

Members who have questions to ask in connection with the statement of accounts are requested to send them in writing to the secretary by 3 P.M. on Friday 15th September, 2017

CONTENTS	PAGE
Notice	2
Report of the General Committee	5
Independent Auditors' Report	13
Balance Sheet	17
Income & Expenditure Account	18
Cash Flow Statement	19
Summary of Significant Accounting Policies and other explanatory informations	20

Note : Due to high price of paper and printing additional copies of the Balance Sheet will not be available at the AGM. Members are, therefore, requested to bring their copy to the AGM.

DELHI GYMKHANA CLUB LIMITED
(A Company limited by guarantee)

NOTICE

Notice is hereby given that the Annual General Meeting of the members of the Delhi Gymkhana Club Limited will be held at the club premises 2, Safdarjang Road, New Delhi-110011 at **1100hours on Saturday the 23rd September 2017** to transact the following business:-

Item No. 1

To receive, consider and adopt the audited Balance Sheet as at 31st March 2017, Income & Expenditure account for the year ended on that date together with the Report of the Auditors and General Committee thereon.

Item No. 2

To ratify the appointment of M/s. Khanna & Annadhanam, Chartered Accountants, as Statutory Auditors of the Company for the F.Y. 2017-2018 and to fix their remuneration.

Item No. 3

To elect seventeen members of the General Committee including a member to be designated as President.

By order of the General Committee

Place : New Delhi
Dated 26 August 2017

Air Cmde Harjit S Sassan (Retd)
Secretary

Notes :

1. The business set out in the Notice will be transacted through electronic voting system and the Club is providing facility for voting by electronic means.

Instructions and other information relating to e-voting are given herein. The Club is also sending communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members.

2. The present auditors M/s Khanna & Annadhanam, the retiring auditors, are eligible for ratification of appointment.
3. In accordance with section 152 of the Companies Act 2013:

(a) Every member (other than a member who has left at the club office a notice under section 160 signifying his/her candidature for a Committee Member) proposed as candidate for a Committee member shall sign, and file with the club, his/her consent, in writing to act as a Committee Member, if appointed.

ACCORDINGLY, THE REQUISITE CONSENT OF THE CANDIDATE, AS PROPOSED UNDER NOTE 3 ABOVE MAY ALSO PLEASE ACCOMPANY THE PROPOSAL REFERRED TO IN THAT NOTE

(b) A Member, other than a Committee Member re-appointed after retirement, shall not act as a Committee Member of the club unless he/she has within thirty days of his/her appointment signed and filed with the Registrar, his/her consent in writing to act as such Committee Member.

4. Members should fill in the attendance slip for attending the Meeting.
5. Relevant documents and Register as prescribed under Companies Act, 2013 will be available for inspection at the AGM.
6. In case members wish to ask for any information about accounts or operation of the club, they are requested to send their queries in writing atleast 7 days before the date of the meeting, so that the information can be made available at the time of the meeting.
7. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Club electronically.

8. **Information and other instruction relating to e-voting are as under:**

(a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, and other applicable provisions, if any, of the Companies Act, 2013 the Club is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the meeting ("remote e-voting").

(b) The facility e-voting shall also be made available at the venue of the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting/electronic means shall be able to vote at the Meeting through e-voting system.

(c) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(d) The Company has engaged the services of **M/s Karvy Computershare Private Limited** ("Karvy") as the Agency to provide e-voting facility.

(e) The General Committee has appointed Shri B L Vohra IPS (Retd) and Mr R M S Liberhan, a as Chief **Scrutinizer** to scrutinize the remote e-voting and e-voting at the meeting in a fair and transparent manner and he has communicated their willingness to be appointed and will be available for same purpose.

(f) A person, whose name is recorded in the Register of Members maintained by the Club as on the **cutoff date i.e. 15th September, 2017** only shall be entitled to avail the facility of e-voting or voting.

The process and manner for evoting is as under:

- i. M/s Karvy will create a **user ID** and **Password** and will send it to all the Permanent members by email address available with the club. In case where there is no email id or the mail bounces back for wrong IDs, such members will be sent login ID and password by registered mail on the address available in club records.
- ii. Mail of M/s Karvy will be self explanatory and display window will be user friendly for the voting indicating the date and time for e-voting.

- iii. The voting will be open for five days starting on Monday, 18th Sept 2017 at 9.00 AM.
- iv. E-voting will close on 22nd Sept 2017 at 5.00 PM on the 5th day which will be a day prior to the AGM.
- v. E-voting will be closed by the Chief Scrutineer after 5.00 PM of the last day, prior to the AGM.
- vi. After closing of the event by the Chief Scrutineer, M/s Karvy will download the data which will be uploaded on five computers installed at the AGM venue on the date of the AGM for insta-poll voting by members who could not vote online.
- vii. The voting will be completed by 5.00 PM on the date of the AGM and results will be declared at the scheduled time which is 8.30 PM.
- viii. The members would be able to cast their votes at the meeting through Instapoll/Tab voting provided by Karvy if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members would not be permitted to exercise their voting right at the general meeting.
- (ix) The Scrutineer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting a consolidated scrutiner's report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
- (x) The Result of the voting shall be declared by the Chief Scrutineer or any person authorised by the Chairman on or after the receipt of consolidated scrutiner's report. The result along with the scrutiner's report will be placed on the club's website, www.delhigymkhana.org.in and on the website of the Karvy.
- (xi) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e., 23rd Sept 2017.
- (xii) Kindly note that on the actual day of voting members will be able to cast their votes at the meeting through Instapoll/Tab voting provided by Karvy if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members would not be permitted to exercise their voting right at the General Meeting.

By order of the General Committee

Place : New Delhi
Dated 26 August 2017

Air Cmde Harjit S Sassan (Retd)
Secretary

REPORT OF THE GENERAL COMMITTEE

TO THE MEMBERS

The General Committee has immense pleasure in presenting its Annual Report together with the audited accounts of the Company for the year ended 31 March 2017.

1. FINANCIAL RESULTS

	<u>2017</u>	(Rs in lacs) <u>2016</u>
Revenue from operations & other income	5018.76	5635.67
Surplus before prior period/ exceptional items, depreciation & tax	222.89	688.86
(Less) Depreciation	(130.52)	(137.36)
(Less) Prior period items	(0.506)	(0.735)
(Less) Exceptional items	(51.96)	(6.59)
Surplus before tax	39.91	544.18
(Less) Current tax	(66.50)	(48.50)
Add/(Less) Income tax of earlier year	-----	(7.52)
Surplus / (Deficit) transferred to member's general reserve	(26.59)	503.20

The amount of Rs. 1,34,875 thousand being registration fee which was earlier shown at Note 16 has now been shifted to Note 3 being the liability due to change in decision to refund the registration fee.

