

**Enquiry Committee Report
For submission to
AGM dated 29.06.2024**

Waltair Club

Ph. Nos.: 0891-2565740, 2565240, 2562182
Fax No.: 0891-2567763
GST : 37AACW1956C1ZG



Waltair Uplands, Visakhapatnam-530 003
E-mail : info@waltairclub.com
Website : www.waltairclub.com

22-05-2024

TO

THE PRESIDENT
WALT AIR CLUB
VISAKHAPATNAM

Dear Sir,

Sub: Enquiry on certain violations of Articles of the Club during the tenure of the previous Mg Committee i.e., Year 2022-23, Reg-FINAL FACT FINDING REPORT

Ref: Your letter dt. 05-02-2024

The present Mg. Committee has noticed certain violations of the Articles of association of the Club during the tenure of the previous Mg Committee for the year 2022-23. An enquiry committee was formed at the EGM held on 29th December 2023 AS PER ARTICLE XXVIII (vide Anx 1) to ascertain the facts and give its findings on the violations specified by you and accordingly you had issued a letter dt. 05-02-2024 (Anx 2) informing the formation of Enquiry committee based on recommendations of EGM held on 29-12-2023 and to submit the final report on the issues raised for ratification as per the EGM agenda items.

On behalf of the enquiry committee, we have asked for the clarifications and objections from THE PREVIOUS MC vide our letter dt. 01-04-2024(Anx 3). They have responded vide letter dt. Nil (Anx 4) and vide our letter dt. 15-04-2024 (Anx 5) asked them to personally attend for explaining their stand in response to our letter dt. 01-04-2024.

A

Seven members of the previous MC personally appeared on dt. 18-04-2024 and explained their stand on the issues of violations. They were asked to give a written reply and accordingly they have sent a written reply dt. Nil (Anx 6) on dt. 30-04-2024.

Our Enquiry Committee has considered the clarifications and explanations in detail and we reproduce contents of our letter dt.01-04-2024, the previous committee's reply along with our findings/views as under:

Item No. 6 (agenda item of EGM dt 29-12-23)

NON DEPOSIT OF ENTRANCE DONATION of Rs.60.00 lakhs FOR TWO LIFE MEMBERS ISSUED ON 15TH MARCH, 2023.
PAYMENT WAS MADE BY THE ELECTED LIFE MEMBERS ON THE FOLLOWING DATES:

DATE	MEMBER NAME	AMOUNT RECEIVED
17.04.2023	Mr Habibuddin Ahmad Jafri (H-256)	Rs. 30,00,000 + Tax
20.04.2023	Mr. Iqbal Hussain Farooqui (I-034)	Rs.30,00,000 + Tax

UTILIZATION OF THE ABOVE MONEY:

As per the above facts on record , the club has not deposited the amount received from elected Life Members as per article V and has utilized all the amount for various expenses of the club.

In a letter dt..22 Dec 2023 addressed to the president, the outgoing president explained that they have deposited Rs 40 lakhs relating to Life membership fee received during the tenure of the previous Mg Committee which was not deposited by them and the balance was spent for sanctioned items instead of depositing this amount and breaking an existing FD.



We have noticed that the claim of shortfall of Rs40 Lakhs deposit by the earlier committee (for the year 2021-22) is not correct as the deposit of Rs.40 lakhs mentioned above was made long back on 22/07/2022 and cannot be an excuse for non deposit of Rs.60 Lakhs. There is no provision in the articles for withholding the life members donation for current expenses or capital expenses.

There is a mandatory provision for deposit of entire donation for life memberships under article V.

Failure to deposit Life membership donation is violation of article V and is defined as mis conduct as per article XXVIII.

REPLY GIVEN by previous MC (LETTER DT. Nil) (Anx 6)

"a review of past meeting recordings (EGM Feb 23, AGM June 23) will demonstrate that points 6, 7, 9 and a portion of point 10 were previously discussed and ratified" it was only an administrative oversight that these ratifications were not included in the minutes of those meetings.

"We acknowledge the delay in depositing entrance fees for two Life Memberships issued on 15-03-2023. This delay stems from a cascading effect. The MC 2020-21 couldn't deposit the entrance fees due to Covid-19 disruptions. Consequently the 2021-22 committee paid the previous committees dues, leaving them unable to pay for the new memberships during their term. Our committee, in turn, paid the dues for the 21-22 memberships but faced cash flow constraints to deposit for the most recent memberships. We transparently communicated this situation at the AGM held in June 23, requesting the incoming committee (2023-24) to settle these dues.



The AGM verbally approved this request. For your reference, please consider the video and voice recordings of the AGM. It is important to note that none of the committee members had any personal motives for delaying the deposits. We aimed to ensure sufficient funds for administrative operations. More details on this are provided in subsequent points."

Committee Views on this reply:

The issues were not agenda items of the AGM and mere discussions, if any, in the meetings without passing any resolution is not a decision for ratification. Learned Senior members must be aware that the issue should first be included in the agenda for the General Meeting and then after discussion, proper resolution should be passed by going to poll, if not passed unanimously.

In April 23, non deposit of Rs.60 Lakhs and in June 23, withdrawal of Corpus Fund of Rs.40 Lakhs (total amounting to Rs.one Crore, without approvals) should have been highlighted as a resolution at the AGM in June 23 by including in the AGM agenda item. We observed that the previous committee was very casual in its approach to AGM.

The question of personal motives does not arise as we are examining the issues of acts done beyond the powers of the MC, violating what is prescribed in the articles.

As per the facts on record which were also certified by Internal Auditors report vide (Anx 7), this act of the MC in our opinion is violation of Article V - A (i)(a) (Anx 8) and is defined as misconduct as per Article XXVIII.



Item NO.7 (agenda item of EGM dt 29-12-23)

WITHDRAWAL OF CORPUS FUND

DATE OF WITHDRAWAL	AMOUNT CREDITED	FD AMOUNT	REMARK
23.06.2023	Rs. 19,71,373	Rs. 20,00,000	Pre-Mature
23.06.2023	Rs. 19,71,373	Rs. 20,00,000	Pre-Mature

UTILIZATION OF THE AMOUNT

As per the above facts on record , the club has withdrawn corpus fund of Rs.40 lakhs.

In the committee meeting held on 14 June 2023 it was recorded "that the EGM held on 27-02-23 has sanctioned Rs.40 Lakhs for sports bar and Rs.86 Lakhs for renovation of Dining Hall etc., and that most of the expenditure was met out of regular turnover but fell short to pay the statutory payments, so committee unanimously approved to withdraw two FDRs of Rs.20 Lakhs each".

As observed from the payments made out of the deposit withdrawn, it is evident that the amount was not utilized to meet the statutory payments, but only for regular expenses. The amount cannot be used for regular payment of GST as the club is collecting GST and the same is being paid.

When the tenure of the committee is coming to an end and annual general meeting is scheduled shortly, the Mg Committee could have planned to approach the AGM for necessary approval of members, but the above withdrawal was done few days prior to the AGM, ignoring the articles completely.

As per the facts on record, this act of the management committee in our opinion is violation of article xxxii and is misconduct as per article xxviii



REPLY GIVEN:

As per Resolution 6 of the 118 th AGM held on 20th June 2022 we had a budget sanction of Rs 60 Lakhs for the GYM and as per resolution 1 of EGM dt 27-02-23 we have sanction of Rs.86 Lakhs for renovation of dining hall etc.,and as per resolution 2 Rs 40 lakhs for construction of sports bar.

The management was authorized to fund these projects from Corpus fund.

However to save interest we have decided to utilize the funds from general administrative funds, if there was no shortage of funds for administration. This allowed us to save interest on 60 lakhs from June 22 to June 23 and interest on 1.26 cr from feb 23 to June 23. We made every effort to increase the club revenue through various initiatives thereby avoiding the need to touch the Corpus fund, despite having approved amounts.

During the year we have paid income tax of 18.68 lakhs and GST of 17.01 lakhs out of general administrative funds.

Due to the use of General admin funds for sanctioned budgeted and statutory expenses that needed to be paid before the management changed and as the statutory dues payments and the implementation of resolutions of general body which are both obligations of the MC and responsibility of the MC according to Article xxviii (h). while on the other hand the MC has done its best to perform its duties by addressing all payments to run the club efficiently according to the same Article.

Therefore in June 23 the committee decided to utilize the pre approved sanctioned FD amounts. However instead of closing FD of entire 1.86 Cr we only closed FD for 40 Lakhs. We understand the importance of preserving the corpus fund. However a key strategy throughout our term was to prioritize



cost saving measures. By utilizing general admin funds wherever possible. We saved a substantial amount of interest on the FD of 1.86 Cr.

As per article XXXII corpus fund can be withdrawn for Statutory liabilities.

Please note that during our tenure we diligently increased the corpus from 18 Cr to 27 Cr thereby increasing the interest income. We were committed to prioritizing the best interest of the club.

We have increased revenue by 52.37% and reduced the losses as compared to past two years i.e 21-22 and 20-21.

The decisions were made in the best interest of the club and the same has been mentioned in the AGM 23. And accepted by the members which implies approval of the general body. Please refer to the video audio recordings of the AGM.

None of our Committee members have any vested interests in withdrawing the FD.

Committee Views on this reply:

The reply emphasises the following points :

1. That since there is approval for capital expenses the MC can withdraw corpus fund for capital expenses or keep the life membership money without depositing.
2. They have accepted that AGM approval is necessary but say that they have informed at the AGM and it is deemed approval of the General Body.
3. That they have protected the club's interest and saved loss of interest on account of cancellation of FD for capital expenditure. That they have also increased revenue and decreased the losses as compared to previous years.



4. That there is no personal vested interest of any MC member for withdrawal of FD.

The issues were not agenda items and mere discussion, if any, in the meetings without passing any resolution is not a decision for ratification. Learned Senior members must be aware that the issue should first be included in the agenda with proper resolution for the General body Meeting, and then after discussion, proper resolution should be passed by the general body by going to poll, if not passed unanimously. We observed that no such agenda item was put up nor there was any resolution for ratification as claimed in their letter.

The previous MC request for verifying the audio or video recordings are of no use when the matters were not part of the AGM/EGM proceedings as per agenda and no resolutions were moved for ratification.

In April 23 non deposit of Rs.60 Lakhs and in June 23 withdrawal of Corpus Fund of Rs.40 Lakhs (total amounting to Rs.one Crore without approvals) should have been highlighted at the AGM by including in the AGM agenda item. We observe that the previous committee was very casual in its approach to AGM. We understand the cascading effect mentioned in its reply but the funds requirement should have been brought to the EGM in Feb 23 or AGM in June 23.

The question of personal motives does not arise as we are examining the issue of acts done beyond the powers of the MC, violating what is prescribed in the articles.

The rules are applicable to all Management committee's whether they do a good job or not. The applicability of the articles is not dependent on the performance of the MC or on any of the circumstances faced by the MC. Such act shows lack of awareness of the rules/articles or negligence of the MC. It is the



duty and responsibility of every committee member to protect the interest of the club and act in the best interest of the club, without deviating/violating the articles of the club. It is presumed that every committee works in the best interest of the club, unless otherwise proved.

As per the facts on record which were also certified by Internal Auditors report, this act of the management committee in our opinion is violation of article XXXII (A) (Anx 9) and is defined as misconduct as per article XXVIII

Item No.8 (agenda item of EGM dt 29-12-23)

SPORTS BAR CONSTRUCTION

Sports Bar Construction was proposed at the MC meeting on 7th October 2022 and it was recorded in the minutes as under

"item no.5: review on works: refurbishing of the upholstery in all these places (Dining Hall, 1883 Bar & Restaurant, Lift in Main Building Lounge, Chambers, auditorium, Squash Court, Shuttle court, construction of Sports Bar at Coco nut grove) and to renovate all these places"

But there was no discussion of estimates for these expenses. Again MC meeting held on 2nd Nov 22, same noting in the minutes without any mention of the estimate. How a project can be taken up without even estimating the cost?

Approval was taken for an estimated expenditure of Rs.40 Lakhs for sports bar at the EGM held on 27-02-2023. Surprisingly, there was no estimate on record for the proposed expenditure of Rs.40 Lakhs and there was no discussion on the estimate in none of the MC meetings.



