



"The more that you read, the more things you will know. The more that you learn, the more places you'll go."

Warm Greetings to all.

It gives me immense pleasure to communicate with you on the occasion of Release of BAI's "**Orientation Book - The Manual of Procedure**" for the Office Bearers of BAI Centres pan India. I have personally gone through the contents of this book and it will go a long way in successfully conducting the day to day affairs of BAI Centres.

Bringing out this orientation manual is an need of hour, as its containing the important by laws of BAI, important statutory obligations, taxation, legal issues and the roles and responsibilities of the office bearers is very much useful not only for this year but also for the future years.

I request my team of office bearers and Centre' office bearers to organise a training program and I am sure that the office bearers who attend the orientation programme will be benefited and enrich their knowledge about our mighty organisation.

I wish to take the opportunity to congratulate and appreciate Shri D.R. Sekar, Managing Committee Member, BAI Coimbatore Centre, Shri S.Arvinth Nepolean, Executive Committee Member, BAI Coimbatore Centre and Shri Raju John, Executive Secretary, BAI for bringing out this wonderful manual. I wish all the best for them to come out with more and more such initiatives.

My best wishes to all.

A handwritten signature in black ink, appearing to read 'K. Viswanathan', with a stylized flourish at the end.

K. Viswanathan
President
Builders' Association of India



About the Orientation Program for the Office Bearers of the BAI Centres:

Any organization can be efficiently run only if the office bearers at various levels understand their roles and responsibilities. Also it is important to note that in organisations like BAI, which is a registered society, there are statutory obligations, taxation and legal issues involved for the centres and the Head Quarters. So it is important that the office bearers understand and perform fulfilling the statutory obligations. It has been consistently felt at BAI that the new office bearers need to be given an orientation on all these issues at the beginning of a term. BAI would like to took it upon them to conduct this Orientation program for the office bearers of the various centers of BAI pan India.

Objectives of the Orientation Program for the Office Bearers of BAI Centres.

- To ensure that the office bearers at the BAI Centres understand their roles and responsibilities and to perform efficiently.
- To ensure that the Centres fulfill their statutory obligations.
- Centres to observe strict norms for compliance under GST & Income Tax laws.
- Maintenance of Accounts & Records by BAI Centers.
- To conduct regular business meetings in an orderly manner maintaining protocol.
- To ensure that a strong network of centres is created so as to enable solving issues at the local, district, state, regional and national levels.
- To ensure that the Centres, conduct technical and other programs that are useful for the betterment of the construction industry in general and Builders' community in particular.
- To make each centre a strong and efficient unit.

About BAI – Administrative Structure.

Builders' Association of India (BAI) was formed in 1941 in Pune with guidance from Brigadier Jackson who was a British Military Officer. During last more than 84 years since its inception, BAI movement has grown in leaps and bounds and at present has 230 plus Centres spread over the length and breadth of the Country, with its headquarters at Mumbai. As of today BAI has a direct membership of 22,000 constructors and an indirect membership of 2,00,000 through regional affiliated associations. Out of the 23,000 direct members, 22,000 are firms and others are individual members. BAI is the only true spokesman of the Indian Construction Industry safeguarding its interests.

BAI is registered as an association under the Societies Registration Act 1860 as well as under the Bombay Public Trust Act 1950. It is also registered as a charitable institution u/s 12A of the Income-Tax Act 1961 (the `Act`).

The BAI was formed with certain objectives. Among them the following are important objectives:

- Promoting and protecting the industry, trade and profession of construction and other ancillary and incidental work.
- Organising conferences, seminars and exhibitions to promote the industry, trade and profession of construction.
- Promotion and fostering the feeling of unity and co-operation and mutual help, elimination of unhealthy competition and unfair trade practices among the contractors.
- Advising and assisting the members in technical and legal matters and encouraging adoption and promotion of correct business practices.
- Promoting the science of building and construction industry.
- Improving and elevating technical and general knowledge of persons engaged in the building industry (primarily through its monthly journal viz. `Indian Construction`).
- Promoting exports of building and construction industrial services.
- Promoting construction industry through training, awards and sponsorships etc.
- To encourage adoption and promotion of correct business practices according to ethical code of correct business practices as enumerated in Appendix C to the Rules and Regulations of the Association and maintain efficiency, dignity and integrity of the profession.

Membership –BAI – Classification:

“Members” shall mean and include, Individuals, Firms, Societies, Companies, Banks, Clubs, Associations, Corporations and any other incorporated body.

There shall be following classes of members, viz:

- 1. Honorary Members**
- 2. Patron Members**
- 3. Annual Members**
- 4. Affiliated Association members**
- 5. Corporate Members**

Centre: (BAI Rule No.2.2, Appendix-B)

“The Centre” means a Centre opened or started by the Association in any part of the country for undertaking the activities with a view to fulfilling the objects of the Association and which is functioning and not closed. Office Bearers of the Centre” shall

mean and include the Chairman, Vice-Chairman, Hon. Secretary, Hon. Treasurer and Hon. Joint. Secretary. When the membership of a Centre falls below 20 for a continuous period of two years, the Centre will stand automatically closed on the expiry of the said period of two years. It shall be the duty of Zonal Vice President and/or State Chairman or Centre Chairman to report to the Headquarters whenever its membership falls below 20. The members of such defunct Centre shall be entitled and eligible to join any other Centre, contiguous to the territory of an adjacent Centre.

State:

A State Capital having more than 150 members shall be eligible to elect a Chairman who shall be ex-officio member of the Managing Committee until such time as defined in the para following. A State having 3 Centres in addition to the Capital Centre and a total minimum number of 250 members shall be eligible to have a State Chairman elected by the General Council members of the State. State Chairman among other things would co-ordinate the functioning of the Centres in his State. A State with two or more Centres can elect a State Co-Ordinator from the Capital Centre of the State. Qualification for becoming State Co Ordinator shall be the same as for the State Chairman. Once the State becomes eligible for electing a State Chairman, the post of State Co-Ordinator shall cease to exist thereafter. State Co-Ordinator among other things would coordinate the functioning of the Centres in his State. "Office Bearers of the State" shall mean and include the State Chairman. To become State Chairman, a member has to first become Centre Chairman. "Office Bearers of the State" shall include State Chairman, State Secretary and State Treasurer. (BAI Rule 2.9.1).

STATE OFFICE BEARERS AND ITS FUNCTIONS. (Rule No.31)

- (a). To co ordinate the activities of the centres in the state.
- (b). To supervise the working of the centres, study their problems and represent them before the concerned authorities.
- (c). To promote and implement the decisions and directions of the M.C & G.C.
- (d). To comply with any special assignments relating to the activities of the Association in respect of the state in accordance with the direction given by the President.
- (e). To undertake membership drive and opening of new centres

[Amended as on 06.11.2016 in the Special General Meeting held at Chennai].

Geography of the BAI.