2. OPERATIONS

The General Committee is honoured to share with hon'ble members' salient features as under regarding the financial health of the club during the year:

- The net deficit this year is Rs. 26.59 lac as against a net surplus of Rs. 503.20 lac last year.
- Investments as on 31.3.2016 were Rs. 10,144.76 lac which have increased to Rs. 10,332.42 lac as on 31.3.2017. The total value of Mutual Funds on Net Asset Value basis as at 31.3.2017 comes to Rs. 12,880.55 lac. The capital gains on investments during the year have been Rs. 275.86 lac as against Rs. 681.52 lac last year.
- Our reserves during the year under report have also gone up from Rs. 9,613.25 lac to Rs. 11,134.85 lac.

The membership of 21 members (9 permanent members, 4 lady subscribers, 6 green card holders and 2 corporate members) had to be terminated after observing the laid down procedure for non-payment of bills. During the year 2 members have been re-instated with corresponding deposit of restoration fee.

The balance outstanding of committee members as on 31 March 2017 is given in Note 12. In this context it is emphasized that all bills outstanding against members have been paid on presentation.

3. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Club occurred between the end of the financial year to which this financial statements relate and the date of this report.

4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The club is not a power intensive one but wherever possible necessary energy conservation measures have been taken.

Technology Absorption

The Club is working towards green and a zero effluent zone. Solar energy has been harnessed for saving electricity and sewage solid waste and effluent treatment plant has been installed.

Foreign Exchange Earnings and out go

The total foreign exchange Inflow was Rs 5.12 lac and Outflow was Rs Nil during the year under review. The foreign exchange inflow is for payments received in foreign currency from members against their bills.

5. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Club does not have any expensive plant or machinery in its premises except for machines used for better ergonomics of daily functioning of a Club. The Club, therefore, does not have any Risk Management Policy as the elements of risk threatening the Club's existence is very minimal.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

A sum of Rs. NIL lac has been paid for the financial year ending 31 March 2017.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The company had not given any loans and guarantees. The company had made investments in mutual fund units amounting to Rs. 10,332.42 Lacs as given in Note 09 of the financial statements.

8. RELATED PARTY TRANSACTIONS

There was no contract or arrangements made with related parties as defined under Section 188(1) of the Companies Act, 2013 during the year under review.

9. AUDITORS' QUALIFICATIONS

There are no reservations or adverse remarks made in the Statutory Auditors' Report except, one qualification of inadvertently acceptance of specified Bank Notes to the extent of Rs. 1,77,000/- after 8/11/2016. Members may inspect the Names & Address of individuals from whom such bank notes were accepted from the Accounts Office.

10. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Club and hence the Club has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

11. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure II (Form MGT.9) and is attached to this Report.

12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 25 General Committee (Board) meetings during the financial year under review.

13. DIRECTORS'S (MEMBERS OF GENERAL COMMITTEE) RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013 (here in after referred to as the "Act"), your Directors (General Committee Members), to the best of their knowledge and ability, confirm that:

- (i) in preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures.
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2017 and of surplus or deficit of the Company for the year ended 31 March, 2017;

- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a 'on - going concern' basis.
- (v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Club does not have any Subsidiary, Joint venture or Associate Company.

15. DEPOSITS

The Club has neither accepted nor renewed any deposits during the year under review.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

Mr. Chander Kumar Sharma, Mrs.Ruchika Chaudhury Govil, Mrs.Urmila Gupta, Mr.Kanwar Rattan Lal Malhotra, Mr.Mohit Nasa, Mr.Pramod Chander Rawal, Mr.Balbir Singh Sandhu Mr.Inderjit Singh,Mr. Anil Kumar Bhalla, Mr.Ganiteshwar Singh Miglani, Mr.Satpal Rawal Ms.Niji Sapra, Brig Vivek Mehta,Brig S.K.Sapru,Dr.Jayadev Sarangi, Maj Gen S V P Singh, Brig H PS Bedi, were appointed as Directors during the year.

Mrs. Nisha Jyoti Bahadur, Mr.Rajesh Chopra, Mr.Robindra Gupta, Mr.Deepak Kapur, Mr.Yogesh Prasad resigned during the year and hence ceased to be Director.

KEY MANAGERIAL PERSONNEL

Air Cmde Harjit Singh Sassan continues as Secretary cum CEO of the Club, for the Financial year 2016-2017.

17. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

18. AUDITORS

Messer's Khanna&Anandhanam Chartered Accountants, (ICAI Registration No. 001297N) Statutory Auditors of the Company, were appointed as statutory auditors of the Company in the Annual General Meeting dated 28th September, 2014 for five years subject to the ratification of members at every AGM held thereafter. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for re-appointment as Auditors of the company to conduct the audit for the financial year 2017-2018.

19. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Club.

20. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTORS

The provisions are not applicable to the Company limited by guarantee.

21. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of operation of the Club

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the club's operations in future.

23. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial controls with reference to Financial Statements. The same are periodically reviewed by the Internal & Statutory Auditors and by the Management, Board and Committees thereof.

24. PARTICULARS OF EMPLOYEES

As required under Section 197 read with Rule 5 of Companies (Appointment and Remuneration) Rules, 2014, no person employed throughout the year or part thereof, was in receipt of remuneration of Rs. 8,50,000/- per month or Rs 1,02,00,000 per year.

25. MEMBERSHIP

With a deep sense of regret your committee reports the demise of 123 members during the year. The condolence messages were sent to the next of kin of the deceased members. Further, during this period 15 members removed from the membership of the Club.

The Club membership as on 31 March 2017 is given below:

Life Members	29
Permanent Members	5470
UCP Members	2616
Eminent Category	190
Diplomats and Foreigners	24
Special Corporate Nominees	171
Lady subscribers	1606
Green card holders	5200
NRI	5
TOTAL	15311

26. ACKNOWLEDGEMENTS

The General Committee Members are thankful to various Government Departments, Banks and Employees for their co-operation and assistance during the year for successful operation of the Club.

For and on behalf of the General Committee

Kanwar Rattan Lal Malhotra
Director-President(Officiating)

Dr. Jayadev Sarangi
Chairman Finance Sub Committee

Air Cmde Harjit S Sassan (Retd.)
Secretary

Place : New Delhi
Dated 26 August 2017

Annexure 1 to Report of the General Committee

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

Policy Statement

The Corporate Social Responsibility policy has been drafted with a view to provide a framework for establishing a process for allocation, distribution and spending of funds for the purpose of making an impact to the community in the locations that the Company has office(s).

Constitution of CSR Committee

The CSR projects in the Company are implemented under the guidance of the Board's Sub-Committee on CSR which presently comprises of three directors. The terms of reference of the Committee is given below:

- I. Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company.
- II. Recommend the amount of expenditure to be incurred on the activities.
- III. Review the Corporate Social Responsibility Policy of the company annually.
- IV. Institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the company.

Note:-Pursuant to the Rule 5 of the Companies(Corporate Social Responsibility Policy) Rules, the company is not required to appoint an Independent Director in its CSR Committee.

Scope of activities

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013.

Planning

The committee shall plan and implement the CSR activities in and around the location where the Company operates.

Implementation Schedules

The Committee maintained under this policy by and is hereby responsible for implementation of its schedule; and accordingly report to the Board from time to time about its action for the implementation of the schedule.

