



KANARA CATHOLIC ASSOCIATION

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

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Notice:

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

Agenda:

To review & approve an amount of Rs 21,17,947 spent on Repairs & Renovations during the period February to April, 2016.

Sd/- Praveen Pereira

Hon Secretary, KCA

Date: August 11, 2016

Explanatory Statement:

Out of the total amount of Rs 21,17,947, an amount of Rs 18,82,852 has been considered in the financial statements for the previous year ended March 31, 2016, while the balance of Rs 2,35,095 will be considered in the financial statements for the current year ie the year ended March 31, 2017.

This amount was spent from the repair fund and has been categorised as Urgent Repairs (Rs 5,03,835) and Renovations / Improvements (Rs 16,14,112) respectively.

A summary of the amount expended is provided in the table below:

Classification	FY16	FY17	Total
Urgent Repairs	4,41,960	61,875	5,03,835
Renovations / Improvements	14,40,892	1,73,220	16,14,112
Total	18,82,852	2,35,095	21,17,947

There were a few key issues which were debated by the Managing Council, before it decided to undertake extensive repairs & renovations in February-April 2016, which were as follows:

- The issue of the Repair Fund / 12A compliance. As a 12A organisation under Income Tax law, there are certain statutory requirements the KCA has to meet to comply with this section. One of these is that 85% of the income of the KCA must be spent towards the objects of the Trust. If 85% cannot be spent in that year, it can be carried forward & spent within 5 years succeeding that year. If not spent within the given 5-year period, income tax with associated interest & penalties are applicable on the unspent amount.
- The repair & maintenance of trust assets (our building) comes within the definition of 'objects of the Trust'. The previous Managing Council was wise enough to understand that the 47-year old building that we occupy needs periodic repairs, and the accumulated balance in the Repair Fund stood at Rs 90 lacs as of October 2015, when the new Managing Council took over.
- In order to comply with the requirements of Section 12A, and to keep the institution from being penalised with tax, interest & penalties, an amount of Rs 18.15 lacs needed to be spent before March 31, 2016.
- A statutorily required Structural Audit (required for all buildings more than 30 years old), had just been completed and extensive repairs were recommended at an initially estimated cost of Rs 60 lacs (as computed by the structural engineer); certain repairs (like plaster falling off the hall ceiling, demolition of dilapidated structures in the compound) were recommended to be done on an urgent basis as there was threat to life & limb

- The Cultural & Recreation sub-committee, who were planning for the Thanksgiving Mass, requested the Managing Council if the repair / renovation of the Hall, Bathrooms & Compound could be taken up before the function planned for April 2, 2016, as the premises were in a bad state

While the Managing Council was open to take this up on war footing & quickly appoint a contractor for the same, we had to comply with Rule 11(b) of the KCA Rules & Regulations which states "Awarding of Contract of over Rs one lakh after inviting quotations shall be reserved for the General Body"

Given the time constraints in calling for a General Body Meeting, after much debate, the council decided to go ahead with certain repairs & renovations **strictly within the rules of the KCA, without contravening Rule 11(b)**, on the following basis:

- The work would be done on a time & material (T&M) basis; no contract would be awarded
- The KCA would buy material directly from vendors & directly hire labour for specific work like carpenters, masons, electricians etc
- 3 quotations would be taken for specific pieces of work where vendors were appointed and wherever considered practical.
- All payments to be made strictly by cheque
- TDS to be deducted on all payments
- The Managing Council to closely monitor, review & approve the work from time to time

The details of the amounts spent were as follows:

Urgent Repairs

Area	Amount	Description
Ground Floor Hall	2,32,890	Plaster falling from ceiling, chipping from walls etc
Compound	2,70,945	Dilapidated structures - Model House, Pump Room
Total	5,03,835	

Renovations / Improvements

Area	Amount	Description
Ground Floor Hall	6,03,471	Painting, Polishing, Tiles, Fans, Lights, Wiring
Ground Floor Bathroom	7,24,041	Renovation of Ladies, Gents toilets & toilet lobby
Compound	2,86,600	Paver Blocks, Painting of Compound Wall/netting etc
Total	16,14,112	

Further details including scanned copies of the bills are available on the KCA website www.kcamumbai.org. Copies of the bills will also be available for review by members during the Special General Body Meeting. Any queries members may have will be addressed during the meeting by members of the Managing Council.

This Special General Body Meeting is being called in keeping with the Spirit of the KCA Rules, even though the Letter of the Rules was strictly followed. The Managing Council believes that despite following the Rules, obtaining the approval of the General Body is in keeping with the highest standards of transparency & responsible governance that has been the tradition of the KCA.

Members may also note that the entire expenditure has been audited by our Statutory Auditors, Gonsalves & Associates. Further, the Legal & Finance Committee of the KCA, which is independent of the Managing Council, has reviewed & approved of the expenditure.

The Managing Council has taken a conscious decision to call for this meeting of the General Body despite the Annual General Meeting being just a few weeks away, as it believes large sums of expenditure must be approved by the general body.

The Managing Council regrets the inconvenience caused to members in having to attend two general body meetings in a short period of time & solicits your cooperation in helping the Managing Council re-establish the rich traditions of this 115 year old institution.