Region:

Five geographical regions i.e. East, North, South –I, South –II and West Regions shall be constituted for the convenience of administration provided there are 3 Centres in that region. One Vice President shall be elected by the General Council members of such

region. Functions of the region shall be supervised and co-ordinated by the Vice President belonging to that region in consultation with the State Chairman and Chairmen of other Centres concerned and his responsibilities shall be:

- (a) To co-ordinate the activities of the Centre.
- (b) To supervise working of Centres, study problems and represent them before concerned authorities.
- (c) Promote and implement the decisions and directions of the General Council and/or Managing Committee.
- (d) To comply with any special assignment relating to the activities of the Association in respect of the region in accordance with the directives given by the President.
- (e) To undertake membership drive and open new Centres.

“Region” means “Region-wise” division consisting of Centres of the Association for the time being specified as hereinafter mentioned. For successful implementation of the functions and programmes of the Association and for administrative convenience, the area of operation of the Association for the purpose of its activities shall be divided into five regions.

Each region shall come into force if there are minimum 3 effective Centres. If for any reason thereafter the number of effective Centres falls below the 3 minimum effective Centres then the region shall be considered dormant and the rights and privileges of a constituted region such as eligibility to elect a Vice President shall not exist.

Vice Presidents : There are 5 Vice Presidents viz North, East, South-I , South-II and West. The Vice Presidents shall be elected by the members of the General Council belonging to that particular region and they shall be members of the Managing Committee. Vice President is entitled to co-opt two members to assist him in his duties.

East, North, South –I, South –II and West Regions as indicated below:

- A. East Region – Assam State; Bihar State; Jharkhad State; Odisha State and West Bengal State.**
- B. North Region - Rajasthan State; Uttra Pradesh State; Delhi State; Haryana State; Utrakhand State and Punjab State.**
- C. South –I Region –Andhra Pradesh State; Telengana State and Karnataka State.**
- D. South –II Region – Kerala State; Tamil Nadu State and Union Territories.**
- E. West Region – Goa State; Gujarat State; Madhya Pradesh State; Chattisgarh State and Maharashtra State.**

The Vice Presidents shall be elected by the members of the General Council belonging to that particular region and they shall be members of the Managing Committee.

Head Quarters:

Head Quarters Means the General Council and the Managing Committee: All the Centres and regions shall be subordinate to the Managing committee and activities of all such Centres and regions shall be subject to the superintendence, control and direction of the Managing Committee and the General Council.

The General Council of BAI : BAI Rules and Regulations –Appendix-A.O.1)

The General Council of the Association will consist of the Office Bearers of the Headquarters,

- **President**
- **5 Vice Presidents**
- **1 Hon. Gen. Secretary**
- **1 Hon. Gen. Treasurer**
- **the Chairmen of all the Centres,**
- **State Chairmen / State co-ordinator (To become State Chairman, a member has to first become Centre Chairman (Rule 22.4(g).)**
 - **All Trustees,**
 - **All Past Presidents**
 - **4 Nos of Representing Affiliated Association**
 - **75 members representating Patron member**
 - **250 members representing from all members(Annual and Patron)**

Office bearers of the Head Quarters: “Office Bearers of the Headquarters” shall mean and include President, Vice- Presidents, Hon. Gen. Secretary and Hon. Gen. Treasurer and elected State Chairmen / State co-coordinator. (Rule No.2.9)

Office bearers of the Head Quarters: “Office Bearers of the Headquarters” shall mean and include President, Vice- Presidents, Hon. Gen. Secretary and Hon. Gen. Treasurer and elected State Chairmen / State Co-ordinator and Imm. Past President.

Functions of the General Council.

The General Council shall be the highest policy making body of the Association answerable only to the General Body. Functions of the General Council shall include general supervision and deciding all policy matters of the Association such as:

- (a) Conferring of Honorary Membership.
- (b) Recommending to the General Body the removal of members who become disqualified for membership for any reason whatsoever provided in the constitution.
- (c) Enlistment of Centres. The General Council of the Association shall decide the areas of operation and jurisdiction of regions and the Centres, which constitute the region.

- (d) To accept nominations of representatives by the respective Centres.
- (e) To elect the office-bearers, members of the Managing Committee, State Chairmen and any Trustee or Trustees in the manner provided in the organization chart appended as Appendix A. Each member of the Council shall have a single non-transferable vote exercised and cast to as many candidates as there are vacancies.
- (f) To decide about all financial aspects pertaining to sharing of expenditure, membership and entrance fees, mode of collecting such fees and to determine about subscriptions of all types of members.
- (g) To give suggestions and directions to the Managing Committee from time to time in all matters of the Association.
- (h) To hold referendum on any controversial issues amongst the members by postal ballot and if decided by more than two-third majority, to send the same to the Managing Committee for implementation.
- (i) To decide the course of action in case of National Emergencies, calamities etc., in general and vital problems affecting trade, industry and profession in particular.
- (j) To elect any person or persons as Trustee or Trustees of the Association as provided in the Rules.

Managing Committee:

As per the Memorandum of Association of the Builders Association of India, The management of the affairs of the Society is entrusted to the Managing Committee in accordance with the rules and regulations of the Society.

A.1.3. The Managing Committee shall consist of:

- (a) President
- (b) 5 Vice Presidents
- (c) Hon. Gen. Treasurer
- (d) Hon. Gen. Secretary
- (e) Imm. Past President
- (f) Elected Members from General category of GC members (maximum 28)
- (g) Elected members from patron category of GC members - 25
- (h) All Subscribing Past Presidents.
- (i) All Trustees.
- (j) Representative of Affiliated Associations (the Affiliated Associations will appoint one nominee on the Managing Committee for every 10 members but will not exceed 4).
- (k) Co-opted members (the Managing Committee will have power to co-opt members of Managing Committee not exceeding 4).

(l) One expert in any professional or any specialised field may be co-opted as a member of the Managing Committee by the Managing Committee even if he is not a member of the Association.

The Chairmen of Centres shall be special invitees to the Managing Committee meetings. They may contribute to the discussions. Decisions shall be by the Managing Committee Members only.

Functions of the Managing Committee:

Subject to the superintendence and control of the General Council, the management and control of the Association shall be vested in the Managing Committee which shall be the Governing Body of the Association, and which may exercise all such powers and do and such acts and things as the Association is by Statute or by its Memorandum of Association or by Rules and regulations or otherwise, authorised to exercise and do. In furtherance of and without prejudice to the general powers and duties conferred in the last preceding Rule, the Managing Committee shall be entrusted with and may exercise and perform the following powers and duties:

(a) To appoint, relieve, retire and dismiss Executive Secretary, and other officers and employees and to fix their wages or remuneration.

(b) To provide a seal for the purposes of the Association and affix it to any deeds or other documents and all deeds or other documents shall be signed by two members of the Managing Committee in whose presence the Seal is affixed.

(c) From time to time to make, alter and repeal Bylaws not inconsistent with the Memorandum of Association or those Rules and Regulations as the Managing Committee may deem expedient or convenient for the proper conduct, managing and control of the Association.

