

Minutes of the Board meeting held on 13th Nov 2021

(Time : 11:30 am to 2:30 am)

Members present both off line and online

- 1) Mr Abdul Sattar – President
- 2) Adv Nitin – Vice president
- 3) Mr Harirajan – Secretary
- 4) Mr Samidh Chatterjee – Treasurer
- 5) Mr Nagesh Rao – Head Finance and audit
- 6) Mr Senthil Andavan - Member
- 7) Mr Shankar - Member
- 8) Mr Pritam Marik – Member

Audit Team

CA Sudhindra and his team

SME's

Mr K Vasudev

Mr Amit Chaturvedi

Mr Senthil and Mr Shankar though they were present in the discussions, they took the permission from the BOARD to leave the meeting in the midway due to some work exigencies. President Mr Abdul Sattar who is currently out of station has joined through Google meet link so also Mr Pritam Marik. In the physical absence of the President Mr Abdul Sattar, Vice President Adv Nitin chaired the meeting as per the protocol.

Agendas shared for discussion and Board approval

- Presentation of draft FI statement for the FY 2020-21 by the CA agency – Sudhindra and associates
- Tabling and discussion on reviewing the scope of Audit for board's approval.
- Discussion on up gradation and customization of Tally systems - proposals to be tabled for Board's approval.
- Review of STP quotes.
- Review of Elevators quotes.
- Fire extinguishers if individual flats- service confirmations guidelines.
- Sub- committees structure.

Draft FI Statement for the year 2020-21

This agenda came up for discussion as the secretary expressed concern that we are yet to present the FI Statements for the year FY 2020-21 within 3 months of closure of the previous FY year (as the bye law)

CA Sudhindra and his team made a presentation on the draft audited FI Statements, Risk assessment matrix and management audit report.

The Board also discussed pros and cons of declaring the income statement as reported in the draft FI statement. Adv Nitin had an apprehension that it may may attract commercial tariffs both from BESCO and Panchayat, though they are not exactly fall under the category. He also expressed the concern that such declaration in FI statements may attract the scrutiny from the commercial tax authorities when BBMP limit gets extended . There are chances of imposing penalties retrospectively.

Mr Nagesh Rao insisted that we should retain the income statement in as is form to comply with the best accounting standards and practices.

Further CA Sudhindra has been requested to check all the feasibilities on this issue and revert back to the BOARD.

Adv Nitin also expressed his reservations on how panchayat can treat club house as commercial entity and charge property tax at a higher slab. Insisted that this needs to be challenged with appropriate authorities including legal mode.

CA Sudhindra clearly indicated that the FI Statements will not be accurate and may not reflect the correct picture as there are still some un reconciled entries of the previous years which also needs to be relooked into to conclude.

Considering this Board has agreed in principle to widen the scope of the audit and also seek owners consent.

CA Sudhindra also expressed a concern that he is to yet get a NOC (No objection Certificate) from the previous CA agency M/s GPSV & Co and in the absence of the same he cannot sign off the final FI Statements. Treasurer informed that M/s GPSV & Co is claiming some outstanding which is not due as per association records. Even the login credentials of IT dept to file the IT returns / download Form 26AS is not yet shared by the M/s GPS and Co. Adv Nitin informed that he will take up with the M/s GPS and Co to get the same sorted out . Mr Nagesh Rao also recommended that such issues can also be taken up with their regulating authority ICAI.

It was also sensitized that we should obtain NDC (No due certificate) from all the vendors before processing their subsequent payments.

BOARD also discussed various critical observations made by the auditor in the draft report of Management audit and took the cognizance of the same. It was mandated that we should short list only such vendors who can able liaise with the relevant authorities and get our lapsed licenses renewed and make it as a separate clause in their agreement. This is applicable to the licensees related to STP and elevators from KSPCB (Karnataka State Pollution control Board) and from the department of Electrical Inspectorate respectively. Further it also needs to be taken for Fire and safety basis the survey report and expenses involved.

The audit agency expressed the concerns that in the absence of documents handed over by PHL in relation to the transfer of assets, followed by detailed study of the same it shall be difficult to conduct the physical audit of the same so also finalize the Fixed asset Register (FAR). To facilitate this , Adv Nitin formed a team comprising of Mr Samidh Chatterjee and Mr Jaspir Pal to prepare list of all the assets with the help of facility management team and assist the auditor in smooth conduct physical verification of the assets.

Audit agency has also made a comment that since our 'income' – in others category (other than MCs) is in excess of 20 lacs per annum, it is mandatory that we should get registered with ourselves with GST. It also helps us in availing input tax credit. Adv Nitin informed secretary to get this expedited.

Considering all these aspects and to bring out more clear and accurate FI statements, the BOARD felt that we should give some more time to the auditor with the widened scope . Accordingly it was decided to have draft FI statement ready latest by mid Dec 21 and presenting to the owners by end Dec 21.

Tally Up gradation & Customization

To bring out best accounting practices and do away with various manual activities by automation and customization, it was felt upgrading of tally and customization are necessary and accordingly sought approval of

the BOARD. Adv Nitin suggested to get few more quotes from other Tally franchisees and put up for approval in the next meeting.

Review of STP and WTP quotes

As the presentation and comparison were not ready and also due to the time constraint, this agenda including elevators were deferred to the next meeting. However Adv Nitin advised short listing should follow due process of techno commercial discussions with the vendors at PWC including involving SMEs.

Other Points Discussed

Mr Senthil and Treasurer suggested to have access to net banking for restricted amount as they find it difficult to meet critical and emergency requirements with the existing petty cash limits. Mr Nagesh Rao informed that we can not take such a decision unless and until pros and cons of the same is studied.

In an effort to bring transparency, Adv Nitin advised accounts dept., to serialize all the documents of the all the folders. Duplicate set of documents shall be made available to the owners whoever wants to go through with prior intimation and approval.

It was also brought to the notice of the BOARD that many associations have adopted a policy, wherein an owner can become member of the BOARD for a maximum period of two terms in succession and cannot contest subsequently if he / she doesn't take break in the 3rd year mandatorily. As this clause is not stipulated in the Bye law, the BOARD informed that they shall look in to this if any such provisions are made available in any of the act.

Adv Nitin suggested to review expenses incurred in the current financial year till now and to check the necessary compliances. Mr Harirajan agreed to share the data in week's time.

A suggestion also received from one of the SME that we should extend the window timings of accounting dept from morning 8 AM till 8 PM by introducing overlapping shift for the accountants. This helps many walk in owners / tenants to pay MCs during these odd hours also and clarify the doubts , issual of gate passes etc., The BOARD said they shall look into this once the accounting process is streamlined .

Vice president Adv Nitin thanked one at all for having actively participated in the discussions.