

## UFM CAM Review - report prepared by UWA CAM Team 2020-2021

### Period of review:

April 2020 till March 2021

*This is a follow up review note to the last CAM review note shared in September – October 2020 (for period April 2020 till July 2020).*

### Key Information:

- 1) The review conducted by the CAM TEAM is based on **MIS reports as of 31.03.2021 as provided by UFM in excel sheet over email**. UFM has not provided the Audited FY 20, FY 21 financials. CAM team does not certify the veracity of data provided by UFM.
- 2) The ongoing and past accumulated losses on account of CAM are being funded through an Overdraft against Deposits (loan) facility, created against the deposits of owners which have been partially pledged to a lender (Bank).
- 3) Surplus of **INR 3.13 crores** on account of Amphan 2020 Insurance claims – remains unspent as of 31.02.2021.
  - Receipts = 5.43 crores
  - Expenses= 2.30 crores
- 4) In early 2020, the CAM Team 2020 had been observed that there were certain components of common expenses which should have been allocated to BNRI. CAM Team has ensured elimination of such expenses in Tower CAM estimates since April - May 2020. However, in the absence of relevant evidence, the CAM Team is unable to report if such amounts (to be collected since inception) due to UFM have been received from BNRI.

### Executive Summary:

#### Tower CAM:

- Net deficit of INR 1.11 crores as of Financial Year ended 31.03.2021
- The deficit is primarily due to incremental (higher than usual average) expenditure towards site maintenance, sanitization of premises, landscaping work, breakdown due to wear and tear, other repairs and maintenance, especially in the last 6 - 7 months of the Financial Year ended 31.03.2021.

#### Some major one time capex incurred on Purchase & Stores, Repairs, Site Maintenance expenses (worth 70 lakh plus) include:

- 1) Replacement of Resin worth approx. = **17.60 lakhs**
- 2) REPLACEMENT Purchase of Street lights, LED Rope Lights, LED panel light for lift lobby, LED Spikle lights, LED display controller etc. for central lawn, for all towers, electrical meter with accessories for Club house = **15 lakhs plus**
- 3) WTP Pre Treatment system overhauling, PRV Spares Spare parts for domestic pump, Flow meter etc, grouting work at Basement 2 slab, Aerator tanks cleaning = **27 lakhs plus**
- 4) Replacement equipment for lawn greens maintenance, manures for landscape work, seasonal plant = **10 lakhs plus**

#### Club Subscription

- Surplus of INR 15 lakhs approx. as of Financial Year ended 31.03.2021
  - a. Expenses: 1.73 crores
  - b. Income: 1.88 crores

**Restaurant operations**

- Deficit of INR 34 lakhs as of Financial Year ended 31.03.2021
  - a. Expenses: 76.26 lakhs
  - b. Income: 42.26 lakhs

**Consolidated Basis (Club + Restaurant)**

On a consolidated basis, Club and Restaurant operations are at a deficit of INR 18.93 LAKHS for the financial year ended 31.03.2021.

- a. Expenses: 2.49 crores approx.
- b. Income: 2.30 crores approx.

As we have shared in the previous review (September - October 2020) as well, the Club Restaurant, currently being operated by BNRI/UFM is a financially unviable unit (operation losses are currently pegged at about INR 3.52 lakhs per month, down from 7 - 8 lakhs last financial year). BNRI has stopped funding the losses towards club deficit.

For any other queries on CAM review, please email your query to [uwa.camteam2020@gmail.com](mailto:uwa.camteam2020@gmail.com)

For better clarity of information, this report should be read in continuity of Our earlier published CAM reports.

Thank you and Best,

**UWA CAM TEAM 2020-2021**

**DETAILED CAM REVIEW NOTE – FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021**

**Key Highlights of Review  
Tower CAM - FY 21**

1) As per UFM financials, there was a deficit of INR 1.11 crores in Tower CAM for the period April 2020 till March 2021.

Tower CAM (April – March 2021)	Amount in Lakhs	Monthly Average (August till December)
Income	1140.46	Average monthly income is 95.01 lakhs
Expenses	1251.49	Average monthly spend is 104.29 lakhs
Deficit	111.33	Average monthly deficit is 9.28 lakhs

2) As per Sept-October 2020 CAM update, there was accumulated savings of 34.54 lakhs approx. mainly due to one-time savings and deferred site maintenance expenses. These savings were completely offset by incremental expenditure between August and December 2020.

