



WALTAIR CLUB
Visakhapatnam

NOTICE

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given to all the eligible members, to the Directors (Members of Managing Committee) and the Auditors of The Waltair Club (A section 8 company within the meaning of the Companies Act 2013 with CIN - U92300AP1904GAP000013) that an Extra-ordinary General Meeting of the company will be held at its registered office situated at Waltair Uplands, Visakhapatnam – 530003, the exact venue being AC Centenary Auditorium of the Club), on Monday, the 7th December 2015 at 06.00 pm to transact the following business:

Agenda:

A) To consider and if thought fit to pass the following resolutions as Ordinary Resolutions with or without modifications.

1. To re-appoint M/s M. V Satyanarayana & Co, Chartered Accountants, (Firm Registration No.003676S), Visakhapatnam, in respect of financial year 2015-16 to hold office until conclusion of the Annual General Meeting to be held in 2016 and for that purpose to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and 142 and other applicable provisions, if any of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 as amended from time to time, M/s M. V Satyanarayana & Co, Chartered Accountants, (Firm Registration No.003676S), Visakhapatnam, be and are hereby re-appointed as the Statutory Auditors of the company in respect of the financial year 2015-16 to hold office until conclusion of the Annual General Meeting to be held in 2016 on such remuneration as may be mutually discussed and determined by the Managing Committee of the company (Club) and the Auditors depending upon the volume of the work involved.”

Explanation: M/s M. V Satyanarayana & Co, Chartered Accountants, (Firm Registration No.003676S), Visakhapatnam has been the statutory auditor since 10 (financial year). As per the Companies Act 2013, an individual auditor can be auditor for a maximum period of five years and a partnership firm of auditors can be appointed for a maximum period of ten years continuously without break. M/s M. V Satyanarayana & Co, Chartered Accountants, (Firm Registration No.003676S), being the Proprietary concern, completed 10 years of audit of this company. However, in the light of relaxation given under roll over, the firm may be appointed as the statutory auditor of the company for financial year 2015-16.

The appointment of the above named firm as the auditor for the financial year 2015-16 has been one item of business in the agenda for the Annual General Meeting which was held on Monday, 29th June 2015. However, unfortunately, the concerned item was missed from deliberations inadvertently.

As per section 139 (10) of the Companies Act 2013, where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor

of the company. Following this principle, it may be inferred that M/s M. V Satyanarayana & Co, Chartered Accountants, (Firm Registration No.003676S), Visakhapatnam shall be the auditor of the company for the financial year 2015-16.

2. To substitute the first para of Article II of the Articles of Association of the company with a new para and for that purpose to pass, with or without modifications, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 8 and 14 and all other applicable provisions, if any, of the Companies Act 2013, and the Rules made thereunder as amended from time to time, subject to the approval of the Central Government or any of its authority/officer as may be delegated to and entrusted with the powers in this behalf by the Central Government, the following shall be substituted in Article II of the Articles of Association of the company.

**ARTICLE-II
NUMBER OF MEMBERS & NEW INDUCTIONS**

Existing	Proposed
The Number of Members shall not exceed 2800 (Excluding Associate Members, Temporary Members, Service Members, Nominees of Corporate Members and Honorary Members.	"The number of Members shall not exceed 3,100 (Three thousand and one hundred only) (excluding Associate Members, Temporary Members, Service Members, Nominees of Corporate Members and Honorary Members,"

Explanation: The number of members as per the existing articles is 2,800 which has been filled already and there are pending applications for membership, pending for direct conversion of Associate Members into Regular Members / Direct Member child applications. The company has infrastructure facilities to accommodate the increased strength of members. Hence, it is proposed to substitute the first para of Article II of the Articles of Association of the company.