AGM was held on 26 June 2023, but the committee did not put up any proposal for ratification of the excess expenditure on sports bar, though they are well aware of the same.

Comparison between actual expenses and budget estimate cannot be done as there is no estimate. There was no explanation for abnormal increase in cost of the project.

Under article XXVIII misconduct is defined as unauthorized use of the Clubs funds and incurring expenses beyond the budgetary provision or without the authorised sanction of the General Body.

Even the MC has not recorded the matter of excess expenditure and there is no approval of the MC for such excess expenditure. Basing on the above facts, we observed that very casual handling of the funds of the club and no documentation for construction estimates. How the expenditure exceeded by almost 90% of the sanctioned amount is highly questionable and there is a clear violation of the articles of the club.

REPLY

We recognize that the reported expenditure for the sports bar construction includes cost beyond the approved 40 lakhs. The final construction cost was 44 lakhs exceeding by 4.4 lakhs.

The amount of 68 lakhs as mentioned in the EGM is due to consolidation of expenses various improvement projects undertaken in that area including new toilets, land scaping and additional amenities like TV CCTV music system Airconditioners furniture including GST. These were categorized under broader SPORTS BAR project for convenience.

To address this and ensure proper financial tacking we requested a reclassification of expenses under appropriate heads during Dec 23 EGM and tried to explain the same to all



members. Please refer video audio recordings of the EGM. Unfortunately the explanation given by us was not circulated to the members in due time causing apprehensions.

We understand the importance of adhering to budgetary allocations. The additional costs were incurred for essential improvements that enhance the overall utility and value of the sports bar facility.

It is important to note that all improvements were executed within presidents discretionary power limit of 5 lakhs followed established protocols.

Committee Views on this reply:

Firstly, there is no estimate available on record for sanctioned 40 lakhs for sports bar. At the EGM also the point on estimates came up for discussion and they were not available at the EGM nor at the office.

They claim that the original budget of Rs 40 lakhs does not include air-conditioners and other necessary amenities etc., as mentioned above.

Without any estimate available, we cannot comment on this.

It is surprising to note that all crucial expenditure is not included in the original budget and just a structure is planned for 40 lakhs with containers.

The claim that all amenities are within the president's power of 5 lakhs for each item appears to be not appreciable as all those works are part of the project and correctly classified under Sports bar project. Only the MC has the power to spend capital expenditure upto 5 lakhs for each construction but it is not president's discretionary power. Moreover, as per Article XXII (Anx 10) (clauses 2(ii), 11, 32), MC shall not spend any amount over and above the budget approved by the general body and cannot



carry out any Major Projects or Purchases of amount exceeding more than Rs.2.5 lakhs for capital expenses, after elections for MC are announced. They have spent all the money in excess of budget in June 23 itself, after election notice is issued. Also, it is observed that the containers were purchased on 24-11-2022 well in advance and they have incurred a capital expenditure of Rs 6.65 lacs, without even discussing in the committee meeting and without approval of committee members. (expenditure statement is given as annexure-11) They have incurred these capital expenses before even obtaining the EGM approval for the sports bar project in FEB 2023 for sports bar construction for 40 lacs.

The fact that none of the MC meeting minutes speak about the cost estimates or its amenities estimates is a conspicuous lapse of the MC.

We have observed that an amount of Rs 36.59 lakhs has been spent only in June 23 (as per Expenditure Statement vide Anx 11), before the expiry of their term, even though it crossed the sanctioned budget. But the MC has not preferred to put it up for approval of AGM. Article XXII 2(ii) clearly states that the MC shall not be entitled to construct buildings or make alterations to any club property at a cost which beyond the budgetary provisions made.

The MC could have left it to the next upcoming committee for completion by taking approval of general body for all the costs of amenities.

We find no relevant details on the project and there is no file in the office on the project. Non Maintenance of even a file for the project explains very casual approach in spending such huge amounts during the tenure of the past MC.



As per the facts on record, this act of the management committee in our opinion is violation of article XXII clauses 2(ii), 11, 27 & 32 and is defined as misconduct as per article XXVIII (d)

Item No.9 (agenda item of EGM dt 29-12-23)

GRANT OF FOUR LIFE MEMBERSHIPS

The MC has issued four life memberships over and above the authorized quota of 20 Life members during Nov 22 and Jan 23. The legal validity of unauthorized issue Life memberships is also questionable.

Even when the committee has convened an extra ordinary general meeting to get approval for additional life memberships, they have not disclosed that four life memberships were already given and no ratification was taken. In the explanation to the EGM notice dt.04-02-2023, they have mentioned that *"the Mg Committee have been receiving requests from various members to increase the threshold limit of new members to 45 as there were many friends and relatives who wish to join the club. Further, the Mg Committee has received more than 20 applications for new life members. In the 118th AGM the limit was increased to 20 thereby making overall limit to 45 life members. The Board recommends the resolution set forth to be a special resolution for the approval of members. Please note that this resolution is made only for this year i.e., 22-23 and will not be a precedent for subsequent committees."*

Nowhere it was mentioned in the notice that they have issued excess four life memberships already, beyond the number of 20 mentioned the articles and no ratification was proposed.

The approval is applicable for life memberships issued after the EGM, but not retrospective.



This is a gross violation of articles and it is also observed that the MC was proposing increase of donation for Life Membership and undue benefit was given to the four life members, as the membership was given at existing rates knowing pretty well that they are proposing increase in the donation amount. We find that this is a clear case of Misconduct

REPLY

Due to disruptions caused by COVID 19 pandemic the previous MC 20-21 could not complete the process of four pending applications. These applications had already undergone a thorough review and met all eligible criteria. To ensure smooth membership process and avoid any delays for these qualified individuals we invited them to join during our term.

Furthermore welcoming these new members would provide a significant boost to the clubs corpus fund. Importantly this decision aligns with the clubs best interest. We acted with complete transparency and without any personal motives. We presented this approach in the EGM 23 and received no objections. As such we consider this decision ratified.

Committee Views on this reply:

The MC is not authorized to issue life memberships beyond the number allowed during their term, synchronising with the term of office of any committee. When they were planning to hold EGM in Feb 23 for additional sanction of additional life memberships with increase in fee, what was the hurry to issue the life memberships at a lesser fee, beyond the powers of the MC.

Having done so, why they haven't put up this as a resolution & agenda item, to ratify the memberships already issued. The sanction of additional life memberships cannot be retrospective. We find that the MC has acted beyond its powers.



As per the facts on record, this act of the management committee in our opinion is violation of Article II (c) (Anx 12) and is defined as misconduct as per article XXVIII

Item No.10

Conversion from Honorary to Regular membership:

It was noticed that the conversion was done while the concerned dignitary is still holding the same post, where he has option to convert only when he is relieved from the post.

The MC has violated the rules and has issued the regular memberships and this is a clear case of misconduct.

REPLY

Two Honorary Members transitioned to regular memberships this year in accordance with Article VIB, which allows such conversion upon an honorary member relinquishing their qualifying office. One conversion was pre-approved at the Feb 23 EGM, while the other was accepted by the General body at the June 23 AGM. We kindly request the enquiry committee to review the supporting documentation (EGM and AGM video /voice notes) and recommend ratification at the upcoming June 2024 AGM.

Committee Views on this reply:

We observe that the membership conversion was done when the dignitary is holding the same post, which he was holding when honorary membership was given, whereas as per Article VI (B), it shall be converted on the event of cessation of the post the dignitary was holding at the time of granting regular membership.



Now here it was recorded that the dignitary is transferred or vacated the post to become eligible for said conversion.

As per the facts on record, this act of the Management Committee in our opinion is violation of Article VI B (annexure 13) and is defined as misconduct as per Article XXVIII.

A.SATYANRAYANA (PAST PRESIDENT) M.NO.S-200 CONVENER *A. Satyanarayana*
22/05/2024

GOLI RAMAKRISHNA (PAST PRESIDENT) M.NO.R-098 *G. Ramakrishna*
22-05-2024

~~C.V.~~ATCHUT RAO (PAST PRESIDENT) M.NO.A-034 *h*
22/5/24

S. KRISHNA MOHAN (ADVOCATE) M.NO.K-097 *S. Krishna Mohan*
22/5/2024
(S. Krishna Mohan)

CA KSMK MURTY M.NO. K-078 *K. Murthy*
22/5/2024

ANNEXURES

LIST OF ANNEXURES MENTIONED ABOVE

1	ARTICLE XXVIII
2	ENQUIRY COMMITTEE (EC) APPOINTMENT LETTER
3	EC LETTER TO PREV MC (PMC)
4	PMC LETTER DT.NIL
5	EC LETTER DT 15-04-2024
6	PMC LETTER DT NIL RECEIVED ON 30-04-2024
7	INTERNAL AUDITOR CERTIFICATE
8	ARTICLE V A
9	ARTICLE XXIII
10	ARTICLE XXII
11	EXPENDITURE STATEMENT
12	ARTICLE II e
13	ARTICLE VI B



Annexure-1

ARTICLE - XXVIII

CHARGES OF MIS-CONDUCT

The members of the managing committee shall strictly adhere to the articles of Association of the club and the rules and regulations framed thereunder. Any violation of the bye-laws, financial impropriety including mis-use or unauthorized usage of the club funds shall be mis-conduct and breach of trust and the concerned members of the committee shall be liable for stringent action.

Enquiry Committee: The general body of the club shall, either in the annual general meeting or any emergency general meeting shall constitute an enquiry committee consisting of three members who shall preferably be the past presidents / secretaries except the immediate past president and secretary, to enquire into specific charges of misconduct on the part of any of the members of the managing committee made by any member of the club with particulars and proof thereof and submit its findings to the general body for consideration in the next AGM/EGM.

Without restricting the generality of the expression "misconduct" any of the following shall constitute mis-conduct.

- a) Misuse or unauthorized use of the Club Funds.
- b) Financial impropriety causing loss to the Club.
- c) Mis-representation of Facts or deliberate concealing of facts in any General Body Meetings and or communications to members of the Club.
- d) Incurring expenses beyond the budgetary provision or without the authorized sanction of the General Body.
- e) Incurring expenses beyond or without the authorized sanction of the Managing Committee.
- f) Disorderly behaviour or misbehaviour in the premises of the club.
- g) Providing false information in the resume furnished by the committee member on the eve of elections.
- h) Non implementation of resolutions of the general body.
- i) Non-adherence to the rules of the club.

Punishments:

The general body shall impose the following punishments for any misconduct established by the enquiry committee as follows;

- a) For misconduct specified in Article (a) (b) and (c) above suspension from membership of concerned for a period of one year and disqualification to contest in any election to the Managing Committee for a period of 5 years.
- b) For all other misconducts specified in Articles above. Disqualification of concerned member to contest in any election to the Managing Committee for a period of 3 years.
- c) In addition to the above, if the misconduct has resulted in a financial loss in the club, then the financial loss shall be recovered from the Managing Committee members with an additional penalty of 50% of the loss incurred.
- d) Repeated misconduct by any particular member shall result in his/her removal from membership of the club.

Annexure-2

Date: 05-02-2024.

To

Mr.A.Satyanaryana	(S-200) - Convenor
Mr.C.V.Atchut Rao	(A-034)
Mr.K.S.M.K.Murthy	(K-078)
Mr.S.Krishna Mohan	(K-097)
Mr.Goli Ramakrishna	(R-098)

Greetings to you,

Sub:- Formation of Enquiry Committee appointed in the Extra Ordinary General Meeting on 29th December, 2023,

The following Members are appointed in the Extra Ordinary General Meeting

1. Mr.A.Satyanaryana (S-200)
2. Mr.C.V.Atchut Rao (A-034)
3. Mr.K.S.M.K.Murthy (K-078)
4. Mr.S.Krishna Mohan (K-097)
5. Mr.Goli Ramakrishna (R-098)

The following agenda points were put for ratification in the EGM the points are

1. Ratification of non deposit of entrance donation – for two life memberships issued during the months of April and May, 2023 for which Rs.60,00,000/- (Rupees Sixty Lakhs only) received towards Entrance Donation not been deposited into corpus.
2. Ratification of Rs.40,00,000/- (Rupees Forty Lakhs only) by withdrawal of Fixed Deposits to meet Statutory, Project and other payments Etc.
3. Ratification of excessive expenditure of Rs.34,00,000/- (Rupees Thirty Four Lakhs Only) incurred towards Sports Bar.
4. To Ratify Four Life Members issued during the period of November, 2022 to January, 2023.
5. Ratification of Two Regular Memberships issued during the months of March and June, 2023 under conversion from Honorary to Regular.