(d) To write off in the accounts of the Association such sums as they may deem expedient in respect of bad and doubtful debts or otherwise.

(e) To purchase or otherwise acquire for the Association any property rights or privileges at such price and in general on such terms and conditions as they shall think fit.

(f) To borrow and raise moneys without security or on the security of a mortgage, charge, hypothecation or pledge over all or any of the immovable or movable properties belonging to the Association or in any other manner whatsoever on such terms and conditions and at such rate of interest as may be determined by the Managing Committee and to invest the money or moneys of the Association as required in such manner as may be decided by the Managing Committee from time to time.

(g) At their discretion to pay for any property rights or privileges acquired by or services rendered to the Association in cash.

(h) To secure the fulfillment of any contracts or arrangements entered into by the Association by mortgages or charges of all or any of the properties of the Association or in such other manner as they may think fit.

(i) To appoint any person or persons whether incorporated or not, to accept and hold in trust for the Association any belonging to the Association or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of Trustee or Trustees.

(j) To invest and deal with moneys of the Association not immediately required for the purposes thereof upon such securities and in such manner as they may think fit and from time to time to vary and realize such investments.

(k) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things, in the name and on behalf of the Association as they may consider expedient for and in relation to any of the matters aforesaid or otherwise for the purposes of the Association.

(l) To determine who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

(m) At any time and from time to time by Power of Attorney under the Seal to appoint any person to be the Attorney of the Association for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Managing Committee under these presents and for such period and subject to such conditions as the Managing Committee may from time to time think fit and to authorise any such Attorney to subdelegate all or any of the powers, authorities and discretions for the time being vested in him.

(n) To suspend office bearers of any Centre who do not hold elections within the stipulated period and/or submit accounts within stipulated time and/or persistently commit breach of Rules and Regulations of the Association.

(o) To appoint ad hoc committee of not exceeding 3 persons to attend to the business of a Centre whose office bearers are suspended till new office bearers are elected by such Centre.

(p) To recommend enrolment of affiliated members.

(q) To accept resignations of members.

(r) To solicit, obtain or accept subscription, donation, grants, gifts, bequests and trusts from any person, from Bank or local authorities or corporate bodies, Government, etc.

(s) To acquire by gift, purchase, exchange, lease or hire or otherwise howsoever, any land, buildings, easements and any property movable and/or immovable and for any estate or interest for the furtherance of all or any of the objects of the Association.

(t) To build, construct and maintain houses, structures or buildings and alter, extend, improve, repair, enlarge or modify the same including any existing buildings and structures and to provide and equip them with lights, water, drainage, fixtures, fittings, instruments, apparatus and appliances and all other necessary requisites for the use to which each building and/or structure is to be put upon or held.

(u) To call, manage, transfer, exchange, demise, lease or let out, dispose of or otherwise deal with the properties whatever (movable or immovable) belonging to Association.

(v) To open and operate accounts in Banks or to deal with Banks in any manner whatever as may be decided by the Managing Committee.

(w) To open and conduct branches and Centres and to undertake such other activities for furtherance of all or any of the objects of the Society in accordance with the provisions made in the Rules and regulations of the Association.

(x) To do all other lawful acts and things as may be incidental or conducive to the realisation or attainment of all or any of the aforesaid objects of the Society directly or indirectly and to incur requisite expenditure thereon.

The Managing Committee shall meet normally every month, but not less than once in every three months.

The Chairmen of Centres shall be special invitees to the Managing Committee meetings. They may contribute to the discussions. Decisions shall be by the Managing Committee Members only.

Patron members will be entitled to elect from amongst themselves one member on the Managing Committee of the Association for every 150 Patron Members on pro-rata basis of their region-wise membership strength, subject to a maximum of 28.

CENTRE AND THE ROLE OF OFFICE BEARERS

What is a BAI Centre?

9.1 The General Council may by a Resolution on the recommendation of the Managing Committee open Centres in different parts of the Union of India; provided there are not less than 20 (Twenty) Patron Members or 50 (Fifty) Annual members of the Association operating in that area; provided however that it shall be optional with the Association as a special case on the recommendation of the Managing Committee to open a Centre at any place even if there are less than 20 Patron members or 50 Annual Members, if the Association is satisfied that the industry or trade at that particular place is of an important nature and as such opening of a Centre in that place will be beneficial to the Association. As soon as minimum number of 20 Patron Members or 50 Annual Members are enlisted, an action for opening the Centre as aforesaid would be taken and provisionally the Centre would be opened with the approval of the Managing Committee subject to the final ratification by the General Body. Territorial jurisdiction of a Centre means Municipal limits of smaller city and metro limits of a bigger city plus contiguous areas of 10 kms.

Relevant Bye Laws for the Centres – Refer Appendix B of Bye Laws of Builders Association of India

B.2.2 “The Centre” means a Centre opened or started by the Association in any part of the country for undertaking the activities with a view to fulfilling the objects of the Association and which is functioning and not closed.

B.0.2 Scope: All the Rules and regulations of the Association will be applicable to the Centres.

B.0.3 Office of the Centre: Office of the Centre will be situated at (Address to be specified)

B.0.4 Official year: Official year of the Centre shall be from 1st of April every year.

B.1.1 General Body of the Centre shall consist of all the members on the register of the Association, who carry on business or operate in any construction activity and who have paid their subscription dues in time.

Importance of Centres:

The centres are important nodal points of BAI spread along the length and breadth of the country. The individual performances of the centres will contribute to the growth of the BAI organization as a whole. So it is imperative that the centres conduct their activities properly and consistently improve their performance. A centre with a closely knit team can achieve the targets and success easily.

The following shall be the functions of a Centre

Bye law: 27.0 :

- (a) To elect its office bearers and the Executive Committee.
- (b) To elect members for the General Council in the manner provided in the organization chart and to fill casual vacancies in case of removal of any member from the General Council by the General Council or in any other event when such casual vacancy occurs.
- (c) To help the Headquarters to enroll more members.
- (d) To help collect funds and subscriptions from the members in their respective area and to transmit the same to the Headquarters of the Association and to keep and maintain proper accounts for the same and submit the same punctually to the Headquarters.
- (e) To implement the decisions and directions given by the General Council or the Managing Committee from time to time in their respective area.
- (f) To look after the interest of the activities of the Association at the level of the Centre.
- (g) To attend to such other functions and activities of the Association in the respective region of the Centre as per the directions given by the General Council or the Managing Committee from time to time.
- (h) To co-ordinate its activities with the Region within whose jurisdiction, the Centre is functioning.
- (i) All actions and activities of the Centre shall be directly under the control of the Headquarters.

(j) Each Centre shall send its audited statement of accounts so as to reach the Headquarters on or before the 30th June each year. Any Centre failing to comply with this requirement shall be reported to the General Council who shall decide the course of action to be taken which is final and binding on the Centre.

Who runs the BAI Centre?

