolved that an amount of Rs 21,17,947 spent on Repairs & Renovations during the period February to April, 2016 has been reviewed & approved by the General Body.

An amount of Rs 18,82,852 to be spent from the Repair Fund for the year ended March 31, 2016, and balance of Rs 2,35,095 to be spent from the Repair Fund for the year ended March 31, 2017

Proposed By : Leslie D'souza

Seconded By: Yvonne Cornelio

Resolution Passed For : **39**

Against : **1**

The meeting ended with vote of thanks to the Chair

It was also announced that the AGM would be held on September 25, 2016 and we would also celebrate 'Monti Fest' on the same day. Further details would be sent to members with the AGM notice & Agenda