Process of Implementation

- a) Identification of programmes: The committee maintained therein for the purpose of the compliance of section 135 of the Companies Act, 2013, i.e. Corporate Social Responsibility (CSR) shall contribute to spend the amount in the CSR Activities as may be decided by the committee time to time subject to fulfilment of Schedule VII of the Companies Act, 2013 and the rules made there under.
- b) Area of CSR activities: The committee may decide the area where the CSR works can be carried out.
- c) Powers for approval : The committee shall have the power to spend the amounts in the area or project allocated for the year by the Board of Directors.

Monitoring mechanism

The CSR Committee shall be responsible to ensure effective implementation and monitoring of the projects approved by it.

Reporting

The progress report of the activities undertaken shall be reported as under:

- a) Half yearly report by CSR committee to the Board of Directors.
- b) Annual Report to the Shareholders by Board of Directors in consultation with CSR committee.

Policy Review & Future Amendment

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

2. **The Composition of the CSR Committee - the task of CSR Committee is merged with the Working Sub Committee which comprises the following Directors:-**

- i) Lt Gen I J Singh, Chairman
- ii) Lt Gen Anil Bhalla
- iii) Ms Urmila Gupta
- iv) Maj Gen S V P Singh
- v) Mr S P Rawal
- vi) Kanwar Rattan Lal Malhotra
- vii) Brig S K Sapru

3. **Average net profit of the company for last three financial years** : Rs 6,30,82,000
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** : Rs 12,61,640
5. **Details of CSR spent during the financial year** : Nil
- (a) **Total amount to be spent for the financial year** : Rs. 12,61,640
- (b) **Amount unspent, if any** : Rs. 12,61,640
- (c) **Manner in which the amount spent during the financial year is detailed below.**

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs		(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure up to the reporting period	(8) Amount spent
			Area	State and District		Direct Expenditure	Overheads		
1	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL
TOTAL		-			-	-	-	-	-

6. **Reasons for not spending the 2% of average net profit of last three financial years:** The Company is in process of finalising Projects/Programmes for spending the eligible amount.

7. **Responsibility statement of the CSR Committee:**

The implementation and monitoring of the Company's CSR Policy is in compliance with CSR objectives and Policy of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

FOR DELHI GYMKHANA CLUB LTD.

Kanwar Rattan Lal Malhotra
Director-President(Officiating)

Dr. Jayadev Sarangi
Chairman Finance Sub Committee

Air Cmde Harjit S Sassan (Retd.)
Secretary

Place : New Delhi
Dated 26 August 2017

Annexure II to the Report of the General Committee

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS:

i	CIN	U93000DL1901NPL000024
ii	Registration Date	01/01/1901
iii	Name of the Company	DELHI GYMKHANA CLUB LTD.
iv	Category/Sub-Category of the Company	PUBLIC COMPANY LIMITED BY GUARANTEE
v	Address of the Registered office and contact details	2, SAFDARJUNG ROAD, NEW DELHI-110011
vi	Whether listed company	NO
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sports Club	93120	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The club is not having any Holding, Subsidiary and Associate Companies.

D. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

There is no Equity Share Capital

E. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment;
NIL

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- (i) Remuneration to Managing Director, Whole-time Directors and/or Manager and for Manager:
NIL
- (ii) Remuneration to other directors:
NIL

(iii) Remuneration of Key Managerial Personnel Other Than MD/Manager/WTD

(Rs in lacs)

Sl No.	Particulars of Remuneration	Secretaries		Assistant Secretary(P)	Assistant Secretary(F)	Executive Mgr(F&B)	Total
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	19.92		10.93	18.92	15.01	64.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.26		1.64		0.26	5.16
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act,1961	—	—	—	—	—	—
2	Stock Option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission - as % of profit ‘- others, specify...	—	—	—	—	—	—
5	Others,please specify P.F. etc.	—	—	—	—	—	—
		0.23	—	0.23	0.23	0.23	0.92
	Total	23.41		12.80	19.15	15.50	70.86

(iv). **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

NIL

For and on behalf of the General Committee

Kanwar Rattan Lal Malhotra
Director-President(Officiating)

Dr. Jayadev Sarangi
Chairman Finance Sub Committee

Air Cmde Harjit S Sassan (Retd.)
Secretary

Place : New Delhi
Dated 26 August 2017

KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS
706, AKASH DEEP, 26-A, BARAKHAMBA ROAD
NEW DELHI - 110 001

Independent Auditor's Report

**To the Members of Delhi Gymkhana Club Limited
(A Company Limited by Guarantee)**

Report on the Financial Statements

We have audited the accompanying financial statements of Delhi Gymkhana Club Limited ("the Club"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management of the Club is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Club in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Club and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Club's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Club's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its surplus and its cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note No. 21 to the financial statements which describes the uncertainty related to outcome of certain claims against the Club relating to service tax, property tax, luxury tax and employees provident fund matters which are currently pending in litigations and other demands by various regulatory

KHANNA & ANNADHANAM
Independent Auditors' Report (Contd.)

authorities. Pending the final outcome of aforesaid matters, which are presently unascertainable, no adjustments have been recorded in the financial statements.

2. Attention is invited to Note No. 22 regarding interest payable on Employee State Insurance dues which is not ascertainable at present and for which no adjustments have been recorded in the financial statements.
3. Attention is invited to Note No. 30 regarding provision of depreciation as per the requirements of Schedule II to the Companies Act, 2013.
Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. Based on the legal opinion obtained by the Club, it is a Company incorporated under section 8 of the Companies Act, 2013 (corresponding to Section 25 of the Companies Act, 1956) and therefore, the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable. Therefore, the statement on the matters specified in paragraphs 3 and 4 of the Order is not required.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by the law have been kept by the Club so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Income and Expenditure and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the General Committee, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Club and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Club has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements;
 - ii. The Club did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Club.
 - iv. The Club has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in Note No. 32 to the financial statements, amounts aggregating to Rs. 272,000, as represented to us by the Management, have been received from transactions which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Club and as produced to us by the Management. Refer Note No. 32 to the financial statements.

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.:001297N

Place: New Delhi
Date: 26th August, 2017

Jitender Dhingra
Partner
Membership No.:90217

KHANNA & ANNADHANAM

Annexure 'A' to the Independent Auditor's Report of even date on the Financial Statements of Delhi Gymkhana Club Limited (A Company Limited By Guarantee) for the year ended 31st March, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Delhi Gymkhana Club Limited** ("the Club") as of March 31, 2017 in conjunction with our audit of the financial statements of the Club for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Club is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Club considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Club's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Club's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

KHANNA & ANNADHANAM

Annexure 'A' to the Independent Auditor's Report of even date on the Financial Statements of Delhi Gymkhana Club Limited (A Company Limited By Guarantee) for the year ended 31st March, 2017 (Contd.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Contd.)