In the Extra Ordinary General Meeting members felt that the above points are not in accordance with the lay down articles of the club, for the easy understanding and reference the consolidated articles are enclosed.

The Extra Ordinary General Meeting has recommended to appoint a enquiry committee, the report to be submitted before 30th of April, 2024. This will be presented before the Annual General Body Meeting in June, 2024

With best regards,

Yours truly,
For **WALT AIR CLUB,**



(K.VAMSI KISHORE)
HON. PRESIDENT.

Enclosed: 1. Details enclosed as per Articles .
 2. Letter received from Mr.C.V.S.Suri (S-333)

ITEM NO	SUBJECT	IN ACCORDANCE WITH ARTICLES YES/NO	ARTICLE	WHAT ARTICLE SAYS	DEVIATION
6	Non deposit of entrance donation	NO	Article -V section (a)	Entire donation paid by the life members shall be credited to the corpus fund	Life memberships donations cannot be used for regular expenses.
7	Withdrawal of Corpus fund	No	Article XXXII	Only to make statutory payments. Statutory paid Rs. 35,69642	Total amount withdraw Rs. 40,0000/- Excess of Rs. 5,00000/-
8.	Sports Bar construction	NO	Article -XXII section 2 subsection (ii) and section 12	The committee shall not be entitled to construct buildings or make alterations to any club property at a cost which beyond budgetary provisions made. The committee shall not spend any amount over and above the budget approved by the general body. Incase of expenditure over and above 10% of the budget amount, the committee shall be personally liable to the club	Sanctioned budget in EGM 40 lakhs. Amount spent Rs. 74,71361/- 90% excess over approved budget in the EGM
9.	Grant of life members	NO	Article II C	No. of additions in category of life memberships shall not exceed 20 in any year synchronizing with the term of office of any committee	Additional memberships approval was sought in EGM conducted on 27 Feb 2023. But 4 extra life memberships was allotted in Dec 2022 without approvals causing a financial loss of 40 Lakhs
10	Grant of Regular memberships to Honorary memeber	No	Article -VI section B	In event of Honorary member ceasing to hold office concerned during of which he was invited to be as Honorary member he or she if so elects , be entitled to become a regular member of the club in his or own right without undergoing the procedure for election	Both the Honorary members were holding offices while they were granted regular memberships and also the grant of regular memberships was put on hold till Mar 2028.

Visakhapatnam, 13th January, 2024.

Respected President Sir, Members of the Management Committee 2023-24, and Members of the Special Enquiry Committee,

Subject: Regarding Ratification of the Agenda Items No's 6-10 of EGM Agenda of 29th December, 2023.

My name is CVS.SURI (S.333) and I have been a member of our Club, for 25+ years. I have also worked in Corporate India for 40 years and have had a meaningful exposure to Company law. I have a few thoughts to share, and shall attempt to keep them short and crisp.

The 'Articles' of the Club are the 'Constitution' of the Club. They are not routine bureaucratic pronouncements; they are 'the LAW' of the Club. Members come and go, as do the various Committees. It is the Articles that determine the running of the Club and its continuity. The Articles may change, with due process, but they are not negotiable.

A. Suggestions: I wish to make the following suggestions, in the interest of the Club and its Members:

- ✓ 1. The updated Articles (full version, along with latest date of up-dation), should be published and always be present in the Members' Section on the Club's website.
2. Details of changes made to the Articles, in chronological order, should be captured in a separate page/section on the website, and kept updated. Start date can depend on availability of historical secretarial data.
3. A similar data capture could be adopted for Notice/Agenda of AGMs /EGMs and the Minutes of said meetings. (Apart from being a central repository of important information, it would also be handy for those Members who have not been able to attend the meetings, to update themselves).

B. On the subject of Ratification:

1. Internationally, multilateral agreements that are entered into between representatives of sovereign nations are subject to further 'ratification' by the Parliaments/Legislatures of these Nations. Thus, the agreement/law does not come into force unless so ratified. Once it is ratified, any deviation is considered to be a 'breach' and legal consequences follow. E.g IMO, UNCLOS, NPT, etc. The concept of 'ratification of a breach' does not exist.
2. In India, the word 'ratification' is somewhat loosely applied to post-facto sanctioning of an unexpected expenditure that has occurred on account of a time urgency, or has partially exceeded sanctioned budget on account of unforeseen circumstances. In both these cases, the expenditure values would be relatively marginal and would still need to be explained and justified on a timely and pro-active basis. (I remember previously reading in the Club Articles that the excess limit is set at 10%).



3. If the terms and powers of authority granted are exceeded, any scenario that does not fit into the above either by way of relative value, or quite importantly, the nature of action itself (excess Life memberships?), it constitutes a 'breach'.
4. 'Breaches' cannot be ratified. A breach is a breaking of the rule/law/statute. The Club's Articles set out the powers and limits of power so granted, anticipates deviations, and provides for actions to be taken in the event of such deviations. Managing Committee Members are the first amongst Trustees and are beholden to abide by the Articles and powers set out therein.
5. Let us theoretically assume for a moment, that there has been a breaking of the rule. For all practical purposes – breaking of the rule is similar to changing of the rule, in terms of the 'effect'. What are the provisions of the Companies Act w.r.t carrying out a change of Articles? Apart from other protocols, a Special Resolution has to be passed with a 75% majority of the voting members, after providing a notice of 21 days. If the law lays down such a rigorous procedure for a legally valid change of Articles, is it permissible for the Articles to be over-ruled, set aside, or ignored? 'Ratification' is not a legally valid or available course of action.
6. I am not sitting in judgment on the actions of the previous Managing Committee. I do not have enough information to do so, nor the desire.
7. Nevertheless, I am compelled to highlight the statements as above, as Agenda Items 6-10 should not have come up for ratification at all. If they were within permitted powers, they should have been cleared; if not, then they should have right away been enquired into, and the findings placed before the general body.
Our Articles are quite clear about due process.
8. Given the tenor of discussions at the EGM, my key concerns are that any perceived dilution of due process would lead to needless litigation. Also, future committees should not be given the opportunity to point to past precedent to justify future transgressions, if any. Facts, whatever they are, need to remain paramount.
9. In closing, I have this hypothetical and not-so-hypothetical question: A train's 2nd AC Coach has 46 berths and is fully booked. The TTE permits an additional 2 persons with tickets but no reservation inside the Coach, as their relatives (with reservation) are also traveling. A Flying Squad suddenly enters the Coach and finds these 2 extra passengers. What happens to these extra passengers? What happens to the TTE?

I offer you my support as a member who wants to build a stronger Club.

With Best Regards,



(CVS.SURI) S-333.

Annexure-3

Waltair Club

Ph. Nos. : 0891-2565740, 2565240, 2562182

Fax No. : 0891-2567763

GST : 37AAACW1956C1ZG



Waltair Uplands, Visakhapatnam-530 003

E-mail : info@waltairclub.com

Website : www.waltairclub.com

01-04-2024

Dr SVH Rajendra,
President for the year 2022-23,
M No: R-285

Dear Sir,

Sub: Enquiry on certain violations of Articles of the Club during the tenure of the previous Managing Committee i.e., Year 2022-23.

* * *

The present Committee has noticed certain violations of the Articles of association of the Club during the tenure of the previous Mg Committee for the year 2022-23. An enquiry committee was formed at the EGM held on 29th December 2023 to ascertain the facts and give opinion on the violations mentioned above.

You were the President/Vice President/Secretary/Treasurer/committee member during the above period.

On behalf of the enquiry committee I would like to take clarifications and objections from you, if any, on the issues of violations referred to the enquiry committee, in accordance to the agenda items minutes of the EGM held on 29th December 2023.

ITEM NO.6:

NON DEPOSIT OF ENTRANCE DONATION of Rs.60.00 lakhs (2x 30 lakhs each)
RECEIVED FOR TWO LIFE MEMBERSHIPS, ISSUED ON 15TH MARCH, 2023

PAYMENT WAS MADE BY THE ELECTED LIFE MEMBERS ON THE
FOLLOWING DATES:

DATE	MEMBER NAME	AMOUNT RECEIVED
17.04.2023	Mr Habibuddin Ahmad Jafri (H-256)	Rs. 30,00,000 + Tax
20.04.2023	Mr. Iqbal Hussain Farooqui (I-034)	Rs.30,00,000 + Tax

UTILIZATION OF THE ABOVE MONEY:

As per the above facts on record, the club has not deposited the amount received from elected Life Members as per article V and has utilized all the amount for various expenses of the club.

In a letter dt.22 Dec 2023 addressed to the president, the outgoing president explained that they have deposited Rs 40 lakhs relating to two Life membership entrance donations received during the tenure of the previous Mg Committee which was not deposited by them and the balance was spent for sanctioned items instead of depositing this amount and breaking an existing FD.

We have noticed that the claim of shortfall of Rs40 Lakhs deposit by the earlier committee is not correct as the deposit of Rs.40 lakhs mentioned above, was made long back on 16/07/2022 and cannot be an excuse for non deposit of this Rs.60 Lakhs. There is no provision for withholding the life members entrance donation for current expenses or capital expenses.

There is a mandatory provision for deposit of entire entrance donation for life memberships under article V.

Failure to deposit Life membership entrance donation is violation of article V and is mis-conduct as per article xxviii.

In our opinion the general body has no power to ratify the act of

the managing committee as the articles is silent on this and there is clear provision in the articles for treating it as a mis-conduct as per article xxviii.

ITEM NO 7:

WITHDRAWAL OF CORPUS FUND OF Rs 40 Lakhs:

DATE OF WITHDRAWAL	AMOUNT CREDITED	FD AMOUNT	REMARK
23.06.2023	Rs. 19,71,373	Rs. 20,00,000	Pre-Mature
23.06.2023	Rs. 19,71,373	Rs. 20,00,000	Pre-Mature

UTILIZATION OF THE AMOUNT:

As per the above facts on record, the club has withdrawn corpus fund of Rs.40 lakhs.

In the 14th MC meeting held on 14 June 2023 it was recorded in the minutes "that the EGM held on 27-02-23 has sanctioned Rs.40 Lakhs for sports bar and Rs.86 Lakhs for renovation of Dining Hall, 1883 restaurant, Main building Lounge, Erection of lift in main building lounge, etc., and that most of the expenditure was met out of regular turnover but fell short to pay the statutory payments, so the committee unanimously approved to withdraw two FDRs of Rs.20 Lakhs each".

As observed from the payments made out of the deposit withdrawn prematurely, it is evident that the amount was not utilized to meet the statutory payments but only for regular expenses of Rs.59,65,374/-. The amount withdrawn cannot be used for regular monthly payment of GST, as the club is collecting GST every month and the same is being paid.

When the tenure of the committee is coming to an end and the 119th annual general meeting is scheduled shortly, the Managing Committee could have planned to approach the AGM for necessary approval of members, but the above withdrawal was done few days prior to the AGM, ignoring the articles completely.

As per the facts on record, this act of the management committee in our opinion is violation of article xxxii and is misconduct as per article xxviii

ITEM NO 8:

SPORTS BAR CONSTRUCTION EXPENDITURE SPENT MORE THAN THE AMOUNT OF 40 Lakhs APPROVED BY EGM HELD ON 27th FEBRUARY 2023:

At the 5th MC meeting held on 7th October 2022, it was recorded in the minutes as under

"item no.5 : review on works : refurbishing of the upholstery in all these places (Dining Hall, 1883 Bar & Restaurant ,Lift in Main Building Lounge, Chambers, auditorium, Squash Court, Shuttle court, **construction of Sports Bar at Coco nut grove**) and to renovate all these places", but there was no discussion of estimates for these expenses.

Again at the 6th MC meeting held on 2nd Nov 22, item no 7: Review on works: same noting in the minutes without any mention of the estimate. How a project can be taken up without even estimating the cost ?

Approval was taken for an estimated expenditure of Rs.40 Lakhs for sports bar at the EGM held on 27-02-2023. Surprisingly there was no estimate on record for the proposed expenditure of Rs.40 Lakhs and there was no discussion on the estimate in none of the MC meetings.