Enclosed below is the break up where savings of 34.54 lakhs was spent from July - August till December 2020

Tower CAM Expenses	Amount spent between August 2020 and December 2020 INR in Lakhs (MONTHLY)	Monthly Average (April 2020 till December 2020)	Extra spend - Remarks on the Difference amount spent post 5 months of lockdown.
			1.92 lakhs per month incremental
Electricity	25.65 lakhs	23.73 lakhs	(9.6 lakhs for 5 months)
Security	20.41 lakhs	19.10 lakhs	(6.55 lakhs for 5 months)
Housekeeping	8.53 lakhs	8.00 lakhs	(2.65 lakhs for 5 months)
			2.00 lakhs per month incremental
Purchase and Stores	4.94 lakhs	2.94 lakhs	(10 lakhs for 5 months)
			1.22 lakhs per month incremental
Site Maintenance	3.24 lakhs	2.02 lakhs	(6.10 lakhs for 5 months)
			<b>Total incremental spend in 5 months = 34.90 lakhs</b>

### Club Subscription Fee (Club +Restaurant combined)

Club Subscription Urbana	Average Monthly Amount in Lakhs (August till December)	Monthly Average (April till March 2021)	Total Amount (April 2020 till March 2021)
Income	15.53 lakhs	19.20 lakhs	230.37 lakhs
Expenses	12.91 lakhs	20.77 lakhs	249.30 lakhs
Deficit	2.62 lakhs	1.57 lakhs	18.93 lakhs

**Club financials ex Restaurant (without restaurant figures) :** If we do not consider restaurant operations, then there has been a monthly average surplus of INR 1.25 lakhs per month for the period April till March 2021, aggregating to approx. INR 15 lakhs.

This was primarily due to savings on electricity in select few months of total lockdown in April - June 2020, reduction in salaries of club staff, deferred Maintenance expenses in Club due to lockdown.

### Restaurant Operations

Club Subscription Urbana	Average Monthly Amount in Lakhs (August 2020 till December 2020)	Monthly Average (April till March 2021)	Total Amount (April till March 2021)
Income	3.47 lakhs	3.52 lakhs	42.26 lakhs
Expenses	5.95 lakhs	6.35 lakhs	76.26 lakhs
Deficit/ Loss	2.48 lakhs	3.40 lakhs	30.55 lakhs

- Average Loss of 3.52 lakhs per month in restaurant operations (April 2020 till March 2021) – this amounts to 34.00 lakhs approx.
- Club Restaurant, currently being operated by BNRI/UFM is a loss making /financially unviable unit. Club Restaurant operation losses (currently pegged at about INR 3.52 lakhs per month, down from about 7 - 8 lakhs p.m. in FY 20).

### Overview of Major Expense Heads – Tower CAM

Particulars	FY 21 Monthly average Amount INR Lakhs	Remarks
Electricity charges	24.17	Increase in month of March 2021 – by 2.50 – 3.00 lakhs approx
Security Services	19.68	Increase in monthly amount by INR 1.40 lakhs approx since Feb and march 2021
Synergy HK +Electrician + Lift technician	8.30	Increase in monthly amount by INR 0.67 lakhs since Feb and march 2021
SAMS Facilities (HK +Pump operator)	3.46	
AMC – Lift (Mitsubishi + Thyss)	5.24	
Crystal Salt / brine / Granules etc	3.08	Reduced drastically as compared FY 20, FY 19.
Purchase & Store Items	5.50	Increase due to higher expenses owing to breakdown, wear and tear.
Site Maintenance (R&M) expenses	6.64	Increase due to higher expenses owing to breakdown, wear and tear.
Salary & Remuneration	4.00	
Insurance Policy Premium (Fire++)	4.51	Increase in monthly amount by 1.93 lakhs due to increase in premium at time of renewal in 2020.
<b>Total of Top 10 expense heads</b>	<b>84.58 lakhs p.m.</b>	<ul style="list-style-type: none"> <li>✓ Total monthly income = INR 95.01 lakhs per month. (Annual amount = INR 11.40 crores)</li> <li>✓ Total monthly expenses average = INR 1.04 crores per month.</li> <li>✓ Total monthly deficit as of FY 21 = 9.28 lakhs per month.</li> <li>✓ Top 10 expense heads INR = 84.58 lakhs per month</li> </ul> <p><b>(these contribute 81.10 % of Tower CAM expenses)</b></p>

- Above Top 10 expenses account for **81.10 % of total Monthly Expenses** on account of Monthly Tower CAM charges
- **Top 3 Fixed Cost (expense) heads** are Electricity, Security, HK + Electricians, **accounting for 50% of total Monthly Expenses** on account of Monthly Tower CAM charges (52.15 / 104.29 lakhs)
- Owing to breakdowns, wear and tear, replacement purchases, some preventive maintenance, there were one time higher spends on Purchase and Store Items, Site Maintenance Expenses to the tune of **INR 70 lakhs plus approx.**
- There was a significant jump of Monthly insurance premium by almost 1.93 lakhs when the policy was renewed in late 2020 (Oct-Dec quarter). The monthly amount increased from 2.58 lakhs to 4.51 lakhs per month.
- Monthly deficit of 9.28 lakhs average is primarily due to increase in expenses on account of:
  - Purchase & Stores
  - Site Maintenance Expenses (including repair and maintenance)
  - Increased Electricity consumption post lockdown