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Club has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Club considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Khanna & Annadhanam
Chartered Accountants
Firm Registration No.:001297N**

**Place: New Delhi
Date: 26th August, 2017**

**Jitender Dhingra
Partner
Membership No.:90217**

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Balance sheet as at 31 March 2017

	Notes	2017	(Rupees'000) 2016
Equity and liabilities			
Members' funds			
Reserves and surplus	2	978,610	961,325
Non-current liabilities			
Long-term liabilities	3	475,807	288,047
Long-term provisions	4	113,339	101,625
		<u>589,146</u>	<u>389,672</u>
Current liabilities			
Trade payables	5	-	-
Due to micro and small enterprises		27,918	21,164
Due to others	6	105,214	102,194
Other current liabilities	7	5,723	3,442
Short-term provisions		<u>138,855</u>	<u>126,800</u>
Total		<u>1,706,611</u>	<u>1,477,797</u>
Assets			
Non-current assets			
Fixed assets	8		
Tangible assets		118,891	118,039
Intangible assets		4	17
Capital work-in-progress		23,231	14,292
Non-current investments	9	1,033,242	1,014,476
Long-term loan and advances	10	231,467	233,906
		<u>1,406,835</u>	<u>1,380,730</u>
Current Assets			
Inventories	11	15,964	12,785
Trade receivables	12	34,524	38,918
Cash and bank balances	13	223,030	24,638
Short-term loan and advances	14	26,255	20,725
Other current assets	15	3	1
		<u>299,776</u>	<u>97,067</u>
Total		<u>1,706,611</u>	<u>1,477,797</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

On behalf of the General Committee

Kanwar Rattan Lal Malhotra
Director-President(Officiating)

Dr Jayadev Sarangi
Chairman Finance Sub Committee

Members
Maj Gen SVP Singh
Mr S P Rawal

Air Cmde Harjit S Sassan
Secretary

This is the balance sheet referred to in our report of even date.
For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.001297-N

Place : New Delhi
Date : 26 August, 2017

Jitender Dhingra
Partner
Membership No.:90217

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Income and Expenditure Account for the Year Ended 31 March 2017

			(Rupees'000)
	Notes	2017	2016
Income			
Revenue from operations	16	463,471	489,470
Other income	17	38,405	74,097
		<u>501,876</u>	<u>563,567</u>
Expenses			
Cost of materials consumed	18	152,574	154,581
Employee benefit expenses	19	195,788	190,745
Depreciation and amortisation	8	13,052	13,736
Other expenses	20	131,225	149,355
		<u>492,639</u>	<u>508,417</u>
Surplus before prior period items and tax		9,237	55,150
Prior period income		275	-
Prior period expenditure		(326)	(73)
Exceptional items [refer note 21(b)]	21	(5195)	(659)
Surplus before tax		3,991	54,418
Current tax		(6650)	(4,850)
Income tax of earlier years		—	752
Surplus / (Deficit) transferred to member's general reserve		<u>(2,659)</u>	<u>50,320</u>

Significant accounting policies 1
The accompanying notes are an integral part of the financial statements.

On behalf of the General Committee

Kanwar Rattan Lal Malhotra Dr Jayadev Sarangi
Director-President(Officiating) **Chairman Finance Sub Committee**

Air Cmde Harjit S Sassan
Secretary

Members
Maj Gen SVP Singh
Mr S P Rawal

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.001297-N

Place : New Delhi
Date : 26 August, 2017

Jitender Dhingra
Partner
Membership No.:90217

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Cash flow statement for the year ended 31 March 2017

	2017	(Rupees'000) 2016
1 Cash flow from operating activities		
Profit before tax	3,991	54,418
<i>Adjustment for</i>		
Depreciation and amortisation	13,052	13,736
Staff welfare reserve	341	428
Retirement benefit reserve	2,800	867
Loss on sale of fixed assets	-	64
Profit on sale of fixed assets	(314)	(32)
Profit on sale of investments	(27,861)	(68,151)
Entrance fee	16,803	12,463
Amount written back	(11)	(13)
Amount written off	20	8
Stores written back	-	(24)
Stores written off	12	76
Provision for doubtful debts/advances	868	123
Interest & other income	(10,506)	(5,913)
Operating profit/(loss) before working capital changes	(805)	8,054
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in assets</i>		
Trade receivables	3,526	(817)
Stock in trade	(3,191)	(1,441)
Loans & advances	(2,327)	(10,125)
Other current assets	(2)	(1)
<i>Adjustments for increase / (decrease) in liabilities</i>		
Trade payable	6,745	(3,245)
Liabilities	190,791	27,284
Provisions	13,995	6,085
Cash generated from operations	208,741	25,794
Direct taxes paid	(7,434)	(2,666)
Net cash flow (used in) operating activities	201,307	23,128
2 Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(22,884)	(15,033)
Interest & other income	10,506	5,913
Sale of fixed assets	368	198
Purchase of long term investments	(113,882)	(2,94,971)
Sale of long term investments	122,977	2,82,497
Net cash flow (used in) investing activities	(2,915)	(21,396)
3 Net increase/(decrease) in cash and cash equivalents (1+2)	198,392	1,732
4 Cash and cash equivalents at the beginning of the period	24,638	22,906
5 Cash and cash equivalents at the end of the period (3+4)	223,030	24,638

The above cash flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard 3 (AS-3) on cash flow statement.

See accompanying notes forming part of the financial statements

On behalf of the General Committee

Kanwar Rattan Lal Malhotra Dr Jayadev Sarangi
Director-President(Officiating) Chairman Finance Sub Committee

Members
Maj Gen SVP Singh
Mr S P Rawal

Air Cmde Harjit S Sassan
Secretary

For Khanna & Annadhanam
Chartered Accountants
Firm Registration No.001297-N

Place : New Delhi
Date : 26 August, 2017

Jitender Dhingra
Partner
Membership No.:90217

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

NOTE 01 Significant accounting policies

a. Basis of preparation:

The financial statements of the Club have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Club has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Club in terms with the guidance as set out in the Schedule III to the Companies Act, 2013.

b. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Revenue recognition:

- a. Annual subscription fee, additional registration fee, processing charges, change of nominee fee is accounted for on accrual basis.
- b. Revenue from sales is stated net of Value Added Tax wherever applicable.
- c. The entrance fee from members admitted is credited to the members' general reserve directly.
- d. One time contribution received towards building and maintenance account during the year from new members is utilized / used towards repairs to building.
- e. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Income and Expenditure Account.

d. Fixed assets and depreciation:

- (i) Tangible Assets
All fixed Assets are valued at cost less depreciation/amortization. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.
- (ii) Intangible Assets
Intangible assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.
- (iii) Useful lives/ depreciation rates
Depreciation is provided on straight line method over the useful lives of the assets. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.
Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of most of its fixed assets which are equal to useful lives and residual values specified in Schedule II except in some cases as given in Note 30. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.
- (iv) Depreciation of assets costing less than Rs. 5,000/-
Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Club was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from 1 April 2014, does not recognize such practice. However, considering the wear and tear of the assets which are extensively used, the management has decided to continue such assets to be depreciated at 100%
- (v) Provision for depreciation on cutlery, glassware, crockery etc. is made in such a manner to ensure that 50% of the total cost as at the end of the year, stands provided for.
- (vi) Depreciation on library books is provided on written down value method @ 10%.

e. Impairment of assets:

The indications for impairment of assets listed in paragraph, 8-10 of the Accounting Standard 28 – Impairment of Assets have been examined by the Management and on such examination, it has been observed that none of the

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

NOTE 01 Significant accounting policies (Contd.)

indications are present in the case of the Club and therefore, a formal estimate on the recoverable amount has not been made to ascertain impairment of assets.

f. Inventories:

Inventories including consumables and other stores are valued at lower of cost and net realizable value.