119th AGM was held on 26 June 2023, but the committee did not put up any proposal for ratification of the excess expenditure on sports bar though they are well aware of the same.

Comparison between actual expenses and budget estimate cannot be done as there is no estimate. There was no explanation for abnormal increase in cost of the project.

Under article xxviii, mis-conduct is defined and unauthorised usage of the club funds and incurring expenses beyond the budgetary provision or without the sanction of the General Body is Mis-conduct by the MC.

Even the MC has not recorded the matter of excess expenditure and there is no approval of the MC for the excess expenditure.

Basing on the above facts, we observe that very casual handling of the funds of the club and no documentation for construction estimates. How the expenditure exceeded by almost 90% of the sanctioned amount is highly questionable and there is a clear violation of the articles of the club.

ITEM NO 9:

GRANT OF FOUR LIFE MEMBERSHIPS

The MC has issued four life memberships over and above the authorized quota of 20 Life members during Nov 22 and Jan 23. The legal validity of Life membership is also questionable.

Even when the committee has convened an extra ordinary general meeting dated 27th February 2023, to get approval for additional life memberships, you have not disclosed that four life memberships were already given and no ratification was taken. In the explanation to the EGM notice dt.04-02-2023 they have mentioned that *"the Mg Committee have been receiving requests from various members of the club, to increase the threshold limit of new members to 45 as there were many friends and relatives who wish to join the club. Further the Mg Committee till date have received more than 20 applications for new life members. In the 118th AGM the limit was increased to 20, now the management committee is desirous of increasing further 20, thereby making the overall limit to 45 life members. The Board recommends the resolution set forth to be a special resolution for the approval of members. Please note that this resolution is made only for this year i.e., 22-23 and will not be a precedent for the subsequent committees/years."*

Nowhere it was mentioned that they have issued excess four life memberships already and no ratification was taken.

The approval obtained at EGM dated 27th February 2023 is applicable for life memberships issued after this EGM, but not retrospective.

This is a gross violation of articles and it is also observed that when the MC was proposing increase of entrance donation for Life Membership, undue benefit was given to these four life members, as the membership was given at existing rates knowing pretty well that they are proposing increase in the entrance donation amount.

This is clear case of Mis-conduct.

ITEM NO 10:

CONVERSION OF TWO MEMBERSHIPS FROM HONORARY TO REGULAR MEMBERSHIPS:

It was noticed that the conversion was done while the concerned dignitaries are still holding the same post, where they have the option to convert only when they are relieved from the post.

The MC has violated the rules and has converted to the regular memberships and this is a clear case of mis-conduct.

Therefore, on behalf of the Enquiry Committee, you are requested to submit your clarifications and objections, if any, on the above observations within ten days' time by mail to md@ecoromandelpaints.in and vamsi9neelima@gmail.com.

Kindly acknowledge receipt of this letter.

Best Regards,



A.Satyanarayana,
M No: S-200,
Convenor,
Enquiry Committee

Copies to all the Management Committee members for the year 2022-23, for submitting necessary clarifications on the above observations.

Annexure-4

To:
Sri Satish
Convenor,
Enquiry Committee,
Waltair Club

Re: Response to Enquiry Committee Letter dated April 1, 2024

Dear Sir/Madam,

This letter is in response to the Enquiry Committee letter dated April 1, 2024, received by some of our committee member. While we appreciate the Waltair Club's commitment to transparency, we have concerns regarding the process followed in this matter.

Concerns Regarding Due Process:

- The lack of communication between the Enquiry Committee and past committee members for over three months after its formation raises questions about due process.
- The sudden issuance of letters without prior interaction or explanation to verify facts creates the impression of a potentially predetermined or biased approach.

To ensure a fair and transparent investigation that upholds natural justice principles, we request a more comprehensive investigation that includes interaction with past committee members.

Discrepancy in Communication Channels:

There appears to be a discrepancy between the communication channels mentioned in your letter and the procedures outlined in the Club's Bye-Laws. We request clarification on the appropriate channels for communication based on the Bye-Laws. Your request to reply via email to a corporate email ID or to a personal email ID, seems not an appropriate channel of communication.

Clarification on Enquiry Purpose:

We would appreciate clarification on the specific purpose of the Enquiry Committee. Was it constituted to analyze a previous response (dated December 22, 2023) or to conduct a fresh investigation?

An enquiry solely based on a previous letter, without the opportunity for explanation or consideration of the General Body's role as outlined in the EGM proceedings, undermines the Committee's purpose.

Contd...2

Request for Review and Postponement:

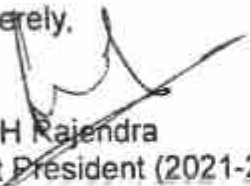
Given these concerns, we respectfully request a review of the process. A fair and unbiased process requires all parties to present perspectives and evidence. To ensure due process, we request a postponement of the response deadline to adequately prepare a response addressing the allegations.

We would also appreciate clarification on the specific details of the accusations and any supporting evidence to facilitate a meaningful dialogue.

We remain committed to cooperating with the Club's investigation and upholding transparency and fairness in resolving any issues. We trust in your prompt attention to these concerns and a commitment to a just and equitable resolution for all parties involved.

Thank you for your time and consideration.

Sincerely,



S V H Rajendra
Past President (2021-2023)

Copy to: Sri S. Krishna Mohan, Member
Sri Achuyut Rao, Member
Sri K.S.R.K. Murthy, Member
Sri Goli Rama Krishna, Member
Sri K. Vamsi Kishore, President.



15-04-2024

To,

R-285

**Sri Dr. S.V.H. Rajendra,
President For The Year 2022-23,
C/O. Sri Srinivasa Vidya Parishad,
Plot No.10, Sector - 7,
M V P Colony,
Visakhapatnam.**

Sub: Enquiry on certain violations of Articles of the Club during the tenure of the previous Managing Committee i.e., Year 2022-23.

Ref: Our letter dated 01-04-2024.
Your reply letter dated nil.

This is with reference to your undated letter written in response to our letter dated 01-04-24 referred above, to seek clarifications from you about the ratification issues raised in the last EGM held on 29th December 2023, leading to formation of enquiry committee.

After formation of the enquiry committee, we have gone through the record of the club to confirm the issues raised in the EGM held on 29th December 2023. Your allegations of not following due process or your impression of a potentially pre determined biased approach is highly derogatory and unwarranted.

After ascertaining the facts on record, we have sought your clarifications and we request you to personally explain your stand in response to our letter.

Please refrain from attributing motives as we are appointed by the general body as a fact finding committee and we have no personal agenda.

We request you along with your past committee members to meet us on, Thursday, 18th April 2024 at 6.00 pm at Waltair Club office to explain your stand on the issues raised.

Kindly acknowledge receipt of this letter.

Thanking you,

Best Regards,

**A.Satyanarayana,
M No: S-200,
Convenor,
Enquiry Committee**

Copies to all the Management Committee members for the year 2022-23 for information and necessary action.

Annexure-6

To:

The Convenor
Enquiry Committee 2023-24
Waltair Club

Dear Sir:

Re: Enquiry on lack of compliance raised by the present committee on Articles of the Club during the tenure of the previous Managing Committee i.e., Year 2022-23.

We, the former committee members, write to clarify that our previous communication on April 10th held no disrespect towards the Enquiry Committee. We appreciate your prompt response regarding our request to address the allegations. The recent meeting (April 18th) proved productive in fostering open communication and resolving outstanding questions. We thank the Enquiry Committee for their patience as we presented our perspective.

To ensure transparency, we chronologically outline the communication gaps we encountered.

- **Enquiry Committee Formation:** Established during the December 29th 2023 EGM, with no subsequent communication until April 1st 2024.
- **Allegations and Discrepancies:** On April 1st 2024, we received letters outlining alleged violations, followed by circulation of EGM minutes on April 3rd 2024 containing changes in committee member names.
- **Seeking Clarity:** To address discrepancies, we requested EGM video/audio recordings on April 2nd 2024. The current President, citing bye-law limitations, offered a joint review of the meeting videos with the current committee in his letter dated April 8th.

We appreciate this offer and believe a joint review with all involved committees would be the most efficient path forward, fostering transparency and expediting resolution.

Furthermore, a review of past meeting recordings (EGM XXX2023, AGM 2023) will demonstrate that points 6, 7, 9, and a portion of point 10 were previously discussed and ratified. While we acknowledge an administrative oversight in not including these ratifications in the minutes, we apologize for the lapse and have provided detailed explanations orally during the April 18th meeting and the same is given in detail below.

We urge a swift resolution to these matters and propose the inclusion of all relevant correspondence, explanations, and Enquiry Committee recommendations in the June 2024 AGM agenda.

ITEM NO 6:

NON-DEPOSIT OF ENTRANCE DONATION of Rs.60.00 lakhs (2x 30 lakhs each)
RECEIVED FOR TWO LIFE MEMBERSHIPS, ISSUED ON 15TH MARCH, 2023

****Reply:**** We acknowledge the delay in depositing entrance fees for two life memberships issued on March 15, 2023. This delay stems from a cascading effect. The Managing Committee 2020-21 couldn't deposit the entrance fees due to Covid-19 disruptions. Consequently, the

2021-22 Committee paid the previous committee's dues, leaving them unable to pay for the new memberships during their term. Our committee, in turn, paid the dues for the 2021-22 memberships but faced cash flow constraints to deposit for the most recent memberships.

We transparently communicated this situation at the AGM held in June 2023, requesting the incoming committee (2023-24) to settle these dues. The AGM verbally approved this request. For your reference, please consider the video and voice recordings of the AGM.

It's important to note that we prioritized paying the GST and other statutory amounts from running administrative funds rather than breaking FDs. We emphasize that none of our committee members had any personal motives for delaying the deposits. We aimed to ensure sufficient funds for administrative operations. More details on this are provided in subsequent points.

ITEM NO 7:

WITHDRAWAL OF CORPUS FUND OF Rs 40 Lakhs.....

****Reply:**** As per Resolution #6 of the 118th AGM held on 20th June 2022, we had a budget sanction of Rs 60 lakhs for the gym upgrade, additional equipment. Further, in the EGM held on 27th Feb 2023, as per Resolution #1, we have received sanction of Rs 86 lakhs for the renovation of the dining hall, 1883 Bar and Restaurant, Main Building Lounge, erection of lift in the main building, chambers, auditorium, squash court, and additionally Rs 40 lakhs for resolution #2 for the construction of Sports Bar. The total sanctioned amount by the AGM and EGM is listed in the table below.

Total Budget approved from 118th AGM and EGM for 2022-23

EGM held on 27th Feb 2023

#1	Renovation of Dining Hall, 1883 Bar and Restaurant, Main Building Lounge, Erection of Lift in the Main Building, Chambers, Auditorium, Squash Court	Rs 86,00,000
#2	Construction of Sports Bar	Rs 40,00,000
118th AGM on 20th June 2022		
#6	Upgradation of Club Gym with additional equipment	Rs 60,00,000
	Total approved amount	Rs 1,86,00,000

The management was authorized to fund these projects from the Corpus fund. However, to save the interest on fixed deposits (FDs), the management decided to utilize the funds from general administrative funds, if there was no shortage of funds for general administration. This allowed us to save interest on Rs 60 lakhs from June 2022 to June 2023 and interest on Rs 1.26 crores from Feb 2023 to June 2023. We made every effort to increase the club's revenue through various initiatives, thereby avoiding the need to touch the Corpus Funds, despite having approved amounts. We actively pursued initiatives to boost club revenue and minimize reliance on Corpus funds.

During the year, there were several statutory payments amounting to Rs 36 lakhs, which were also paid using the General Administrative funds. Additionally, we successfully appealed and won an appeal, saving an additional Rs 10 lakhs in GST.