Appendix B Standard Bye-laws for Centres (B.2)

The affairs of the Centre shall be managed by a body called Executive Committee of the Centre. It will consist of Chairman, Vice Chairman, Hon. Secretary, Hon. Treasurer and Hon. Joint. Secretary (the Centre may allot duties of Hon. Secretary and Hon. Treasurer to one member if approved by the General Body meeting) and the Executive Committee members. Five members shall form a quorum of the Executive Committee of Centre.

The office bearers of the BAI Centre are:

1. **Chairman**
2. **Vice Chairman**
3. **Hon. Secretary**
4. **Hon. Treasurer**
5. **Hon. Joint. Secretary (optional)**

Executive Committee: Minimum 3 members and maximum 15 members.

Appendix B Standard Bye-laws for Centres (Model Rules & Regulations of Centres and their functions

Bye law : B.2.2 (d) Members of the Executive Committee of not less than 3 members and not more than 15 members to manage the affairs of the Centre. Members of the Committee shall be elected in the following manner:

- 2 members for membership up to 20
- 3 members for membership up to 30
- 4 members for membership up to 40
- 5 members for membership up to 50

and so on(Clause amended as on 23rd December 1999, by the Special General Meeting held in Mumbai)

Collective and individual responsibilities of the office bearers and the EC members.

These functions can be conducted by the collective efforts of the office bearers and also by their individual contributions fulfilling their responsibilities.

Collective Role of the Office bearers:

The office bearers should clearly understand that Team work works. The affairs of the centre shall be managed by the Executive Committee under the guidance of the Chairman and able support of the Secretary, Treasurer and the EC members. The collective performance of the office bearers can ensure efficient functioning of the Centre.

The functioning of the Centre includes:

1. **Setting the Agenda/Achievable goals for the term:**

The centre should start preparing at the beginning of each term and work as per plan to achieve the goals set for itself. Preparation is the primary function for every team in every term.

By failing to prepare, you are preparing to fail.

Envisioning the goals gives the orientation and direction for the centre. Without a set agenda, there will be lack of motivation and direction for the office bearers, Executive Committee and the members. While setting the agenda, the office bearers and the EC should deliberate in detail about the various short, medium and long term priorities and set out to prepare the agenda of activities for the term. The programs shall include regular monthly meetings, technical programs, public and industry outreach programs etc. It is important that the centre sets achievable and feasible targets. Counseling from senior members will also help in this respect.

2. **Conduct of Meetings:**

EC meetings and Monthly meetings:

These are important activities of the centre. These meetings will provide opportunities to work together and conceive programs and involve members in the activities. Also this provides an effective communication among the members and orientation for the members to take part effectively in the programs of the centre.

3. **Other Programs:**

Other programs like workshops, seminars, product demonstration meetings, interactive programs with other industry organizations, government departments in solving emerging issues in the construction industry .This may require formation of committees and delegation of responsibility to more members so that more and more members come into the main stream activity.

4. **Resource Mobilisation Programs:**

Resources are vital for sustaining the centre and for conducting more useful programs in the future. Innovative and acceptable resource mobilization programs need to be conducted by the centre to keep the financial status of the centre comfortable and stable.

5. **Statutory obligations:**

Conduct of AGM, Preparation and submission of Accounts to the AGM and HQ, Collection of subscription and ensure payment due to the HQ, Election of Office bearers of the Centre and GC/MC members. These statutory obligations are required to be religiously fulfilled by the centres.

6. **Networking and Interacting with the HQ:**

The centre should encourage members in participating programs of other centres as far as possible so that a strong fellowship is built among the BAI centres. Also this will ensure joint engagement to address issues facing the builders community in the region. Also it is

important that Members in general and office bearers in particular participate in the activities of the HQ so that strong bond is built between the centre and the HQ for better functioning.

These require Collective Working of the office bearers, EC members and the members. Build strong team spirit and fellowship among the working group and the members to achieve the targets. Equally important is that the individual office bearers like the Chairman, Secretary, Treasurer and the EC members have to perform their roles effectively in the functioning of the centre.

Individual Responsibilities of the office bearers:

Chairman:

Chairman is the functional head of the Centre and should lead the EC and the members to achieve the objectives of the organization. A Centre Chairman can not continue to hold the office for more than two terms. (Rule 9.9).

Primary responsibilities of the Chairman:

- Once accepting to be the chairman, he should have the conviction to dedicate himself to the organization, and give priority to the responsibilities as chairman.
- He should Co-ordinate the functions of the Secretary, Treasurer and the EC members, the various committees formed in the course of the term for various activities.
- He should maintain a cordial and working relationship with all the members.
- He should Listen to genuine grievances of the members and address them.
- He should keep the centre active by arranging meetings, programs and activities for the benefit of the members of the centre.
- He should ensure that all statutory requirements of the Centre with regard to the HQ are met without fail.
- He should preside all the centre meetings both EC and the regular monthly meetings, AGM and all other meetings.
- It is important that the Chairman has a thorough knowledge of the Bye-laws and constitution of the Builders Association of India.
- It is important the Centre activities are oriented in such a way that it receives public and industry goodwill.

Meetings and the role of Chairman:

1. Conduct regular monthly business meetings of all members preferably on a fixed day of the month

2. Conduct regular monthly EC meetings at least one week prior to the business meeting on a fixed day of the month Quorum for Centre's AGM is minimum 7 members (Rule Appendix B.1.3).
3. Quorum for Executive Committee Meeting is minimum 4 members (Rule Appendix B.2).
4. Ensure your presence at all meetings well on time without fail.
5. For any other program suitable committees should be formed and committee meetings should be convened as and when required so that the programs are conducted effectively and successfully.
6. Attend all state and national level meetings of the BAI.
7. Ensure that the Secretary and Treasurer perform their roles in fulfilling the obligations including those to the Head Quarters.
8. Conduct the AGM once every year with all protocols and recording of minutes, passing of accounts etc.

Protocol to be observed by Chairman for EC meetings / Regular Monthly Meetings.

1. Ensure that the Secretary prepares the Agenda for the meeting and sends the same to all concerned in time.
2. Prepare background notes for each and every item on the agenda covering vital points and keep yourself equipped on the subjects to be discussed.
3. Start the meeting strictly on time after ensuring the quorum.
4. Every meeting should be called to order at the start and once the meeting is called to order, the chairman is the superior authority for the entire proceedings of the meeting. He should ensure smooth and orderly conduct of the house.
5. Welcome Address: Be brief and crisp. Recognize and welcome all the guests. When naming individuals address him/her by the highest current office.
6. To ensure approval of the minutes of the previous meetings already circulated duly proposed and seconded by required number of members.
7. Take up the items strictly as per the agenda in the prescribed order for discussion and resolution.