Cost is determined on first-in-first-out basis.

g. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

h. Employee benefits:

(a) Short- term employee benefits

Benefits such as salaries, wages, and short term compensated absences, etc. and the expected cost of bonus and ex-gratia are recognised in the year in which the employee renders the related service.

(b) Post employment benefits

(i) The contribution paid / payable under the provident fund scheme is recognized during the period in which the employee renders the related service. This is a defined contribution plan.

(ii) Gratuity is a post employment defined benefit plan. The present value of obligation for employees gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(c) Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability determined based on actuarial valuation using the Projected Unit Credit Method at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

(d) Termination benefits.

Termination benefits are recognised as an expense immediately.

i. Contingent liabilities and provisions:

The Club makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

j. Leases:

Lease rentals in respect of assets taken under an operating lease are charged to income and expenditure account on a straight-line basis over the lease term.

k. Foreign Currency transactions:

Transactions in Foreign Currency (FC) are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in FC as at the Balance Sheet date are converted at the exchange rate prevailing on that date. The exchange differences resulting there from are dealt with in the Income & Expenditure account.

l. Taxes on income:

Charge for current tax is determined based upon the provisions of Income-tax Act, 1961 to the extent applicable to the Club.

Deferred tax assets are recognised for all deductible timing differences and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are determined based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

	2017	(Rupees'000) 2016
Note 02 Reserve and surplus		
Members' general reserve		
Opening balance	947,797	885,014
Add :		
Entrance fee	16,803	12,463
Surplus / (Deficit) as per income and expenditure account	<u>(2,659)</u>	<u>50,320</u>
	<u>961,941</u>	<u>947,797</u>
Building and maintenance reserve**		
Contribution during the year	302	185
Utilized during the year	<u>(302)</u>	<u>(185)</u>
	<u>—</u>	<u>—</u>
Staff welfare reserve**		
Opening balance	889	461
Add : Amount received during the year	565	545
Less: Amount paid during the year	<u>(224)</u>	<u>(117)</u>
	<u>1,230</u>	<u>889</u>
Retirement benefits reserve**		
Opening balance	12,639	11,772
Add : Amount received during the year	3,759	3,760
Less: Amount paid during the year	<u>(959)</u>	<u>(2,893)</u>
	<u>15,439</u>	<u>12,639</u>
	<u>978,610</u>	<u>961,325</u>
** The amounts received by the Club for specific purposes is taken directly to reserves and expenditure incurred for the same is netted off from the respective reserve.		
Note 03 Long-term liabilities		
Security deposit from members	53,611	36,018
Refundable / adjustable registration fee	195,120	61,355
Contingency charges	220,412	184,006
Other liabilities	6,664	6,668
	<u>475,807</u>	<u>288,047</u>
Note 04 Long-term provisions		
Employee benefits	113,339	100,993
House tax	-	632
	<u>113,339</u>	<u>101,625</u>
Note 05 Trade payables		
Due to micro and small enterprises(refer note 29)	—	—
Due to others	27,918	21,164
	<u>27,918</u>	<u>21,164</u>
Note 06 Other current liabilities		
Advances from members	48,266	47,526
Security deposit from suppliers	7,841	7,220
Employee payables	28,401	28,325
Statutory dues	4,089	3,766
Other liabilities	16,617	15,357
	<u>105,214</u>	<u>102,194</u>
Note 07 Short-term provisions		
Employee benefits	5,464	3,183
Land and development office charges	259	259
	<u>5,723</u>	<u>3,442</u>

DELHI GYMKHANA CLUB LIMITED
A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.) for the year ended 31 March 2017

Particulars	Tangible assets										Intangible assets	Total fixed assets	
	Building* Tubewells	Electrical installation	Furniture and fixtures	Plant & equipments and Air-conditioners	Bicycles	Library books	Crockery, Cutlery & others	Computers	Computers	Total			
Gross block													
At 1 April 2015	18,057	2,321	70,469	36,520	63,960	56	6,657	5,755	7,053	210,848	869	211,717	
Additions	-	-	-	1,651	2,601	-	282	678	245	5,457	-	5,457	
Disposals	-	-	-	370	1,074	-	33	507	46	2,030	-	2,030	
At 31 March 2016	18,057	2,321	70,469	37,801	65,487	56	6,906	5,926	7,252	214,275	869	215,144	
Additions	-	-	-	2,653	9,789	-	300	645	558	13,945	-	13,945	
Disposals	-	-	-	280	2,306	-	32	386	-	3,004	-	3,004	
At 31 March 2017	18,057	2,321	70,469	40,174	72,970	56	7,174	6,185	7,810	225,216	869	226,085	
Accumulated depreciation/amortization													
At 1 April 2015	9,521	1,770	10,559	22,099	27,607	35	4,117	2,878	5,797	84,383	769	85,152	
Charge for the year	1,259	212	2,824	2,418	5,195	4	281	593	867	13,653	83	13,736	
Disposals	-	-	-	367	864	-	16	508	45	1,800	-	1,800	
At 31 March 2016	10,780	1,982	13,383	24,150	31,938	39	4,382	2,963	6,619	96,236	852	97,088	
Charge for the year	1,193	211	2,767	2,622	4,998	4	281	515	448	13,039	13	13,052	
Disposals	-	-	-	264	2,284	-	17	385	-	2,950	-	2,950	
At 31 March 2017	11,973	2,193	16,150	26,508	34,652	43	4,646	3,093	7,067	106,325	865	107,190	
Net block													
At 31 March 2016	7,277	339	57,086	13,651	33,549	17	2,524	2,963	633	118,039	17	118,056	
At 31 March 2017	6,084	128	54,319	13,666	38,318	13	2,528	3,092	743	118,891	4	118,895	