Subdivision of the statutory payments is listed below:

Statutory payments made in 2022-2023

Assessment year 2022-2023		Amount (Rs)	Sub Total (Rs)
14-10-2022	Income Tax Self-Assessment tax	8,68,350	8,68,350
Assessment year 2023-2024			
10/12/22	Income Tax Self-Assessment tax	5,00,000	
14-3-2023	Income Tax Self-Assessment tax	3,00,000	
31-3-2023	Income Tax Self-Assessment tax	2,00,000	10,00,000
Past assessment years			
19-05-2022	2014-15 Appeal amount	7,28,600	
16-11-2022	GST Audit Review (2021-2022)	4,86,604	
8/4/23	GST Audit Review (2020-2021)	4,86,088	17,01,292
Grand Total			35,69,642

Due to the use of General Administrative funds for sanctioned budgeted and statutory expenses, just before the end of our term, there were outstanding General Administrative expenses that needed to be paid before the management changed, and as the statutory

payments & the implementation of resolutions of General Body, which are both the obligations of the MC and responsibility of the MC according to the article XXVIII, Item 'h'. While on the other hand the MC has done its best to perform its duties by addressing all kinds of payments required to run the club efficiently according to the same article XXXII, section 'A'.

Therefore, in June 2023, the management decided to utilize the pre-approved/sanctioned FD amounts. However, instead of closing FDs for the entire sanctioned amount of Rs 1.86 crores, we only closed an FD for Rs 40 lakhs. We understand the importance of preserving the Corpus Fund. However, a key strategy throughout our term was to prioritize cost-saving measures. By utilizing general administrative funds whenever possible, we saved a substantial amount in interest on the FDs (approximately Rs. 1.86 crores).

Our decision to access a portion of the Corpus Fund was guided by Article XXXII of the Club's Articles, which allows its use for: ****As per ARTICLE -- XXXII****

"1. The Club created and maintained a corpus fund of Rs.27.05 crores in the form of Fixed Deposits with Nationalized Banks and/or Government securities. The income and receipts from all sources may, while caring for immediate routine revenue expenditure (administrative expenses), be utilized by the Managing Committee for the discharge of Statutory liabilities such as Income tax, Service Tax, etc. Further, the Corpus Fund may be utilized to the extent required to discharge the statutory liabilities. If the fund position improves after meeting the statutory liabilities, an amount of Rs.27.05 crores (subject to availability of funds, if any) shall be invested in the form of Fixed Deposits with any Scheduled/Nationalized Banks, on a competitive basis. The interest earned on all the FDRs or other securities may be utilized by the Managing Committee for running the club."

Please note that during our tenure, we diligently increased the Corpus Fund from approx. Rs 18 crores to approx. Rs 27 crores, thereby increasing the income from interests on FDs. We were committed to prioritizing the best interests of our club.

Additionally, please refer to the table below, which highlights our efforts to generate more revenue to fund several projects. We managed to increase revenue by 52% compared to the previous year, and the net loss was reduced by 46% over the same period.

Category	2020-2021 In Cr (Rs)	2021-2022 In Cr (Rs)	2022-2023 In Cr (Rs)		
Revenue	3.79	5.27	8.03	52.37%	increase in Revenue
Total Expense	5.58	6.33	8.6		
Net Profit	-2.03	-1.06	-0.57	-46.23%	reduction in loss

To avoid loss of interest on FDs, we have not withdrawn the FDs when the amounts were sanctioned during the previous AGM and EGM. While the timing of utilizing the FDs may be questioned, the decision was made in the best interests of the Club's financial health. We

achieved significant cost savings and increased revenue generation. We kindly request the Enquiry Committee to consider these explanations and supporting data. The same has been mentioned in the AGM held in June 2023 and has been accepted by the members, which implies approval by the General Body. Please refer to the video and voice notes of the AGM. Please note that none of our committee members have any vested interests in withdrawing the FDs.

ITEM NO 8:

SPORTS BAR CONSTRUCTION EXPENDITURE SPENT MORE THAN THE AMOUNT OF 40 Lakhs
APPROVED BY EGM HELD ON 27th FEBRUARY 2023.....

****Reply:**** We recognize that the reported expenditure for the Sports Bar construction includes costs beyond the originally approved Rs. 40 lakhs. The final construction cost for the Sports Bar itself was Rs. 44.4 lakhs, exceeding the initial budget by Rs. 4.4 lakhs.

The amount of Rs 68 lakhs as mentioned in the EGM is due to the consolidation of expenses for various improvement projects undertaken in that area, including new toilets, landscaping, and additional amenities like TV, CCTV, music system, ACs, furniture and inclusive of GST. These were ongoing works categorized under the broader "Sports Bar" project for convenience.

To address this and ensure proper financial tracking, we requested a reclassification of expenses under appropriate heads during the December 2023 EGM and tried to explain the same to all the members in the EGM. Please refer to the video recordings of the EGM. Unfortunately, the explanation given by us was not circulated to the members in due time causing apprehensions.

We understand the importance of adhering to budgetary allocations. The additional costs were incurred for essential improvements that enhance the overall utility and value of the Sports Bar facility.

It's important to note that all improvement works were executed within the President's discretionary power limit of Rs. 5 lakhs and followed established protocols.

ITEM No 9:

Grant OF FOUR LIFE MEMBERSHIPS.....

****Reply:**** Due to disruptions caused by the COVID-19 pandemic, the previous committee (2020-21) was unable to complete the process of four pending applications. These applications had already undergone a thorough review and met all eligibility criteria. To ensure a smooth membership process and avoid any delays for these qualified individuals, we invited them to join during our term.

Furthermore, welcoming these new members would provide a significant boost to the Club's Corpus Fund through their entrance fees. Importantly, this decision aligns with the Club's best interests. While the Byelaws don't explicitly address handling pending memberships from previous committees, we acted with complete transparency and without any personal motives.

We presented this approach at the EGM in XXX 2023 and received no objections. As such, we consider this decision ratified. For further reference, please refer to the AGM video recordings.

ITEM NO 10:

CONVERSION OF TWO MEMBERSHIPS FROM HONORARY TO REGULAR MEMBERSHIPS.....

****Reply:**** Two Honorary Members transitioned to Regular Memberships this year in accordance with Article VIB, which allows such conversions upon an Honorary Member relinquishing their qualifying office. One conversion was pre-approved at the February 2023 EGM, while the other was accepted by the General Body at the June 2023 AGM. We kindly request the Enquiry Committee to review the supporting documentation (EGM & AGM video/voice notes) and recommend ratification at the upcoming June 2024 AGM.

Article VIB:

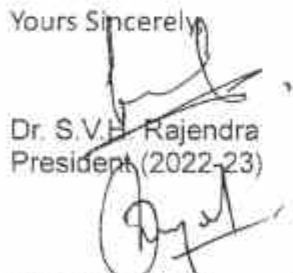
"CHANGE OF CLASSIFICATION

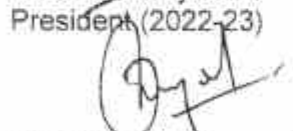
B. In the event of a Honorary Member ceasing to hold the office concerned during the tenure of which he was invited to be as Honorary Member, he or she shall if he or she so elects, be entitled to become a Regular Member of the Club in his or her own right without undergoing the procedure for election, but subject to the payment of Entrance Donation and monthly subscription as applicable to Regular Members. "

For your reference, supporting documentation from the June 2023 AGM and December 2023 EGM (video/voice notes) details these previously approved member transitions. We remain committed to transparency and are here to address any further questions. The Enquiry Committee is kindly requested to review our explanations and consider recommending ratification at the upcoming June 2024 AGM.

Thank you for your time and understanding.

Yours Sincerely,


Dr. S.V.H. Rajendra
President (2022-23)


(Mr. T. Rajesh Kumar)


(Mr. K. Srinivasa S. Murthy)


(Mr. S. Subrahmanya Sharma)


(Mr. V. Chandra Karnth)


(Mr. Lingam K.N.S. Reddy)


(Mr. V. Srijan Babu)


(Mr. V. Kamaraaju)


(Mr. K.S.R.K. Raju)


(Mr. A. Sekhar Babu)

Annexure-7

J.SREENIVASA RAO & CO., *Chartered Accountants*



To
The Honourable president
Waltair Club
Visakhapatnam.

Dear Sir,

Sub: Internal Audit report as requested covering the following items:

With reference to the above subject , The Honourable President of the Waltair Club Management committee has requested to verify and submit a report as part of our regular internal audit assignment in respect of the following items/ issues:

1. With drawl of fixed deposits of Rs.40.00 lakhs during the period June 2023 and utilization of the funds.
2. Non deposit of life membership entrance donation amounts in fixed deposits .
3. Expenditure incurred on sports bar infrastructure .
4. Life memberships given after A.G.M Dated 01-07-2022 and before E.G.M Dated 27-02-2023.

In accordance with the above request / instructions we have verified the relevant records and books of accounts of the club. Our observations / comments in respect of the above subject matters are enclosed here with as Annexures-I to IV for your kind information.

Place: Visakhapatnam
Date: 13-04-2024

For J Sreenivasa Rao & Co
Chartered Accountants


(J Sreenivasa Rao)
M.No. 202610

ANNEXURE-I:

With drawl of fixed deposits of Rs.40.00 lakhs during the period June 2023 and utilization of the funds.

It was observed that 2 fixed deposits each of Rs. 20.00 lakhs with SBI bearing No's 39572604504 and 39572611828 were with drawn on 23-06-2023 and the funds were credited to the SBI Current account No.34918462054.

Description,	Amount Rs.
FDR No. 39572604504	20.00 lakhs
FDR.No. 39572611828	20.00 Lakhs
Less: Penalty for premature Closure	(0.57) lakhs
Net Amount credited to SBI Account	<u>39.43 lakhs</u>

It was observed that the above funds were utilized in the regular course of business operations of the club . Statement of utilization of funds is enclosed here with.



STATEMENT OF UTILISATION OF FUNDS

ANNEXURE-I

DATE	DESCRIPTION	AMOUNT
27-06-2023	Balaji Agencies	41,794
27-06-2023	Infrish Foods Ltd	1,65,709
27-06-2023	Sri Sai Saampath Vinayaka Enterprises	55,199
27-06-2023	Vikram Milk Foods	96,540
27-06-2023	Sweet India Foods	8,001
27-06-2023	Anjani Foods Pvt Ltd	6,111
27-06-2023	Sri Vijaya Visakha Milk Foods	94,550
27-06-2023	Balaji Traders	10,349
27-06-2023	T Ramu	11,072
27-06-2023	B Appala Narayana	14,030
27-06-2023	Plasto House	1,01,576
27-06-2023	Sha Adermal Himataji	1,53,010
27-06-2023	Bhaskar Poultries	28,483
27-06-2023	Jain Provisions	37,371
27-06-2023	S T Ramu	3,350
27-06-2023	B.Venkata Rao	3,94,304
		12,21,449
23-06-2023	GST Paid for May 2023	13,92,753
23-06-2023	General Bills	72,384
27-06-2023	Bar Indent	6,66,783
28-06-2023	Bar Indent	7,73,311
	Total	41,26,680



ANNEXURE-II

Non deposit of life membership entrance donation amounts in fixed deposits .

It was observed that 2 life memberships were given during the month of March -2023 and the amounts received as given below were not deposited in fixed deposits A/c but the same were deposited in regular SBI Current account.

M.No. Name of the Member	Amount. Rs	Date & Receipt
H 256. Habibiddin Ahmad Jafari	Rs. 50,000/-	04-01-2023 /Chq.
	Rs. 10,00,000/-	31-03-2023/ Chq.
	Rs. 19,50,000/-	17-04-2023/ Chq.
I.034. Iqbal Hussain Farooqui	Rs. 50,000/-	04-01-2023 /Chq.
	Rs. 10,00,000/-	31-03-2023/ Chq.
	Rs. 10,00,000/-	20-04-2023/ Chq.
	Rs. 9,50,000/-	20-04-2023/ Chq.

It was also observed that the above funds were utilized in the regular course of business operations of the club, predominantly towards construction of sports bar facility. A separate statement in respect of expenditure incurred sports bar facility is enclosed as **ANNEXURE-III**.