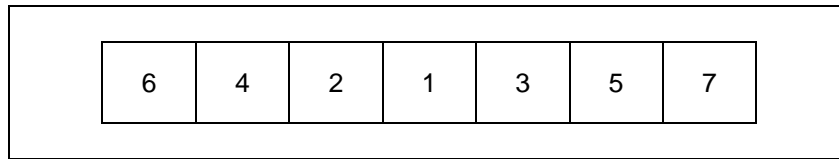
8. Ensure proper conduct of the meeting and allow only one member to talk on a given time. Give opportunity to every member. Allow participation, but not monopoly.
9. Prevent irrelevant and cross discussions, offensive statements and excessive criticism.
10. Step in and moderate in case of differences of opinion.
11. Be democratic and diplomatic in giving or denying chances.
12. Give precise and clear cut and unbiased rulings.
13. After the ruling do not allow any re-discussion.
14. Ensure that the Secretary Records the minutes of the meeting.
15. Acknowledge and thank the contributions of all.
16. Declare the meeting as closed or adjourned at the scheduled time and announce the date of the next meeting if known.
17. Propose Vote of Thanks by Secretary/Treasurer.

Dos and Don'ts for the Chairman (General Guidelines).

- Be familiar with the specific purpose of the meeting. Come to the meeting well prepared.
- Preserve unity and harmony during the course of the meeting.
- Do not leave the stage during progress of the meeting. If unavoidable hand over the chair to the Vice Chairman in order before leaving.
- Adjourn the meeting in the middle only under inevitable circumstances.
- Allow discussion on any other matter only on prior permission of the chair before or at the start of the meeting.
- Avoid balloting on any issue as far as possible as the result may win the cause, but the centre's unity will be defeated.
- Strictly adhere to Protocol and the seating arrangements on the stage.

Seating arrangements

Assuming 7 dignitaries on stage



1. Centre chairman
2. Chief guest
3. Guest of honour
- 4 & 5 Other dignitaries in hierarchy
6. Secretary
7. Treasurer

Secretary:

Secretary is the administrative head of the centre and is the key person responsible for assisting the chairman and important spokesperson in the functioning of the centre. He is supposed to execute all decisions and activities with the support of the EC and the members.

Primary activities of the Secretary:

1. To prepare the Agenda of Activities for the year in consultation with the Chairman and EC members.
2. To make arrangements for the successful conduct of the meetings and all other activities connected with the centre.
3. To implement the decisions taken during the meetings.
4. To prepare and send Meeting notices, Minutes of the previous meetings, EC and AGM, Invitations, important communications, announcements from the centre and the Head Quarters and any other correspondence connected with the conduct of activities of the centre from time to time. All such correspondences shall be sent well in time to those concerned with proper records of dispatch.

Bye law with reg. to Minutes book: B.9.1 The minutes of the proceedings of the General Body, Executive Committee and of the sub-Committee shall be recorded in separate books and shall be available to any member in the Centre for inspection.

5. To keep records of all administrative activities of the centre (Permanent member register, Attendance Register for meetings and general body, Minutes Book for EC meetings, Monthly/ AGM meetings, Property Register, Eligible Voter List prior to the Election, Committee reports if any, and all correspondence connected with the centre). All these shall be made available for scrutiny for all subscribing members.

6. Preparation of Monthly Comprehensive Centre Activity Report and presenting the same to the members either during the meetings or periodically.
7. To keep a copy of the Bye-laws of the BAI and make them available for scrutiny or for copying by any of the subscribing members.
8. To prepare and present the Annual Report of the activities of the Centre and present the same after approval of the EC at the AGM and report the same to the Headquarter.
9. To assist the Chairman to Conduct the Election of office bearers of the Centre.
10. Hands over all the records pertaining to the centre to the successors.

Dos and Don'ts (General Guidelines):

- Be present and perform your role effectively at all meetings/EC meetings of the centre.
- Prepare the agenda for all meetings in consultation with the Chairman.
- Send invitations/communications in time.
- Detailed Table agenda to be prepared well in advance before the meetings and the responsibilities should be entrusted to the respective persons/committees.
- Record the proceedings of the meetings in the minutes book.
- Be prompt in replying and reporting all correspondence and keep record of all communications.
- It is important that the Secretary has a thorough knowledge of the Byelaws of the BAI

Treasurer:

Treasurer is the Finance Controller of the Centre and is an important functionary of the Centre who manages the financial resources of the centre and prepares the financial statements as per the requirements of the bye laws. The basic responsibilities of the treasurer are:

1. It is important that the treasurer understands the nuances of accounting, balance sheet and financial reporting.
2. Preparation of the Budget for the year and in cases of bigger programs of the centre where the financial outlay is large.
3. Collection of subscription and other dues from the members.
4. Subscription for every financial year shall be paid during that financial year, but not later than end of 30th September, either directly at the Headquarters of the Association or through Centre of the Association. Bills/letters calling for subscription

from the members will be sent by the respective Centres from January onwards for the ensuing financial year. [Amended as on 3.12.2000 by the Special General Meeting held at Mumbai].

4.2 Every Centre should prepare the list of members who have paid their annual subscription on or before 30th of September every year and send such a list to the Headquarters of the Association together with the share of the Headquarters in the subscription, to reach it on or before the 15th October of every year. Only such of those members whose names are in the list referred to above, shall have the right to vote or contest in the annual elections of the Association. If any Centre does not send such a list, the members of the defaulting Centre shall not have any right to vote and/ or to be elected as members of the General Council or Managing Committee or to hold any office in the Association. [Amended as on 3.12.2000 by the Special General Meeting held at Mumbai].

8.3 After the receipt of the aforesaid list and its share of the subscription from the Centre, the Headquarters shall publish and circulate the Centre-wise membership position statement indicating the number of eligible voters before 31st of December every year.

5. Receive and control all accounts of Centre funds and administer the same.

6. Keep full and correct account of all income and expenditure and submit it at each EC and regular monthly meetings.

7. Operate Bank account jointly with the Chairman/Secretary/ Treasurer.

Bye Law on Finances of the Centre: B.6 Finance of Centre, administration and control Share of subscription, gifts (cash), donations, contributions etc. received by the Centre shall be banked in Nationalized/Scheduled Bank approved by the Executive Committee of the Centre, in an account to be named 'Builders' Association of India Centre'. The account shall be operated by any two of the office bearers of the Centre for which Executive Committee will pass a necessary resolution. A copy of the said resolution shall be sent to BAI Headquarters every year within a week of the passing of the said Resolution by Executive Committee of the Centre.

8. Send Reminders for those members who are in arrears of subscription and collect the same.

9. Compute the amount due to the HQ as per the bye laws send the same to the head quarters well in time.

10. Prepare, present and get the approval of EC, the Final Audited accounts well in advance before submission at the AGM.

Bye Law: B.7 Audit: The Accounts of the Centre shall be audited and certified as correct by a Chartered Accountant or Honorary Auditor. The Hon. Auditor shall be elected from amongst the members of the Centre. The Hon. Auditor shall not be an office office bearer or member of the Executive Committee of the Centre.

11. Present the Final Audited Accounts and get it duly proposed, seconded and passed in the AGM and send the same to the Headquarters before 30th June of every year.