* Including land on perpetual lease

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 09 Non-current investments (valued at cost unless otherwise stated)	Face Value Rs	(Rupees '000)			
		2017		2016	
Long term - non trade		Nos.		Nos.	
Equity Shares - fully paid (quoted)					
Aluminium Industries Ltd (Quotation not available)	10	1,545	20	1,545	20
Jessop and Co.Ltd (Quotation not available)	10	600	12	600	12
National Rayon Corporation Ltd	10	400	7	400	7
Rohtas Industries Ltd (Quotation not available)	10	1,000	21	1,000	21
Vam holding Ltd (Quotation not available)	10	392	13	392	13
			<u>73</u>		<u>73</u>
Less: Provision			(73)		(73)
	Sub Total (A)		<u>—</u>		<u>—</u>
Mutual Funds (quoted)					
Birla Sun Life short term opportunities - Growth	10	3,313,163	63,890	3,313,163	63,890
Birla Sun Life Medium Term -Growth	10	5,827,662	83,007	5,827,662	82,731
Birla Sun Life Medium Term -Direct-Growth	10	632,642	12,841	—	—
Birla Sunlife Fixed TP Series ID-Regular (1094 Days)- Growth	10	—	—	1,000,000	10,000
DHFL Pramerica Short Maturity Fund - Regular-Growth	10	633,686	14,212	633,686	14,212
HDFC short term plan - Growth	10	646,688	15,000	951,183	22,000
HDFC Corporate Debt Opportunities Fund-Direct-Growth	10	1,520,952	20,972	—	—
HDFC FMP 540 D Dec. 2013 (1) Series 28 Regular-Growth	10	—	—	1,620,496	16,205
HDFC FMP 1115 Days January 2015 (1) Series 32 Direct- Growth	10	2,500,000	25,000	2,500,000	25,000
HDFC FMP 1120D March 2016 (1) Series 36 - Direct - Growth	10	3,000,000	30,000	3,000,000	30,000
HDFC FMP 1114D March 2016 (1) Series 35- Direct - Growth	10	2,000,000	20,000	2,000,000	20,000
HDFC Monthly Income Plan LT-Growth	10	125,449	3,392	125,449	3,392
HDFC FMP 1113 D Nov.2014 (1) Series 32 Direct	10	5,324,320	53,243	5,324,320	53,243
HDFC FMP 730D April 2014 (1) Series 31 -Regular -Growth	10	2,550,714	25,507	2,550,714	25,507
HDFC FMP 1128D March 2015 Series 33 Direct -Growth	10	1,000,000	10,000	1,000,000	10,000
ICICI Pru FMP Series 77- 1134D Plan H Direct - Growth	10	7,997,086	79,971	7,997,086	79,971
ICICI Pru FMP Series 75 1246 Days Plan U Direct - Growth	10	5,999,999	59,999	5,999,999	59,999
ICICI Pru Long Term - Direct-Growth	10	639,292	12,783	—	—
ICICI Pru FMP Serfies 70 - 1095 Days Plan H - Regular-Growth	10	—	—	1,000,000	10,000
ICICI Pru Regular Plan-Growth	10	1,710,198	31,163	1,710,198	31,163
ICICI Pru Corporate Bond-Plan B -Growth	10	2,311,774	40,000	2,311,774	40,000
ICICI FMP Series 76-1120 D Plan U DP Direct -Growth	10	1,000,000	10,000	1,000,000	10,000
ICICI FMP Series 77-1105 D Plan N Direct -Growth	10	6,000,000	60,000	6,000,000	60,000
ICICI Pru FMP Series 78-1130 D Plan T Direct-Growth	10	2,000,000	20,000	2,000,000	20,000
IDFC Super Saver Income Fund-STP-Regular-Growth	10	300,034	7,743	300,034	7,743
Kotak FMP Series 122- Growth	10	—	—	5,218,655	52,187
Kotak Medium Term Regular Plan -Growth	10	966,016	10,000	966,016	10,000
Kotak Bond (short term)- Growth	10	212,596	4,942	212,596	4,942
Kotak Medium Term Fund-Direct-Growth	10	4,992,359	67,286	—	—
Principal Income Fund STP Regular - Growth	10	981,924	21,290	981,924	21,290
Reliance Regular Savings Fund - Debt Plan-Growth	10	956,930	15,697	956,930	15,697
Reliance Arbitrage Advantage Fund-Growth	10	1,300,000	17,242	1,300,000	17,242
Reliance Fixed Horizon Fund - XXX Series 17 Direct-Growth	10	1,750,000	17,500	1,750,000	17,500
SBI Debt Fund Series - B-35 (1131 Days) Direct-Growth	10	3,000,000	30,000	3,000,000	30,000
Franklin India Income opportunity Fund - Growth	10	3,398,929	48,024	3,398,929	48,024
	Balance carried forward		<u>930,704</u>		<u>911,938</u>

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Notes 09	Non-current investments (contd.) (valued at cost unless otherwise stated)	Face Value		(Rupees '000)	
		Rs	Nos.	2017	2016
	Long term - non trade				
	Balance brought forward			930,704	911,938
	Mutual Funds (quoted)				
	Franklin India Short Term Income Fund-Retail-Growth	10	13,263	33,387	33,387
	UTI Fixed Term Income Fund-Series XIX V- 1095 D -Growth	10	1,000,000	10,000	10,000
	UTI Short term Income Fund -Institutional-Growth	10	450,531	6,651	6,651
	UTI Fixed Term Income Fund Series XVIII-II (1825 days)-Growth	10	1,500,000	15,000	15,000
	UTI Fixed Term Income Fund Series XXIV-V (1132 Days) Direct-Growth	10	2,000,000	20,000	20,000
	UTI Fixed Term Income Fund Series XXIV-X (1118 Days) Direct-Growth	10	1,750,000	17,500	17,500
	Sub Total (B)			<u>1,033,242</u>	<u>1,014,476</u>
	Total (A+B) *			<u>1,033,242</u>	<u>1,014,476</u>
	Aggregate Cost of investments				
	Unquoted				-
	Quoted			<u>1,033,242</u>	<u>1,014,476</u>
				<u>1,033,242</u>	<u>1,014,476</u>

* the total value of Mutual Funds on Net Asset Value as at 31 March 2017 comes to Rs 12,88,056 thousand
(Previous year - Rs 11,85,425 thousand)

All investments are considered as long term investments as they are intended to be held for more than 1 year from the date on which such investments were made.

(This space has been intentionally left blank)

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

	2017	(Rupees'000) 2016
Note 10 Long-term loan and advances		
(Unsecured considered good)		
Security deposits	2,850	2,840
Deposit with provident fund authorities [refer note 21 (d)]	10,683	10,682
Service tax [refer note 21(a)]	145,900	145,900
Luxury tax [refer note 21(c)]	62,532	62,532
Prepaid expenses	27	145
Advance to employees	5,750	8,866
Advance income tax	3,725	2,941
(Net of provision of Rs 14,600 thousand - previous year Rs 7,950 thousand)	<u>231,467</u>	<u>233,906</u>
Note 11 Inventories		
(Certified by the management / internal auditors)		
Catering consumables (refer note 18)	824	585
Wine and beverages (refer note 18)	11,922	9,085
Cigarettes (refer note 18)	57	64
Consumables and other stores	<u>3,161</u>	<u>3,051</u>
	<u>15,964</u>	<u>12,785</u>
Note 12 Trade receivables		
Outstanding for a period exceeding six months from the date - they are due for payment		
Unsecured, considered good	1,914	1,788
Unsecured, considered doubtful	2,234	1,366
Less: provision for doubtful debts	<u>(2,234)</u>	<u>(1,366)</u>
	1,914	1,788
Other receivables		
Unsecured, considered good	<u>32,610</u>	<u>37,130</u>
	<u>34,524</u>	<u>38,918</u>
Due from general committee members and secretary	665	160
Note 13 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	690	423
Postage stamps in hand	408	472
Cheques in hand	4,584	989
Balances with scheduled banks in:		
Current account	1	1
Savings accounts	26,694	7,642
Fixed deposit swipe accounts	190,076	14,578
Other Fixed deposits	577	533
	<u>223,030</u>	<u>24,638</u>
Note 14 Short-term loan and advances		
Advances recoverable in cash or kind	15,557	12,691
Unsecured, considered good		
Other loans and advances		
Unsecured, considered good		
Prepaid expenses	3,376	3,065
Advances to employees	<u>7,322</u>	<u>4,969</u>
	<u>26,255</u>	<u>20,725</u>