3. To substitute the Article No.XXXIIA of the Articles of Association of the company with a amended Article No.XXXIIA as drafted here in afterwards for that purpose to pass, with or without modifications, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 8 and 14 and all other applicable provisions, if any, of the Companies Act 2013, and the Rules made thereunder as amended from time to time, subject to the approval of the Central Government or any of its authority/officer as may be delegated to and entrusted with the powers in this behalf by the Central Government, the following Article No.XXXIIA shall be substituted for the existing Article No.XXXIIA of the Articles of Association of the company.

**ARTICLE – XXXII
CORPUS FUND**

Existing	Proposed
<p>The Club shall by 31.03.2015 create and maintain a Corpus of Rs.11.70 Crores in the form of Fixed Deposits in Nationalized Banks or Government Securities. The income/receipts from all the sources where the same should be invested in fixed deposits as described in the Articles shall be added to this. Out of this amount Rs 6.60 crores including the interest thereon shall not be utilized by the Committee in any manner whatsoever. The interest/dividend on the amount over and above Rs.6.60 Crores can be utilized for running of the Club. The remaining amount 5.10 Crores which is lying in other banks as and when the deposits matures this amount also should be deposited in State Bank of India and the interest on the above deposit will be used for the club purpose.</p>	<p>The Club created and maintained a corpus fund of Rs.11.70 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.11.70 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.”</p>

EXPLANATION: In line with the practice being followed by similar other organisations such as Bangalore Club, this company was not providing for Income Tax liability on certain matters during the past periods. However, the Hon'ble Supreme Court's gave a ruling in M/s Bangalore Club vs. Commissioner Of Income Tax & Another decided on 14 January, 2013, that those are liable to Income Tax. Based on the said Apex Court's ruling, Visakhapatnam-based Income tax authorities took action against this company. Accordingly, an amount of Rs.41,94,794/- (Rupees Forty one Lakhs Ninety four thousand Seven Hundred and Ninety four only) became the income tax liability (plus the interest as applicable) of the company in respect of past periods. These were not provided for in the books of accounts of the company. As it is a statutory compliance, based on the Apex Court's decision, it has to be paid by this company. Similarly, the Managing Committee formed an opinion about the liability for Service Tax. As both the liabilities are statutory, it is proposed to provide the requisite funds on priority basis for this purpose. As the amount is huge, revenue Receipts are not enough and Corpus fund need to be utilised for this purpose. The interest charged by Income Tax Department is very much higher than the interest earned on the deposits.

While doing so, routine revenue expenditure is taken care of. In this connection, it is proposed to grant permission to Managing Committee to draw the requisite amount from the Corpus Fund. Investments are given next priority. Further, in the competitive environment, instead of restricting the investments in one or two selected Banks, it is proposed to collect the best offers on competitive basis from scheduled and nationalised banks and make investments in the banks that give the highest possible interest.

Note:

Rules concerning use of Proxies:

1. The contents of this Notice are hosted on the company's website <http://www.waltairclub.com>.
2. Those members who may wish to vote by Proxy shall collect the prescribed Proxy Form in person / authorized person from the Club Office during office hours from 15th November, 2015 to 5th December, 2015.
3. The proxy in the prescribed form issued by the Club in original shall be submitted at the Club Office not less than 48 hours before the scheduled date and time of the meeting.
4. The member shall attest the signature of the Proxy holder.
5. A Proxy shall be made invalid if the Member attends the General Meeting in person.
6. The Proxy can vote only when a poll is demanded. If a resolution is not put to poll, then the Proxy cannot vote for that resolution.
7. A Proxy holder (even if he/she is a member) cannot speak or participate in the deliberations or in a voice vote or vote by show of hands or if the proposed resolution/resolutions are amended or modified.
8. Legal and disciplinary action shall be initiated against any member found to be indulging in falsification or misuse of Proxy Forms.
9. Members who have not cleared their bills up to the month of September, 2015 are not eligible to vote at the Meeting either in person or by Proxy.

**Sd/-
(G.PRITHVI RAJ)
HON.SECRETARY**

**Place: Visakhapatnam
Date: 12.11.2015**