Bye law:(Payments/Submission of Accounts to the HQ)

B.4.6 Whenever a Centre fails to send annual audited accounts of the Centre within 4 months after completion of the accounting year to Head Quarters as per the Rules and regulations of the Association, the Managing Committee of the Association will have the power to suspend the office bearers of the Centre in default and to appoint an ad-hoc committee to manage the affairs of the Centre till proper fresh elections are held.

B.5.(c) To help collect funds and subscriptions from the members in their respective area and to transmit the same to the Headquarters of the Association and to keep and maintain proper accounts for the same and submit the same punctually to the Headquarters.

Dos and Don'ts:

- Should have thorough and latest information and knowledge about the Accounting and Reporting standards of practice.
- Always keep the Chairman and Secretary posted on financial status.
- Engage a Chartered Accountant for audit of the accounts after getting approval from the AGM while taking charge.
- Keep in touch with the HQ for any changes in procedures.
- Consult seniors and previous treasurers in case where clarifications are required.

Disciplinary action against members. (BAI Rule 6.3.1)

In the event of question arising with regard to the conduct of a member, the Chairman of the concerned Centre shall place it before the General Body of the Centre after getting it cleared in the Executive Committee with two-third majority for necessary action. If the General Body of the Centre by a two-third majority decides that the conduct of the member concerned should be inquired into, then the Chairman of the Centre shall forward the decision of the General Body to the Managing Committee of the Headquarters. The Headquarters shall convene a meeting of the Managing Committee to inquire into the matter at which such member shall be invited to attend. If in the opinion of the Managing Committee, the member has been found guilty of misconduct detrimental or prejudicial to the interest of the Association or the reputation or the dignity of trade, industry or profession of construction works or allied trade, the Managing Committee may recommend to the General Body that the said member may be warned or suspended for some period or for life or be expelled for some period or for life or be expelled permanently.

If any member approaches the Court against BAI without exhausting the Arbitration clause provided in the BAI Rules & Regulations, the member will be summarily suspended from being part of BAI activities till date of court ruling.

The executive committee of the centre shall have the right to suspend the member on grounds considered reasonable and adequate by it till a final decision from the all India general body of the Association is arrived at.

[Amended as on 28.11.2022 in the Special General Meeting held at Bangalore].

HEADQUARTERS SHARE OF THE MEMBERSHIP SUBSCRIPTION IS AS UNDER:

| | Centre to collect and Send to HQ | HQ to Send back to Centre |
|----------------------------------|---|---------------------------|
| Annual Membership – New | Rs. 4,087 /- (Rs.3,194+Rs.100+Rs.200+Rs.593) | Rs.1,916/- |
| Annual Membership – Renewal | Rs. 3,969/- (Rs.3,194+Rs.200+Rs.575) | Rs.1,916/- |
| Patron Membership – New | Rs. 29,700/- (Rs.25,000+Rs.200+Rs.4,500) | NIL |
| Patron Membership – Old | Rs. 200/- | NIL |
| Affiliated Association – New | Rs. 7,700/- (Rs.5,856+Rs.500+Rs.200+Rs.1,144) | NIL |
| Affiliated Association – Renewal | Rs. 7,110/- (Rs.5,856+Rs.200+Rs.1,054) | NIL |
| Affiliated Association – Patron | Rs. 35,400/- (Rs. 30,000+Rs.5,400) | NIL |
| Corporate Membership | Rs. 3,65,800/ (Rs.3,00,000+Rs.10,000+Rs.55,800) | NIL |

(Membership fee + Rs.100/500 – Joining fee for new members +Rs. 200 – Indian construction journal, +GST)

RECEIVABLE FROM HEAD QUARTERS: Centre’s share of Patron members to be shared @ 60% of 7% per annum.

Assuming a centre with 300 members with various patron member categories as detailed below:

| | | | | |
|----|------------------------|--------------------|---|---------------|
| 1. | 50 members (Rs. 5000) | - 50 @ Rs. 210/- | - | Rs. 10,500.00 |
| 2. | 50 members (Rs. 7500) | - 50 @ Rs. 315/- | - | Rs. 15,750.00 |
| 3. | 50 members (Rs. 10000) | - 50 @ Rs. 420/- | - | Rs. 21,000.00 |
| 4. | 50 members (Rs. 15000) | - 50 @ Rs. 630/- | - | Rs. 31,500.00 |
| 5. | 50 members (Rs. 20000) | - 50 @ Rs. 840/- | - | Rs. 42,000.00 |
| 6. | 50 members (Rs. 25000) | - 50 @ Rs. 1,050/- | - | Rs. 52,500.00 |

Total receivable by the Centre from Headquarters - -----
Rs. 1,73,250.00

Note: the above calculation is based on interest rate of 7%

Rules of the BAI Constitution concerning to the conduct of BAI Elections.:-

“5.1 Subscription for every financial year shall be paid during that financial year, but not later than 15th December 2023, at the Headquarters of the Association, through Centres of the Association”. [Please refer the resolution passed at the Managing Committee Meeting held on 2nd September 2023 at Alleppey (Kerala), extending the date of Membership Subscription for Election purpose].

“5.2 As per the resolution, every Centre should prepare the list of members who have paid their annual subscription on or before 15th December 2023 and send such a list to the Headquarters of the Association together with share of the Headquarters. (Please refer the above resolution.) Only such of those members, whose names are in the list referred to above, shall have the right to vote or contest in the annual elections of the Association. If any Centre does not send such a list, the members of the defaulting Centre shall not have any right to vote and/or to be elected as members of the General Council or Managing Committee or to hold any office in the Association.” [Please note that, for election purpose, the Head Quarter will be taking the membership strength of each Centre as on 15th December 2023 as approved by the Managing Committee Meeting held on 2nd September 2023 at Alleppey (Kerala)].

“5.5 Centres Election of Office Bearers, Members of the General Council and Executive Committee Members shall be concluded before 1st week of February of every year and result should be sent to Headquarter by 2nd week of February by respective Centres. Headquarter can finalise and notify the list of voters before the end of February. Headquarter should issue Election notice for various posts of office bearers of Headquarter by 1st week of March every year and election process should be completed by the end of March”.

“9.5.4 a) Member who is opted to become a Executive Committee/General Council of the Centre should be a Patron member.

[The above rule i.e.Rule 9.5.4(a) will be applicable only to the newly opened Centres, that is Centres opened after 1st April 2023. The Managing Committee will consider the inclusion of existing Centres under this rule at appropriate time].

b) Any member who opts to become Office bearer in Centre should have served as Executive Committee or General Council Member.

c) To become the Centre Chairman the person should have served in the Centre as one of the Office bearers.*

d) To become the State Chairman a person should have served as Centre Chairman.

e) To become State Chairman /Vice President /President, the proposal / nomination should be from the respective Centres only.**

f) Member offering themselves for office of the President shall have held office of the Vice President of BAI.

g) The Executive Secretary who will be discharging duties as Returning Officer will be conducting the election of BAI Headquarter only”.