Budgeted expenditure for sports bar was Rs. 40 lakhs as per Extra-Ordinary General meeting dated 27-02-2023

Expenditure as per ledger statement (EXCLUDING GST) 69,68,533.00

Expenditure as per ledger statement (INCLUDING GST) 74,71,361.00

Expenditure spend Before 27 Feb 2023		
Particulars		Amount
Labour		1,25,730.00
Containers Purchased		4,26,806.00
Materials		54,450.00
Transportation cost		59,000.00
Total		6,65,986.00

Expenditure spend after 27 feb 2023		
Particulars		Amount
Labour		13,87,423
Materials		9,88,853
Direct payment		7,74,535
Purchase of hardware of items		7,37,782
Tiles purchases		4,49,250
Purchase of plywood sheets		3,31,777
Purchase of AC		3,20,000
Purchase of ms plates		3,14,663
Purchase of sound system		3,03,750
Interior works		2,72,468
Painting work		2,36,761
Purchase of door panels		2,32,150
Sanitary items purchased		1,38,847
Purchase of fans		1,11,777
Purchase cctv		75,349
Purchase of bison boards		67,680
Purchase of paints		29,870
other exp		29,440
Advance for sand blasting		3,000
Total		68,05,375

Total Actual expenditure 74,71,361



ANNEXURE-III.

Expenditure incurred on sports bar infrastructure.

It was observed that an amount of Rs. 40.00 lakhs was sanctioned for construction of sports bar vide item No.2 of the E.G.M dated 27-02-2023 .

However the construction of the sports bar was commenced on 12-10-2022 and incurred an amount of Rs. 6,28,760/- before 27-02-2023.

The total expenditure incurred on sports bar from 12-10-2022 to 11-08-2023 was Rs. 69,68,533/-. Abstract of ledger account of total expenditure incurred on sports bar infrastructure is here with enclosed.

ANNEXURE-IV.

Life memberships given after A.G.M Dated 01-07-2022 and before E.G.M Dated 27-02-2023.

It was observed that as per amendment to **Article-II (C)** as amended in the 118TH A.G.M of the club, the management committee was authorized to admit 20 life members with entrance donations of Rs.20.00 lakhs each for this year only (2022-2023) synchronizing with the term of office of the committee (i.e from 01-07-2022 to 30-06-2023).

However the life members admitted from 01-07-2022 to 13-01-2023 were 24. List of the members admitted is here with enclosed.

It was also observed that resolutions were passed in the E.G.M dated 27-02-2023 vide item NO. 4 & 5 of the E.G.M, the number of additions in category of life membership shall not exceed 45 including 20 already passed in the 118th A.G.M . The entrance donation of life membership was also enhanced to Rs.30.00 lakhs with effect from 27-02-2023.



WALTIR CLUB

Waltir Uplands, Opp. Govt Circuit House, Visakhapatnam - 530003, Andhra Pradesh, India
 TEL: 0891-2541246/2545740/2562182/09177831888, Email: info@waltirclub.com

Date : 12/08/2023

Generated By:

General Ledger Report

Ledger: Sports Bar (Sports 01)

Date: 01-10-2023 To: 12-08-2023

Date	Particulars	Account No.	Member Name	Voucher Type	Voucher No.	Chq No./Online Card No.	Cheque Date	Debit (Rs.)	Credit (Rs.)	Closing Balance
	** Opening Balance **									0.00
12-10-2022	Pran Krishna			Journal	2022JV000			55,000.00	0.00	55,000.00 Dr
12-10-2022	Pran Krishna			Journal	2022JV000			18,500.00	0.00	73,500.00 Dr
09-11-2022	DANBARA SAI KRISHNA			Journal	2022JV000			1,45,000.00	0.00	2,18,500.00 Dr
13-11-2022	FOCUS TRANS TECH			Journal	2022JV000			1,06,700.00	0.00	5,88,300.00 Dr
04-01-2023	State Bank of India			Payment	2023PAV000	229715	04-01-2023	50,000.00	0.00	6,38,300.00 Dr
04-01-2023	FOCUS TRANS TECH			Journal	2023JV000			0.00	5,440.00	6,38,760.00 Dr
05-01-2023	S Satyanarayana			Journal	2023JV000			2,40,500.00	0.00	8,79,260.00 Dr
05-01-2023	Petty Cash			Payment	2023PAV000			1,400.00	0.00	8,70,860.00 Dr
05-01-2023	Petty Cash			Payment	2023PAV000			70.00	0.00	8,70,790.00 Dr
10-03-2023	Sree Venkateswara			Journal	2023JV000			13,040.00	0.00	8,83,830.00 Dr
10-03-2023	State Bank of India			Payment	2023PAV000	179535	10-03-2023	5,53,449.00	0.00	14,36,279.00 Dr
25-03-2023	Sree Venkateswara			Journal	2023JV000			1,12,751.00	0.00	15,49,030.00 Dr
21-03-2023	Pran Krishna			Journal	2023JV000			2,62,163.00	0.00	18,11,193.00 Dr
31-03-2023	S Satyanarayana			Journal	2023JV000			24,000.00	0.00	18,35,193.00 Dr
31-03-2023	Petty Cash			Payment	2023PAV000			229.00	0.00	18,35,362.00 Dr
04-04-2023	S Satyanarayana			Journal	2023JV000			2,00,000.00	0.00	20,35,362.00 Dr
07-04-2023	Sree Venkateswara			Journal	2023JV000			38,555.50	0.00	20,73,917.50 Dr
14-04-2023	State Bank of India			Payment	2023PAV000	344721	14-04-2023	38,000.00	0.00	21,01,917.50 Dr
16-04-2023	Petty Cash			Payment	2023PAV000			20,000.00	0.00	21,21,917.50 Dr
20-04-2023	PICCAI ENTERPRISES			Journal	2023JV000			8,066.00	0.00	21,29,983.50 Dr
20-04-2023	Sri Kanya Iron & Steel Pvt Ltd			Journal	2023JV000			27,012.00	0.00	21,56,995.50 Dr
26-04-2023	DANBARA SAI KRISHNA			Journal	2023JV000			29,000.00	0.00	21,85,995.50 Dr
30-04-2023	DANBARA SAI KRISHNA			Journal	2023JV000			1,20,000.00	0.00	23,05,995.50 Dr
05-05-2023	Pran Krishna			Journal	2023JV000			53,000.00	0.00	23,58,995.50 Dr
26-04-2023	Petty Cash			Payment	2023PAV000			1,540.00	0.00	23,57,455.50 Dr
26-04-2023	Petty Cash			Payment	2023PAV000			360.00	0.00	23,57,095.50 Dr
27-04-2023	State Bank of India			Payment	2023PAV000	344795	27-04-2023	38,000.00	0.00	23,94,895.50 Dr
27-04-2023	State Bank of India			Payment	2023PAV000	344797	27-04-2023	15,000.00	0.00	24,09,895.50 Dr
28-04-2023	Petty Cash			Payment	2023PAV000			575.00	0.00	24,10,470.50 Dr
02-05-2023	State Bank of India			Payment	2023PAV000	344814	02-05-2023	5,000.00	0.00	24,15,470.50 Dr
06-05-2023	Petty Cash			Payment	2023PAV000			460.00	0.00	24,15,930.50 Dr
09-05-2023	Sree Venkateswara			Journal	2023JV000			1,94,808.00	0.00	26,10,738.50 Dr
18-05-2023	S Satyanarayana			Journal	2023JV000			1,30,000.00	0.00	27,40,738.50 Dr
20-05-2023	DANBARA SAI KRISHNA			Journal	2023JV000			33,000.00	0.00	27,73,738.50 Dr
20-05-2023	Pran Krishna			Journal	2023JV000			4,695.00	0.00	27,78,433.50 Dr
20-05-2023	Sree Venkateswara Enterprises			Journal	2023JV000			1,11,197.00	0.00	28,89,630.50 Dr
20-05-2023	Balaji Sundry Syndicate			Journal	2023JV000			36,000.00	0.00	29,25,630.50 Dr
20-05-2023	State Bank of India			Payment	2023PAV000	455243	20-05-2023	19,000.00	0.00	29,44,630.50 Dr
22-05-2023	State Bank of India			Payment	2023PAV000			53,511.00	0.00	30,19,246.50 Dr
22-05-2023	Balaji Sundry Syndicate			Journal	2023JV000			13,388.00	0.00	30,32,634.50 Dr
22-05-2023	STONE GALLERY			Journal	2023JV000			93,400.00	0.00	31,26,034.50 Dr
24-05-2023	Mercury Enterprises			Journal	2023JV000			60,428.00	0.00	31,86,462.50 Dr
24-05-2023	VIZAG BOARD			Journal	2023JV000			19,482.00	0.00	32,05,944.50 Dr
24-05-2023	State Bank of India			Journal	2023JV000			2,955.00	0.00	32,08,899.50 Dr
24-05-2023	Sri Kanya Iron & Steel Pvt Ltd			Journal	2023JV000			14,858.00	0.00	32,23,757.50 Dr
24-05-2023	State Bank of India			Journal	2023JV000			7,208.00	0.00	32,30,965.50 Dr
24-05-2023	Ganesh Hardware & Engg Co			Journal	2023JV000			3,822.00	0.00	32,34,787.50 Dr
24-05-2023	PICCAI ENTERPRISES			Journal	2023JV000			11,136.00	0.00	32,45,923.50 Dr
23-05-2023	Vizag Glass Agencies			Journal	2023JV000			1,89,338.00	0.00	34,35,261.50 Dr
24-05-2023	State Bank of India			Payment	2023PAV000	455315	24-05-2023	12,000.00	0.00	34,47,261.50 Dr
25-05-2023	Pran Krishna			Journal	2023JV000			37,400.00	0.00	34,84,661.50 Dr
26-05-2023	Super Sales Agencies			Journal	2023JV000			23,778.00	0.00	35,08,439.50 Dr
26-05-2023	Admiral Agencies			Journal	2023JV000			1,15,800.00	0.00	36,24,239.50 Dr
01-06-2023	Admiral Agencies			Journal	2023JV000			30,742.00	0.00	36,54,981.50 Dr
01-06-2023	Mercury Enterprises			Journal	2023JV000			41,493.00	0.00	37,06,474.50 Dr
01-06-2023	Vizag Glass Agencies			Journal	2023JV000			29,388.00	0.00	37,35,862.50 Dr
01-06-2023	Pran Krishna			Journal	2023JV000			6,440.00	0.00	37,42,302.50 Dr
02-06-2023	Kanuri Nagamma			Journal	2023JV000			71,000.00	0.00	38,13,302.50 Dr
02-06-2023	Ganesh Hardware & Engg Co			Journal	2023JV000			2,208.00	0.00	38,15,510.50 Dr
02-06-2023	Sree Venkateswara Enterprises			Journal	2023JV000			17,811.00	0.00	38,33,321.50 Dr
02-06-2023	Balaji Sundry Syndicate			Journal	2023JV000			7,971.00	0.00	38,41,292.50 Dr
02-06-2023	Sri Kanya Iron & Steel Pvt Ltd			Journal	2023JV000			1,052.00	0.00	38,42,344.50 Dr
02-06-2023	DANBARA SAI KRISHNA			Journal	2023JV000			85,000.00	0.00	39,27,344.50 Dr
07-06-2023	Petty Cash			Payment	2023PAV000			0.00	0.00	39,27,344.50 Dr
08-06-2023	Mercury Agencies			Journal	2023JV000			0.00	0.00	39,27,344.50 Dr