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

	2017	(Rupees'000)	
		2016	
Note 15 Other current assets			
Interest accrued on investments	<u>3</u>		<u>1</u>
Note 16 Revenue from operations			
Income from membership and subscription			
Subscription	67,408	67,863	
Processing charges	16,500	13,900	
Registration fee	-	44,635	
Additional registration fee	56,945	29,650	
Change of nominee (corporate)	6,750	3,000	
Restoration fee from members	<u>50</u>	<u>880</u>	159,928
Income from club facilities and services:			
Departmental sales	261,667	264,476	
Cottage rent	33,101	34,464	
Venue charges	<u>10,261</u>	<u>12,596</u>	311,536
Other operating revenue			
Library fines from members	224	213	
Miscellaneous receipts from members	3,819	3,316	
Other receipts	6,719	14,413	
Surplus on un-utilized coupons	16	27	
Stores written back	-	24	
Amounts written back	<u>11</u>	<u>13</u>	18,006
	<u>463,471</u>		<u>489,470</u>
Note 17 Other income			
Interest income on:			
Bank deposits	5,553	1,706	
Members	2,995	2,867	
Others	<u>921</u>	<u>303</u>	4,876
Profit on sale of investments		27,585	68,152
Rent from PNB		1,037	1,037
Profit on sale of assets		<u>314</u>	<u>32</u>
		<u>38,405</u>	<u>74,097</u>
Note 18 Cost of material consumed			
Raw material consumption			
Opening stock			
Catering consumables	585	523	
Wine and beverages	9,085	8,016	
Cigarettes	<u>64</u>	<u>126</u>	8,665
Add: Purchases			
Catering consumables	103,766	106,892	
Wine and beverages	49,749	47,126	
Cigarettes	<u>2,128</u>	<u>1,632</u>	155,650
Less: Closing stock			
Catering consumables	824	585	
Wine and beverages	11,922	9,085	
Cigarettes	<u>57</u>	<u>64</u>	(9,734)
		<u>152,574</u>	<u>154,581</u>

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 18 Cost of material consumed (contd.)

Surplus on departmental sales

Particulars	Catering	Bar	Cigarettes	(Rupees '000)
				Total
Sales	165,853	87,371	2,356	255,580
	<u>(169,349)</u>	<u>(86,822)</u>	<u>(1,872)</u>	<u>(258,043)</u>
Opening stock	585	9,085	64	9,734
	(523)	(8,016)	(126)	(8,665)
License fee	—	2,595	—	2,595
	—	(3,302)	—	(3,302)
Purchases *	103,766	49,749	2,128	155,643
*	<u>(106,892)</u>	<u>(47,126)</u>	<u>(1,632)</u>	<u>(155,650)</u>
	104,351	61,429	2,192	167,972
	<u>(107,415)</u>	<u>(58,444)</u>	<u>(1,758)</u>	<u>(167,617)</u>
Closing stock	824	11,922	57	12,803
	(585)	(9,085)	(64)	(9,734)
Consumption	103,527	49,507	2,135	155,169
	<u>(106,830)</u>	<u>(49,359)</u>	<u>(1,694)</u>	<u>(157,883)</u>
Surplus	62,326	37,864	221	100,411
	(62,519)	(37,463)	(178)	(100,160)
Venue charges**	7,620	2,641	—	10,261
	(9,833)	(2,763)	—	(12,596)
Tentage and flowering**	4,517	1,570	—	6,087
	<u>(5,022)</u>	<u>(1,411)</u>	<u>—</u>	<u>(6,433)</u>
Gross surplus	74,463	42,075	221	116,759
	<u>(77,374)</u>	<u>(41,637)</u>	<u>(178)</u>	<u>(119,189)</u>

Sales and purchases are inclusive of departmental transfers

* Includes fuel and gas Rs 3,352 thousand (Previous year Rs 3,964 thousand)

** Total bifurcated between catering & bar on the basis of respective sale in parties

Previous year figures are in parenthesis

Note 19 Employee benefit expenses

	2017	2016
Salaries, wages and bonus	154,772	149,164
Payment to contractual workers	5,428	4,782
Contribution to provident and other funds	7,374	7,402
Contribution to ESI	670	630
Gratuity	11,786	15,854
VRS compensation	1,069	149
Staff uniform	3,017	2,448
Staff welfare	<u>11,672</u>	<u>10,316</u>
	<u>195,788</u>	<u>190,745</u>

DELHI GYMKHANA CLUB LIMITED**(A company limited by guarantee)****Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017**

		(Rupees '000)	
		2017	2016
Note 20 Other expenses			
a)	Repairs and maintenance		
	Buildings	13,267	19,118
	Less: transfer from building and maintenance reserve	<u>(302)</u>	<u>(185)</u>
	Machinery	619	723
	Roads	550	5,791
	Others	37,398	38,797
	General maintenance (consumables)	5,200	4,513
	Replacement/ breakage of crockery and cutlery etc.	850	892
	Less: out of staff welfare gratuity	<u>(300)</u>	<u>(301)</u>
	Sub Total (a)	<u>44,317</u>	<u>591</u>
		<u>57,282</u>	<u>69,348</u>
b)	Administration and other expenses		
	Electricity, water and fuel	30,433	25,940
	Rates and taxes	805	1,046
	Ground rent	1	1
	Insurance	250	235
	Printing and stationery	4,004	5,432
	Communication	2,294	2,068
	Legal and professional	3,922	4,359
	Statutory auditors:		
	Audit fee	144	144
	Service tax	<u>22</u>	<u>22</u>
	Hire charges	1,819	1,915
	Stores written off	12	76
	Amounts written off	20	8
	Loss on sale of assets	-	64
	Premises regularisation expenses (L&DO charges)	259	259
	Bar License fee	2,595	3,302
	Garden expenditure	3,169	4,455
	Less: receipts	<u>(50)</u>	<u>(63)</u>
	Expenditure on club functions	9,770	12,661
	Less: receipts	<u>(10,227)</u>	<u>(9,167)</u>
	Expenditure on games	14,838	15,309
	Less : receipts	<u>(2,234)</u>	<u>(3,164)</u>
	Provision for doubtful debts/advances	868	123
	CSR expenses (refer note 31)	-	1,465
	Contribution to PM relief fund	-	2,997
	Donation	1,262	-
	Other expenses	9,967	10,520
	Sub Total (b)	<u>73,943</u>	<u>80,007</u>
	Total (a+b)	<u>131,225</u>	<u>149,355</u>