“22.1.1.3 The duration period for conducting BAI Election should be curtailed as January to March instead of December to March for all the candidates including Headquarter”.

* In terms of BAI Constitution, Rule 22.4(g), “The person who is opting for the post of State Chairman should have served one full term as Centre Chairman.”, it is necessary for the person being nominated for the post of ‘State Chairman’ to mention the term of his Chairmanship with the Centre, in the space provided for in the proforma enclosed.

* As per Resolution passed by Managing Committee in its meeting held at Coimbatore on 25th November 2017, Nomination for post of State Chairman, Vice President and President should accompany a resolution passed by the Executive committee of the respective centre for such nomination.

*The nomination of State Chairman, Vice President and President should also contain an affidavit (format is given as Annexure-I)

6. Members of the Managing Committee (28 Posts)

Now, those persons whose names appear in the accompanying statement can file nomination/s for any post or as many positions as they wish, in the proforma enclosed, provided they obtain the consent of the nominee/s they propose (separate nomination form to be used for different positions), provided the General Council Member-Elect shall give his consent to only one post.

**For Vice-President, there are 5 posts, one each for 5 regions i.e. East, North, South-I & South-II and West.

To become State Chairman / Vice President / President, the proposal / nomination should be from the respective Centres only [Rule 9.5.4(e)]. If there is election in any region, for having received two or more valid nominations for the post of Vice President from that region, necessitating election, it shall be only amongst the elected General Council Members of that particular region. In case of State Chairmen in a similar situation, the election shall be confined to voters of that particular State.

In case of Hon. General Secretary the nominees (person/s to be nominated) shall be from the General Council Members-Elect from Maharashtra State Centres only and in case of Hon. General Treasurer the nominees (person/s to be nominated) should be from Mumbai Centre only and if there happens to be more than one nominee in either case or both the cases, an election to elect one of them shall be called, where all the General Council Members-Elect (contained in the enclosed statement) shall be voters.

All the General Council Members-Elect (contained in the enclosed statement) shall be the electorate for the highest office of the President, in case the election becomes a necessity.

a) According to Rule 9.5.4 of BAI Constitution (Rules & Regulations) “Candidates offering themselves for the office of the President shall have held the office of the Vice-President of Builders’ Association Of India”.

b) According to Rule 9.5.4(d) – To become the State Chairman, a person should have served as Centre Chairman.

On the basis of membership strength as required in Rule 22.1.1. of the BAI Constitution, and as per the decision of the Managing Committee Meeting held at Ranchi on 8th

November 2003, there are 28 vacancies to be filled on the Managing Committee from amongst the General Council Members-Elect (contained in the enclosed statement). If nominations, again to be proposed and consented, from the members in the list exceed this number, election would become necessary whereat all elected General Council Members shall exercise their franchise.

GUIDELINES TO BE FOLLOWED - BEFORE NOMINATION AND AFTER ELECTIONS.

- (a) In accordance with the decision of the Managing Committee - One Person One-Post rule is required to be followed. General Council Members are thus entitled to file nomination for only one post as also give their consent, if so nominated for only one post.
- (b) For the position of Office-Bearers (including State-Chairman/State Co-ordinator) it may be noted that he should not hold any office in any other body having similar objects as those of the Association. In case he is holding such office, he shall relinquish the same on his election within 30 days (Rule 9.5.2).
- (c) The term of office of President of the Association will be for one year. He shall however be eligible to be elected as President for the successive year. Thereafter he shall not be elected as President for a minimum period of 2 years [Rule 9.9].
- (d) The term of office of Vice President of the Association will be for one year. He shall however be eligible to be elected as Vice President for the successive year. Thereafter he shall not be elected as Vice President for a minimum period of 1 year [Rule 9.9].
- (e) Qualification for becoming the State Chairman shall be as per Rule **9.5.4(d) To become the State Chairman a person should have served as Centre Chairman.** and **Rule 22.4(g) The person who is opting for the post of State Chairman should have served one full term as Centre Chairman.**

Also, on 28th November 2022, at the Special General Meeting (SGM) held at Bangalore, have unanimously approved the following amendments with regards to the Organizational Election of BAI.

- The term of office of Chairman of the Centre will be for one year. He shall however be eligible to be elected as Chairman for the successive year or any one more year. Thereafter he shall not be elected as Chairman.
- The term of office of State Chairman of the State will be for one year. He shall however be eligible to be elected as State Chairman for the successive year or any one more year. Thereafter he shall not be elected as State Chairman.
- The term of office of President of the Association will be for one year. He shall however be eligible to be elected as President for the successive year or any one more year. Thereafter he shall not be elected as President.
- The term of office of Vice President of the Association will be for one year. He shall however be eligible to be elected as Vice President for the successive year or any one more year. Thereafter he shall not be elected as Vice President.

Qualification of Chairman as per Rule 9.5.4 b,c.

- Any member who opts to become Office bearer in Centre should have served as Executive Committee or General Council Member.
- To become the Centre Chairman the person should have served in the Centre as one of the Office bearers.

Qualification of State Chairman as per Rule 9.5.4 d.e.

- To become the State Chairman a person should have served as Centre Chairman.
- To become State Chairman /Vice President /President, the proposal / nomination should be from the respective Centres only.

Qualification of Vice President as per Rule 10.4

- He should be a Patron Member and General Council Member.
- He should be a member of the Association at least for 10 years and during this period he should have served as Chairman of a Centre, from that particular region, where his nomination to the post of Vice President is proposed.

Qualification of President as per Rule 9.5.4 F

- Member offering themselves for office of the President shall have held office of the Vice President of BAI.

Qualification of Trustee as per Rule 34.1.1 4B

- He should be a Patron Member
- He should have served as an office bearer of the Head Quarters or he should be a member of the Association, atleast for 10 years, and during this period he should have served as Chairman of any Centre

Election of Hon. General Secretary (National) and Hon. Gen. Treasurer as per Appendix A 1.4

- Hon. General Secretary, the eligibility is now decided to any General Council Member from Maharashtra, instead of a General Council Member, only from Mumbai Centre. However, if there is an election to be conducted for Hon. General Secretary, due to multiple candidates filing nomination for the same, election will be done at national level and all India General Council Members will be the electorate.

- The Hon. General Treasurer shall be elected from the General Council Members of Mumbai Centre and if there is more than one nomination for the post of Hon. General Treasurer, he/she shall be elected by the General Council Members from all the Centres, including those from Mumbai Centre.

Centres to observe strict norms – Income Tax, GST and Donation.

The Charitable activities of BAI have grown many fold which has lead to increase in collection of membership fees by way of subscription. Apart from membership & subscription, collection from members has been steadily increasing on other activities like installation function, meetings, Builders' Day celebration, printing of diary, training programmes, conventions, exhibitions, seminars, conferences, etc. Further many new centers have been added and the membership (Annual and Patron) has been continuously increasing each year. This all has lead to increase in activities and in turn increase in the volume of transactions at the center level.