06-06-2023	DANNANA SAI KRISHNA	Journal	2023JUV000	24,000.00	0.00	41,19,388.32 Dr
06-06-2023	Vinimata Vinata Raju	Journal	2023JUV000	65,000.00	0.00	41,84,388.32 Dr
06-06-2023	Sri Kanya Iron & Steel Pvt Ltd	Journal	2023JUV000	7,368.00	0.00	41,92,154.32 Dr
06-06-2023	T.Nandan Kumar	Journal	2023JUV000	40,000.00	0.00	42,32,154.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	7,460.00	0.00	42,39,614.32 Dr
06-06-2023	Super Sales Agencies	Journal	2023JUV000	15,494.00	0.00	42,55,108.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	30,426.00	0.00	42,85,534.32 Dr
06-06-2023	Jyothi Hardware	Journal	2023JUV000	20,810.00	0.00	43,06,344.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	1,06,566.00	0.00	44,12,910.32 Dr
06-06-2023	N.Narasimha Murthy	Journal	2023JUV000	92,212.00	0.00	45,05,122.32 Dr
06-06-2023	COOL CONCEPTS	Journal	2023JUV000	58,000.00	0.00	45,63,122.32 Dr
06-06-2023	Govind Extrusion Pvt Ltd	Journal	2023JUV000	71,646.00	0.00	46,34,768.32 Dr
06-06-2023	Sri Vasavi Dies Works	Journal	2023JUV000	90,876.00	0.00	47,25,644.32 Dr
06-06-2023	Vinimata Vinata Raju	Journal	2023JUV000	30,000.00	0.00	47,55,644.32 Dr
06-06-2023	DANNANA SAI KRISHNA	Journal	2023JUV000	27,600.00	0.00	47,83,244.32 Dr
06-06-2023	Vijay Dies agencies	Journal	2023JUV000	7,544.00	0.00	47,90,788.32 Dr
06-06-2023	Sri Kanya Iron & Steel Pvt Ltd	Journal	2023JUV000	12,891.00	0.00	48,03,679.32 Dr
06-06-2023	Jyothi Hardware	Journal	2023JUV000	4,588.00	0.00	48,08,267.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	9,315.00	0.00	48,17,582.32 Dr
06-06-2023	Sri Gobala Krishna Electricals	Journal	2023JUV000	1,22,750.00	0.00	49,40,332.32 Dr
06-06-2023	Ganesh Hardware & Engg Co	Journal	2023JUV000	7,847.00	0.00	49,48,179.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	22,313.00	0.00	49,70,492.32 Dr
06-06-2023	Vijay Dies agencies	Journal	2023JUV000	34,541.00	0.00	50,05,033.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	27,579.00	0.00	50,32,612.32 Dr
06-06-2023	Sri Sri Anantha Ganesha &	Journal	2023JUV000	41,825.00	0.00	50,74,437.32 Dr
06-06-2023	Mamta Media Digital	Journal	2023JUV000	1,80,068.00	0.00	52,54,505.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	64,065.00	0.00	53,18,570.32 Dr
06-06-2023	A.Srinivasa Rao	Journal	2023JUV000	29,040.00	0.00	53,47,610.32 Dr
06-06-2023	Soft Touch Enterprises	Journal	2023JUV000	3,65,130.00	0.00	57,12,740.32 Dr
06-06-2023	Sree Vinakateswara	Journal	2023JUV000	703.00	0.00	57,13,443.32 Dr
06-06-2023	Vijay Dies agencies	Journal	2023JUV000	12,963.00	0.00	57,26,406.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	14,101.00	0.00	57,40,507.32 Dr
06-06-2023	Baidu Chemicals & Hardware	Journal	2023JUV000	11,400.00	0.00	57,51,907.32 Dr
06-06-2023	Super Sales Agencies	Debit/Photo	2023GCR000	0.00	6,330.00	57,58,237.32 Dr
06-06-2023	Sound and Vision	Journal	2023JUV000	3,03,750.00	0.00	60,61,987.32 Dr
06-06-2023	Vinimata Vinata Raju	Journal	2023JUV000	60,000.00	0.00	61,21,987.32 Dr
06-06-2023	P.Hari Krishna	Journal	2023JUV000	53,500.00	0.00	61,75,487.32 Dr
06-06-2023	Super Sales Agencies	Journal	2023JUV000	1,57,139.00	0.00	63,32,626.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	6,888.00	0.00	63,39,514.32 Dr
06-06-2023	Petty Cash	Payment	2023PAY000	600.00	9.00	63,38,914.32 Dr
06-06-2023	Vijay Dies agencies	Journal	2023JUV000	11,728.00	0.00	63,50,642.32 Dr
06-06-2023	S.Srinivasarayan	Journal	2023JUV000	13,500.00	0.00	63,64,142.32 Dr
06-06-2023	DANNANA SAI KRISHNA	Journal	2023JUV000	23,800.00	0.00	63,87,942.32 Dr
06-06-2023	Pioneer marketing	Journal	2023JUV000	51,624.00	0.00	64,39,566.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	7,839.00	0.00	64,47,405.32 Dr
06-06-2023	EDEN MARKETING	Journal	2023JUV000	40,200.00	0.00	64,87,605.32 Dr
06-06-2023	Saiji Sanitary Syndicate	Journal	2023JUV000	9,486.00	0.00	64,97,091.32 Dr
06-06-2023	N.Narasimha Murthy	Journal	2023JUV000	36,950.00	0.00	65,34,041.32 Dr
06-06-2023	P.Hari Krishna	Journal	2023JUV000	10,000.00	0.00	65,44,041.32 Dr
06-06-2023	FOON MARKETING	Journal	2023JUV000	14,800.00	0.00	65,58,841.32 Dr
06-06-2023	Govind Extrusion Pvt Ltd	Journal	2023JUV000	13,659.00	0.00	65,72,500.32 Dr
06-06-2023	Petty Cash	Payment	2023PAY000	550.00	0.00	65,73,050.32 Dr
06-06-2023	Sanitary Design Stores	Journal	2023JUV000	1,610.00	0.00	65,74,660.32 Dr
06-06-2023	Saiji Sanitary Syndicate	Journal	2023JUV000	525.00	0.00	65,75,185.32 Dr
06-06-2023	Nigandu-1802	Journal	2023JUV000	47,650.00	0.00	66,22,835.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	18,270.00	0.00	66,41,105.32 Dr
06-06-2023	Vinimata Vinata Raju	Journal	2023JUV000	37,920.00	0.00	66,79,025.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	30,000.00	0.00	67,09,025.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	13,682.00	0.00	67,22,707.32 Dr
06-06-2023	Mercury Agencies	Journal	2023JUV000	33,973.00	0.00	67,56,680.32 Dr
06-06-2023	EDEN MARKETING	Journal	2023JUV000	20,696.00	0.00	67,77,376.32 Dr
06-06-2023	Pioneer marketing	Journal	2023JUV000	5,290.00	0.00	67,82,666.32 Dr
06-06-2023	Ganesh Enterprises	Journal	2023JUV000	47,460.00	0.00	68,30,126.32 Dr
06-06-2023	REELAY ENTERPRISES	Journal	2023JUV000	5,670.00	0.00	68,35,796.32 Dr
06-06-2023	Petty Cash	Payment	2023PAY000	480.00	0.00	68,36,276.32 Dr
06-06-2023	Petty Cash	Payment	2023PAY000	810.00	0.00	68,37,086.32 Dr
06-06-2023	DANNANA SAI KRISHNA	Journal	2023JUV000	70,000.00	0.00	69,07,086.32 Dr
06-06-2023	Sree Srinivasa Enterprises	Journal	2023JUV000	18,437.00	0.00	69,25,523.32 Dr
06-06-2023	Jyothi Hardware	Journal	2023JUV000	5,487.00	0.00	69,31,010.32 Dr
Opening						
Current Total				69,84,203.32	15,670.00	
Closing				69,84,203.32		



LIST OF LIFE MEMBERSHIPS GIVEN (1.7.22 to 13.1.2023)

ANNEXURE-IV

S.No	Name of the Member	M.No.	Date	Amount
1	Mr. V.Balakrishna Rao	B-182	08-07-2022	20,00,000
2	Mr. Segu Sridhar	S-1365	08-07-2022	20,00,000
3	Mrs. Vasavi Vysyaraj	V-475	11-07-2022	20,00,000
4	Mr.G.Srinivasa Rao	S-1363	13-07-2022	20,00,000
5	Dr. K.Pradeep	P-381	13-07-2022	20,00,000
6	Dr. T.Prasanth	P-380	14-07-2022	20,00,000
7	Mr. B.S.K Raj Kumar	R-753	28-07-2022	20,00,000
8	Mr.M.Satyanarayana	S-134	08-08-2022	20,00,000
9	Mr.I Raj Gopal	R-765	16-08-2022	20,00,000
10	Mr. Gowtham Dev	G-154	17-08-2022	20,00,000
11	Mr.Chardhar Prasad	C-128	08-09-2022	20,00,000
12	Dr. M.Boopesh	B-183	09-09-2022	20,00,000
13	Mr.M.V.V.Patrudu	V-476	12-09-2022	20,00,000
14	Mr. G.Ravi Kumar	R-766	15-09-2022	20,00,000
15	Mr. V.Venkatesh	V-478	15-10-2022	20,00,000
16	Mr. T.Krishnam Raju	K-319	17-09-2022	20,00,000
17	Mr. Mahesh Raju	M-358	05-11-2022	20,00,000
18	Mr. Padmanabha Raju	P-388	05-11-2022	20,00,000
19	Mr.Venu Gopal	V-482	09-11-2022	20,00,000
20	Mr. Venkata Ravi Kumar	V-481	09-11-2022	20,00,000
21	Mr. Rama Krsihna Varma	R-768	10-11-2022	20,00,000
22	Mr. R.J.Srinivasa Raju	S-1377	10-11-2022	20,00,000
23	Mr.K.Narasimha Raju	N-290	12-11-2022	20,00,000
24	Mr. Sunkari Santosh Kumar	S-1386	13-01-2023	20,00,000



ARTICLE – V**A. i) Entrance Donation & Subscription**

a) **Life:** A Life Member elected in accordance with the provisions of Article – III herein above shall pay an Entrance Donation of **Rs.30,00,000/-** (Plus taxes as applicable). The entire donation paid by the Life Members shall be credited to the Corpus Fund of Waltair Club.

b) **Senior Citizen:** Existing Regular Members of the age of above 65 years, who by the virtue of such Membership for more than **25** years, may opt to become Senior Citizen / Life Members on payment of additional Entrance Donation (other than that paid at the time of their admission) of **Rs.5,000/-**.

ii) **Regular & Member Children:** A Regular Member so elected shall pay an entrance donation of **Rs.6,00,000/-** (Plus taxes as applicable). However, in the case of the child of a permanent member who has become a Member before 01.07.2007 and has been such member for atleast for TEN years, as per Article – II & III the Entrance Donation shall be Rs.25,000/- (plus taxes as applicable) only, provided the age of the child is below 35 years. In the case of the child of a permanent Member of the Club who has become such a Member on or after 01.07.2007 and who has been such a member for at least 10 years as per Article – II & III the Entrance Donation shall be Rs.2,00,000/-(Plus taxes as applicable) of the Entrance Donation prevailing at the time of such admission provided the age of the child is less than 35 years. **IF THE CHILD IS MORE THAN 35 YEARS THE ENTRANCE DONATION WILL BE 100% OF THE ENTRANCE DONATION OF THE REGULAR MEMBER (PLUS TAXES AS APPLICABLE) PREVAILING AT THAT TIME OF REGULAR MEMBER.**

iii) **Corporate:** A corporate member so elected shall pay an Entrance Donation of **Rs.20,00,000/-** (plus taxes as applicable) and they can nominate three persons. The validity for Corporate Membership is 10 years. No Corporate Member shall, however be eligible to nominate more than three members at any time. However, Corporate Companies may seek a 2nd membership for the same company within the above terms.

iv) **Service:** A Service Member so elected shall pay an Entrance Donation of **Rs.1,00,000/-**.

v) **Associate:** An associate member shall pay an Entrance Donation of Rs.5,000/- which shall be adjusted towards entrance donation payable at the time of conversion to Regular Membership under Article – III (G) ii, the criteria for regular membership under member children category graduation is a must.

B. Honorary Members:

Honorary Members are not required to pay any Entrance Donation. Life, Senior Citizen and Honorary Members shall not be required to pay any monthly subscription.

C. Regular Members who are elected in accordance with the provisions of Article – III herein above, shall pay monthly subscription of Rs.**750/-**, Service Members shall pay monthly subscription of Rs.1,250/- and Associate Member shall pay monthly subscription of Rs.250/-.

D. A Corporate Member shall pay the monthly subscription as applicable to a Regular Member for each Member it chooses to nominate under Article – IV (2B).

E. Short Term Temporary Members shall pay an interest free deposit of **Rs.50,000/- against which Rs.40,000/- is refundable and Rs.10,000/- is charged towards subscription for 3 months. If the membership is extended for another 3 months another Rs.10,000/- towards 3 months subscription is payable. Short Term Temporary Membership should be given to non-resident persons of Visakhapatnam. The validity of membership is three months. They are not eligible to utilize the centenary / dining hall or grounds for marriages or functions.**

F. No entrance donation shall be payable by so elected "Spouse of Permanent Members", who shall be admitted as Regular Members.