### Overview of Top Expense Heads – Club Subscription Fee (excluding restaurant operations)

Particulars	FY 21 Monthly average Amount INR Lakhs	Remarks
Electricity charges	4.04	Increase in Jan- March 2021 quarter – 1.00 lakhs per month approx.
Security Services	1.44	
Housekeeping (Cleantech AMC)	0.87	
AMC Air conditioning (Voltas)	0.95	
Brine Solution	0.34	
AMC FIRE Detection (Siemens)	0.38	
Purchase & Store Items	1.37	Increase due to higher expenses owing to breakdown, replacement etc.
Site Maintenance (R&M) expenses	1.66	Increase due to higher expenses owing to breakdown, replacement etc.
Salary & Remuneration	0.49	
AMC Swimming Pool	0.45	
<b>Total of Top 10 expense heads</b>	<b>12.00 lakhs p.m.</b>	<ul style="list-style-type: none"> <li>✓ Total Monthly average income = INR 15.67 lakhs p.m. (Annual amount = 1.88 crores approx.)</li> <li>✓ Expenses - monthly average = INR 14.42 lakhs per month (Annual Amount = 1.73 crores approx).</li> <li>✓ Monthly surplus = 1.25 lakhs (this does not include restaurant operation figures) – annual surplus = 15 lakhs approx.</li> <li>✓ -Top 10 expense heads = INR 12.00 lakhs per month (Annual amount = 1.44 crores)</li> <li>✓ (these 10 expense heads contribute 83.21 % of Club Monthly expenses)</li> <li>✓ These 10 expense heads are fixed in nature with very little variable nature of expenses are most are fixed AMCs.</li> </ul>

### Overview of Top Expense Heads – Restaurant operations

Particulars	FY 21 Monthly average Amount INR Lakhs	Remarks
Consumption of Food Ingredients	1.92	Increase in Jan- March 2021 quarter – 1.00 lakhs per month approx
Container, Foils, Water etc.	0.35	
Staff Food	0.26	
Salary	1.54	
Manpower (Outsourced)	2.08	This has gradually reduced from 2.37 lakhs to 1.69 lakhs per month by end of March 2021.
<b>Total of Top 10 expense heads</b>	<b>6.15 lakhs p.m.</b>	<ul style="list-style-type: none"> <li>✓ Total Monthly average income = INR 3.52 lakhs p.m. <ul style="list-style-type: none"> <li>○ (Annual amount = INR 42.26 lakhs approx.)</li> </ul> </li> <li>✓ Total monthly expenses average = INR 6.35 lakhs per month. <ul style="list-style-type: none"> <li>○ (Annual Amount = INR 76.26 lakhs approx.)</li> </ul> </li> <li>✓ Total avg. monthly loss = INR 2.83 lakhs per month <ul style="list-style-type: none"> <li>○ (Annual Amount = INR 34 lakhs)</li> <li>○ Top 5 expense heads = 6.15 p.m. (Annual Amount = 73.80 lakhs)</li> </ul> </li> <li>✓ these 5 expense heads contribute 97 % of Club Restaurant Monthly expenses.</li> </ul>

### Overview of Amphan Insurance Account – Expenses v/s Claims received

Particulars	FY 21 Amount INR Lakhs	Remarks
<b>Income</b> (Claims received from TATA AIA)	5.43 crores	Claims were received in four tranches in FY 21 - <b>20 lakhs</b> - <b>10 lakhs</b> - <b>5.79 lakhs</b> - <b>507 lakhs</b>
<b>Expenses as of 31.03.2021</b>	2.30 crores	- As per UFM data, <b>amount spent = 2.30 crores</b>
<b>Amount Surplus / Not spent / Not allocated as of 31.03.2021</b>	3.13 crores	- As per UFM data, surplus <b>amount / not spent = INR 3.13 crores</b>
		-
1) Repair & Maintenance	1.72 crores	1.72 crores has been spent primarily on repair of windows due to damage post Amphan, work done by two vendors.
2) Site Maintenance	4.22 lakhs	
3) Purchase of Store & Spares	51.66 lakhs	
	<b>2.30 crores</b>	
4) Liability for Expense not done in FY 21  (Provision for FY 22)	<b>1.38 crores</b>	This amount of 1.38 crores approx. has been booked as a liability for expense not yet done (provision) in FY 2021.  As per UFM, this is planned to be spent in FY 22 on balance work.

For any other queries on CAM review, please email your query to [uwa.camteam2020@gmail.com](mailto:uwa.camteam2020@gmail.com)

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Thank you and Best,

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