While conducting such activities by BAI Centres to accomplish its objects which are fully connected, incidental and ancillary to its main objects and were conducted solely for the empowerment, betterment and for creating awareness amongst the industry participants in order to bring about the development of civil construction trade in India.

But, in view of the amendments made by the Government in last three finance budgets pertaining to 'Charitable Trust' and also while going through audited statement of accounts of Centres from last several years, it has been observed that many centres were not following the strict norms for compliance under GST & Income Tax laws. Hence, it becomes imperative to maintain proper accounting records and retain them over a period of time so that the same can be produced at the time of scrutiny by the Income Tax Department and the GST Department as BAI Headquarter is filing consolidated Income Tax Return at Mumbai and its accounts are under scrutiny from last 13 years and BAI is fighting against Income Tax Departments. More thrust should be given on compliance of Income Tax and GST and other laws (like Donation and TDS).

To avoid any subsequent taxation problems of BAI Headquarter viz-a-viz BAI Centres, regarding impact of GST & Income Tax provisions on BAI A/c's vis-a-vis Centres activities. We have few points to highlight so that the centres are aware of the same :-

A. GST

BAI's GST Registration Number: 27AAATB0212F1ZI will be used exclusively for membership collection of all Centres by Headquarter. While sending Membership Subscription, the Centres should send full amount of Annual Membership Subscription to BAI Headquarter. After remitting GST to the Department, BAI Headquarter will transfer the Centres' Share of Annual membership subscription i.e. 60% to the concerned Centres (Rs.2,904 X 60%= Rs.1,742/-).

All compliances with regard to membership, like issue of invoice, record maintenance, payments and returns, reconciliation will be handled from Mumbai Headquarter. However, For this purpose, the Centre will have to observe strict norms of providing all relevant data including GST number of member company and monthly bank statement to Headquarter.

GST return for Membership will be submitted at BAI Headquarter, Mumbai.

For any activity/income, other than Membership Subscription, like Installation function, meetings, Builders' Day celebration, printing of diary, training programmes, conventions, exhibitions, seminars, conferences, meetings etc. etc., conducted by the Centre, the Centre will have to take a separate GST Number under the same PAN Number of BAI Headquarter and file the required GST Returns without fail and send the information to BAI Headquarter as BAI Headquarter is filing consolidated Income Tax Return at Mumbai.

GST compliance of Centers of BAI A/c's - Verification of GST returns with regards to the compliance of the GST Act can largely help BAI to find out errors, rectify them, devise a mechanism to avoid it in future and to be more careful and extra-vigilant in accounting of transactions and filing of returns.

Particularly, the Centres which have obtained GST number are requested to file the required GST Return, on all taxable activity, other than collection of membership without fail, and send the information to BAI Headquarter on monthly basis as BAI Headquarter have to file consolidated Income Tax Return at Mumbai.

B. Donation and it's Taxation implications and precautions to be taken while dealing with donation.

While going through audited statement of accounts of Centres, it has been observed that many centres have paid and received donations to and from various organisations.

In this regard, please be informed that as per amendment in the Income Tax Return form and in the audit report-Form 10 B from the FY 2022-23, the donation details are required to be given therein –

In case of donations Paid :-

1. Donation to any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act towards Corpus.
2. Donation to Any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act not having same objects.
3. Donation to any person other than any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub - clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act or any trust or institution referred to in sections 11 or 12 of the Act.

In case of donations accepted against which 80G receipt is to be issued, following points are important:-

1. BAI will be required to file with the prescribed Income-tax Authority particulars of all donors in the prescribed Form No. 10BD on or before 31st May following the Financial Year in which Donation is received. Thus for donations received in FY 2023-2024 BAI should have filed the return for donations on or before May 31, 2024. If the return is not filed then there is a continuing late fee of Rs.200 per day. This fee shall not exceed the amount in respect of which the failure has occurred.
2. BAI has to issue a certificate in the prescribed Form No. 10BE to the donor about the donations received by the trust/institution.
3. Further there can be levied a penalty of a penalty of Rs. 10,000 (minimum), which may extend to Rs. 1 Lakh (Maximum), may also be levied for the failure to file details of donors or issue a certificate to donors.
4. There should be proper control with the trust in respect of donations received. If donations are received for a specific purpose as mentioned in the donation receipt then the funds received will have to be utilized for that purpose only, the purpose should be part of the objects of the trust.

There should be proper control with the trust in respect of donations received and paid. and centres should inform BAI Headquarter in respect of donations received and donations given along with details (name of the party address, donation receipts, whether by cash or cheque.) **Cash donations should be strictly avoided.**

C. Each Centre to obtain Tax Deducted at Source (TAN) Number under the PAN Number of BAI HQ.

It is observed that, Centres are not deducting tax on payments made by them, which statutorily they required to do as per the provisions of the Income Tax law.

The Income Tax Department now made it mandatory for all payments exceeding a certain limit made to professionals, contractors or to employees as per the provisions of TDS, and further a TDS Return of such deduction is required to be submitted.

Thus, it is necessary and obligatory on the part of the centre to apply and obtain Tax Deducted at Source (TAN) Number from respective Income Tax Offices. You are further advised to deduct TDS and remit the same to the Government Treasury and submit the TDS returns on quarterly basis.

D. Format of Accounts to be followed by Centres

1. Each center should prepare a **detailed set of accounts** (attached herewith) at the end of the financial year comprising of the -
 - a. Balance sheet showing previous year's figures,
 - b. Income & Expenditure Account showing previous year's figures,
 - c. Receipt & Payment account,
 - d. Schedules of fixed assets with addition / deletion details

- e. Schedule of investments with details of type of investments.
- f. Schedule of Corpus & other Funds – showing opening balance, addition, transfers and closing balance.
- g. List of debtors and creditors
- h. List of donations accepted, list of donations given, along with PAN Aadhar mobile number email addresses
- i. List of out-standing expenses
- j. Details of loans & borrowings
- k. Detailed account-wise break of current assets and current liabilities
- l. Copies of TDS returns, challans along with working and other details
- m. Copies of GST returns, challans along with working and other details
- n. The set of accounts should be in a predetermined standard format so that it will help in consolidation of accounts at the year end.
- o. Purchase and sale of assets should be informed to HQ on a regular basis.
- p. Surplus funds with the center should be invested preferably in bank fixed deposits.
- q. Proper records should be maintained in respect of loans taken. PAN, Adhar, information should be obtained from the person providing the loan. Loans should not be accepted from Non Members.

The above statements should be audited by a Chartered accountant followed by an audit report and the set of accounts the records should be maintained properly in a software, preferably in Tally.

We earnestly request you to kindly take note of the above and circulate this information amongst your centres / members, so that tax compliance can be done smoothly and in time.

You may contact Shri Raju John, Executive Secretary on 9323576860 / Shri Swapnil Salekar, Head- Accounts and Taxation on 9076337294 for any assistance, if require.