Annexure-9

ARTICLE – XXXII

CORPUS FUND

- A. The Club created and maintained a corpus fund of **Rs.27.05** crores in the form of Fixed Deposits with Nationalised Banks and/or Government securities. The income and the receipts from all sources may, while caring for immediate routine revenue expenditure (administrative expenses), be utilised by the Managing Committee for the discharge of Statutory liabilities such as Income tax, Service Tax etc. Further, the Corpus Fund may be utilised to the extent required to discharge the statutory liabilities, If at all the fund position so improves after meeting the statutory liabilities , an amount of Rs.27.05 crores (subject to availability of funds, if any) shall be invested in the form of Fixed Deposits with any Scheduled/Nationalised Banks, on competitive basis. The interest earned on all the FDRs or other securities may be utilised by the Managing Committee for running the club."
- B. Every Annual audited statement of account of the club shall contain a certificate from the auditors that the above rule has been complied with.

ARTICLE – XXII

POWERS AND DUTIES OF THE MANAGING COMMITTEE

The following shall be the powers and duties of the Managing Committee.

1. Subject to the provisions of the Companies Act, the Committee shall be entitled to exercise all such power, and to do all such acts and things as the Club is authorized to exercise and do; provided that the committee shall not exercise any power to do any act or thing which is directed or required, whether by the companies Act or any other Act or by the Memorandum or Articles of Association of the Club or otherwise, to be exercised or done by the Club in general meeting. No regulation made by the Club in General Body Meeting shall invalidate any prior act of the Committee which would have been valid if that regulation had not been made. Provided however, that any resolution of the Committee which has been opposed by not less than three members thereof shall at the option of the three or more dissenting members be referred to an Extra-Ordinary General Meeting for decision.

2. In furtherance of and without prejudice to general powers conferred by or implied in Article – XXII (i), it is hereby declared that the Committee shall be entrusted with and may exercise and perform the following powers and duties.

i) To spend such monies as they consider necessary from time to time in furtherance of the objects of the Club and in particular to acquire furniture, equipment, Club and household effects, sports apparatus and requisites, wines, tobaccos, stores, utensils, books, newspapers, periodicals, musical instruments and conveniences, which the committee may think necessary for the purpose of the club, and to sell or dispose of the same within the budgetary provision.

ii) To purchase, take on lease or hire, otherwise acquire any movable property, or any rights or privileges necessary or convenient for the purpose of the Club. Provided that the Committee shall not be empowered to acquire or dispose or charge upon, any portion of the Club's property what so ever. **The committee shall not be entitled to** construct buildings or make alterations to any Club property at a cost which beyond the budgetary provisions made.

iii) To Appoint Sub-Committee consisting of some of its Members and/or other Members of the Club and/or the spouse of the Member of the Club. To appoint and dismiss servants of the Club and to fix their wages or remuneration. To affix the common seal of the Club to any deeds or other documents required to be under its common seal, provided that all such deeds or documents shall be signed by two Members of the Committee and countersigned by the Honorary Treasurer or an Additional Member of the Committee.

iv) To make, issue, vary and repeat from time to time such bye-laws, rules, regulations, circulars or directions not inconsistent with the Articles as the Committee shall consider expedient for the management and well-being of

the Club and the conduct of the Members, all of which Bye-Laws, regulations, circulars and directions shall be binding on all the Members of the Club.

v) To delegate any of its power to any of its Members or to a Sub-Committee appointed in accordance with clause (iii) above.

vi) Structures, Facilities & Tablets: The Managing Committee shall not make any change in the geographical location of any of the existing facilities, services and amenities, remove or make structural / architectural alterations or/and add, deface, alter, or remove any part of the existing structures, physical amenities or commemorative inscriptions without the express approval of the General Body. However, proper and timely maintenance, upkeep and repair shall be carried out as and when required.

The Managing Committee shall not make any changes to the existing structures architecturally. They shall not place any inaugural plaques on any new structures and also remove all existing inaugural plaques.

Explanation: This is proposed with a view to preserve the architectural style of the club which is unique in its manner. As regards the removal and non placement of fresh inaugural plaques, it should be understood that the structures and facilities are built with the funds which belong to all members. The managing committee are only custodians for a particular period who have volunteered to serve the club. All the credit for the performance of the committees should be reflected in the history of the club mentioning their names and years of office.

3. The entire Managing Committee is responsible for the smooth and effective conduct of the business of the Club.
4. To solicit and raise funds and sponsorships for the events of the Club.
5. To consider admission for membership.
6. To prescribe the fee to be paid to various departments such as Badminton, Tennis, Table Tennis, Cards, Library, Billiards, Swimming-pool etc.,.
7. To fix the limit to which credit facilities are to be provided to members and the terms and conditions on which such credit facilities are to be provided.
8. To ensure proper maintenance of all accounts and also to ensure that the accounts are kept up to date and the Annual Accounts are duly audited and presented to the Annual General Body.
9. To lay down the policies of the Club and generally to direct and conduct the affairs of the Club prudently and efficiently in the best interests of the club.
10. The Managing Committee is empowered to regulate and restrict the services / facilities of the club to organize special occasions like Club day, New Year Day and only important festivals.

11. To prepare the annual budget and place it before the annual general body meeting for its sanction. The outgoing committee will prepare a budget for the ensuing year and submit to the AGM for approval which should be implemented by the newly elected managing committee. However, any new / special projects proposed to be initiated by the managing committee can be taken up with the prior administrative and financial sanction of the EGM.

The committee shall not spend any amount over and above the budget approved by the general body and in case of any such excess expenditure over and above 10% of the budgeted amount, the committee members responsible for such expenditure shall be personally liable to the club to the extent of such excess expenditure.

12. To incur expenditure necessary to conduct the business of the Club. Such expenditure shall generally be within the budgetary provision approved by the General Body. However, in exceptional circumstances such as to comply with court directions, statutory obligations etc., the expenditure may exceed the budgetary provisions.
13. To acquire movable or immovable property for the Club. The committee shall maintain a capital inventory register wherein all properties of capital nature like fixed assets shall be recorded indicating dates of purchase and amounts paid.
14. To maintain a general stock register indicating the movable properties of the club.
15. To ensure annual stock taking of all movable and immovable properties of the club.
16. To arrange for investment of funds whenever necessary.
17. To appoint, suspend, arrange or to take any other disciplinary action against or dismiss the staff of the Club and to fix up the amount and nature of security to be taken from each employee of the Club and to prescribe service conditions of the said employees, regularization of service, fixation of seniority and promotions should be strictly in accordance with the service rules prescribed.
18. To arrange for Internal Audit and Final Audit of Accounts of the Club and to take all actions connected therewith.
19. To convene meetings of the General Body and to lay before the General Body at the Annual Meetings the annual administrative report, the audit statement of accounts and the audit report.
20. To institute, defend or compromise legal proceedings in the name of the Club.

21. To fill up by co-option vacancies arising among elected members of the Managing Committee.
22. To frame subsidiary rules for the conduct of the business of the Club. Such subsidiary rules shall be placed before the ensuing General Body Meeting for ratification.
23. To negotiate and settle all disputes in the best interests of the Club.
24. To write off at a time amounts considered irrecoverable to the extent of Rs.500/-. The total sum of such amounts not to exceed Rs.5,000/- in an official year.
25. To write off any unserviceable assets the written down value of which shall not exceed Rs.5,000/-.
26. To arrange affiliations **and withdrawals** with Clubs in our state capital, other major cities in the country **and abroad** having comparable facilities and standards on a reciprocal basis.
27. All construction in the Club premises shall be undertaken by the Managing Committee only after obtaining statutory approval from the competent authority. If the budget for any single construction exceeds Rs.5.00 lakhs the approval by the General Body becomes mandatory.
28. The Managing Committee shall be responsible for the upkeep of the Club and should also ensure proper discipline in the Club.
29. The members of the Managing Committee shall strictly adhere to the Articles of Association of the club and the rules and regulations framed thereunder. They are the custodians of the properties of the Club and shall be their responsibilities to ensure the safety and security of the properties of the club. Violation of Articles and the rules, financial impropriety causing loss to the club amounts to misconduct and breach of trust and shall be dealt with by stringent action against the persons responsible.
30. The Managing Committee is authorized to appoint an experienced senior qualified professional executive to look after day to day administrative matters in a professional and systematic manner and who will work within the guidelines of the managing committee and Club Rules.
31. To Earmark and deposit 20% of the Annual Net Income from Auditorium, Banquet Halls and Chambers in a separate fund for utilization whenever required towards replacement of the equipment's maintenance etc.,
32. *Once Election Notice is issued the Managing Committee cannot carryout any Major Projects or Purchases of Amount exceeding Rs.2,50,000/- (Two*

Lakh Fifty Thousand Rupees Only). Permission of Election Committee is a prerequisite for beyond this limit".

33. *"Any disputes of disagreements or difference of opinions within the Managing Committee in the day to day functioning of the Club except Suspension of a Committee Member shall be resolved by a resolution of the Committee in such matters be carried by a two thirds majority of the full strength of the Committee.*

Annexure-11

Budgeted expenditure for sports bar was Rs. 40 lakhs as per Extra-

Expenditure as per ledger statement EXCLUDING GST

69,68,533.00 69,68,533.32

Expenditure as per ledger statement

74,71,361.00 74,71,361.00

Expenditure spend Before 27 Feb 2023		
Particulars		Amount
Labour		1,25,730.00
Containers Purchased		4,26,806.00
Materials		54,450.00
Transportation cost		59,000.00
Total		6,65,986.00

Expenditure spend after 27 Feb 2023		
Particulars		Amount
Labour		13,87,423
Materials		9,88,853
Direct payment		7,74,535
Purchase of hardware of items		7,37,782
Tiles purchases		4,49,250
Purchase of plywoodsheets		3,31,777
Purchase of AC		3,20,000
Purchase of ms plates		3,14,663
Purchase of sound system		3,03,750
Interior works		2,72,468
Painting work		2,36,761
Purchase of door panels		2,32,150
Sanitary items purchased		1,38,847
Purchase of fans		1,11,777
Purchase cctv		75,349
Purchase of blison boards		67,680
Purchase os paints		29,870
other exp		29,440
Advance for sand blasting		3,000
Total		68,05,375

Total Actual expenditure

74,71,361

Month wise Breakup		
Month		Sport bar expenditure
Oct-22		1,14,450.00
Nov-22		5,01,976.00
Jan-23		59,000.00
Mar-23		10,50,061.00
Apr-23		7,40,467.00
May-23		9,74,666.00
Jun-23		36,59,320.00
Jul-23		2,73,418.00
Aug-23		98,003.00
Total		74,71,361.00

For WALTAIR CLUB

 Treasurer

ARTICLE – II

NUMBER OF MEMBERS & NEW INDUCTIONS

The number of Members shall not exceed **3,800** (Three thousand and Eight hundred only) (excluding Associate Members, Temporary Members, Service Members, Nominees of Corporate Members and Honorary Members.

Provided however that the above provision is subject to the following:

- a) The addition to the Membership by way of regular Members is proposed to be put on hold till the end of March, 2028.
- b) Provided that the restriction under sub-clause (a) shall not apply to regular Members who may be admitted in the category of children of members who have been members Regular, Life & Spouse of Deceased Members Only of the club for at least TEN years, provided that only one child per family may be so admitted in one calendar year.

Provided that not more than three children per **members** may be admitted during his membership **with effective from 1st July 2013.**

- c) **And the number of additions in the category of Life Membership shall not exceed 10 in any year, synchronizing with the term of office of any Committee.**
- d) Any applicant being considered for admission for permanent membership should be first enrolled as a temporary member for a period of six months **except member child and Associate Members.**

ARTICLE - VI

CHANGE OF CLASSIFICATION

A. Regular Member who desires to become a Life Member shall be entitled to do so on payment of the difference between the Entrance Donation for Life Membership and that of Regular Membership as on the date of seeking such conversion.

B. In the event of a Honorary Member ceasing to hold the office concerned during the tenure of which he was invited to be as Honorary Member, he or she shall if he or she so elects, be entitled to become a Regular Member of the Club in his or her own right without undergoing the procedure for election, but subject to the payment of Entrance Donation and monthly subscription as applicable to Regular Members.

C. As associate Member seeking conversion to Regular Membership of the Club shall submit a fresh membership application, which shall be considered on preferential basis subject to his being found acceptable to the committee.