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 21 Contingent liabilities

	2017	(Rupees '000) 2016
Contingent liabilities not provided for in respect of:		
(a) Service tax (note a)	96,390	98,174
(b) House tax and scavenging tax (note b)	-	33,590
(c) Luxury Tax (note c)	86,675	86,675
(d) Employees' provident fund (note d)	26,935	26,935
(a) The Service tax Department has raised demands for payment of service tax on various services provided by the Club amounting to Rs. 2,19,330 thousand (previous year Rs. 2,21,109 thousand) upto the year ended 31 March 2015. The appeals filed by the Club before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) upto the period 31 March 2012 have been decided in favour of the Club allowing a relief of service tax of Rs. 1,22,935 thousand (Previous Year Rs. 1,22,935 thousand). However, the Service tax department has filed an appeal with the Supreme Court of India against the final order of CESTAT for the period upto 30 September 2010. For the period from April 2012 to March 2013 demand cum show cause notice for an amount of Rs. 12,292 thousand (Previous Year Rs. 12,292 thousand) has been received and replied to by the Club. For the remaining period from April 2013 to March 2015, against a Demand cum Show Cause Notice of Rs. 85,882 thousand, the Service Tax Department has, during the year, confirmed a demand of Rs. 84,098 thousand against which the Club has filed an appeal before the CESTAT which is pending. Since matters involved are generally similar to the appeals already decided by the CESTAT, the Club has been advised that these demands are also likely to be set aside. However, demands amounting to Rs. 96,390 thousand (Previous Year Rs. 98,174 thousand) have been shown as contingent liability. The Club has paid under protest Rs. 1,45,900 (Previous Year Rs. 1,45,900 thousand) which is included under Long term loans & advances in Note 10 in the Balance Sheet.		
(b) The Property Tax Department of New Delhi Municipal Committee (NDMC) had created demands towards payment of property tax amounting to Rs. 37,359 thousand (Previous Year Rs. 35,609 thousand) for the period 1966-67 to 2016-17. The Club had been contesting the demands claiming that the rateable value of the Property was not been properly assessed and the matter was remanded back to NDMC for reassessment. During the year, NDMC vide its Order dated 13 January, 2017 has made the reassessment of the rateable value of the property and has raised a demand of Rs. 6,145 thousand for the period upto 31 March, 2017. As per the said order of NDMC, the rateable value is subject to change on finalization of two pending notices dated 1.4.2010 and 1.4.2015. Against the revised demand raised by the NDMC of Rs. 6,145 thousand, an amount of Rs. 5,000 thousand has been deposited by the Club during the year and a further sum of Rs. 1,000 thousand has been deposited subsequent to the close of the year. After adjusting provision of Rs. 950 thousand held in the accounts for property tax, the balance amount of Rs. 5,195 thousand has been treated as 'Exceptional Item' in the Income and Expenditure Account. Further, during the previous year, the Club had received a notice dated 18 March, 2016 from NDMC proposing to raise the Rateable Value of the Property from Rs. 6,732 thousand to Rs. 8,37,318 thousand. The Club had filed a request with NDMC for inspection of concerned property tax records/files of NDMC to enable the Club to file the response to the said notice. The reply of the NDMC is awaited.		
(c) The Luxury Tax Officer has raised demands amounting to Rs. 86,675 thousand (Previous Year Rs. 86,675 thousand) including interest and penalty towards payment under Delhi Luxury Tax Act, 1996 for the years 2006-07 to 2013-14. The appeal filed by the Club before the Commissioner Luxury tax against the demand of Rs. 29,281 thousand (Previous Year Rs. 29,281 thousand) for the period 2009-10 to 2011-12 has been decided against the Club vide orders dated 1 July 2014. The Club has filed a Writ Petition before the Hon'ble High Court of Delhi against the said orders and the Hon'ble High Court of Delhi has stayed the demand on deposit of Rs. 14,500 thousand. No provision has been made in respect of Luxury Tax demand pending decision by the Hon'ble High Court of Delhi. Further, for the periods 2006-07 to 2008-09 and 2012-13 to 2013-14, demands of Rs. 57,394 thousand (Previous Year Rs. 57,394 thousand) have been received against which appeals have been filed with the Assistant Commissioner of Luxury Tax which are pending. The Assistant Commissioner of Luxury Tax has stayed the demand		

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 21 Contingent liabilities (Contd.)

- on deposit of Rs. 9,400 thousand as demanded by the department. The club has paid under protest a total sum of Rs. 62,532 thousand (Previous Year Rs. 62,532 thousand) which is included under Long term loans & advances.
- (d) The Regional Provident Fund Commissioner (RPFC) has demanded payment of Rs. 26,935 thousand (previous year Rs 26,935 thousand) holding the Club responsible for the payment of provident fund of employees of contractors providing services to the Club. The Club is contesting the demand and in respect of 1992-93 to 1998-99 the EPF Appellate Tribunal has remanded the case to RPFC. A sum of Rs.10,682 (previous year Rs 10,682 thousand) thousand has been paid as per the orders of the Appellate Tribunal. Pending final decision by the appellate authority no provision has been made.
- (e) In respect of Assessment year 2010-11, the Income Tax Officer had raised a demand of Rs 3,062 thousand. The matter was decided by the Commissioner of Income Tax (Appeals) in favour of the Club. However, the Income Tax department has gone into an appeal with the Appellate Tribunal which is pending.
- (f) The taxes referred to in paragraph (a) to (d) above paid by the Club under protest amounting to Rs.2,19,114 thousand (previous year Rs. 2,19,114 thousand) have been included under long term loans and advances in Note 10 in the Balance Sheet.

Note 22 The Hon'ble Supreme Court of India had dismissed the Club's appeal that it was not covered under Employees State Insurance Act, 1948 vide order dated 28 October, 2014. In view of this the Club has become liable for ESI Contribution from September, 1985 along with interest at varying rates. The ESIC vide letter dated 5 June, 2015 has demanded ESI contribution of Rs.682 thousand for the period 1st January, 1980 to 31 August, 1985 with interest amounting to Rs.2,590 thousand. The demand for the remaining period has not been received so far. The estimated ESI liability till 31 March 2015 which worked out to Rs. 10,357 thousand based on the records available with the Club has since been paid. Similarly, the estimated ESI liability of the workers of the contractors working in the club for the period April, 2009 to March 2015 amounting to Rs. 659 thousand was also paid during the previous year. The Club is depositing ESI contribution on regular basis from 2015-16 onwards. The balance of interest payable on demand, except to the extent of Rs.2,590 thousand referred to above, is not ascertainable at present. The shortfall, if any, will be accounted for when final demand is received from the ESI.

Note 23 Capital commitments

Contracts remaining to be executed on capital account not provided for (net of advances) Rs. 52,703 thousand (previous year – Rs. 12,499 thousand).

Note 24 In the opinion of the General Committee of the Club, current and non-current assets, loan and advances have a value on realization in the ordinary course at least equal to the amounts stated in the balance sheet and provision for all known liabilities has been made in the accounts.

Note 25 Consumption shown in income and expenditure account is net of shortage/excesses as value of physical stocks is incorporated in the accounts.

Note 26 Related party disclosures

Disclosures are required by Accounting Standard 18 (AS-18) 'Related Party Disclosures' are as follows :

A. Names of the related parties and description of relationship.

- (a) Key management personnel (KMP) - members of general committee.
- | | |
|---------------------------------|----------------------------|
| (i) Continuing on 31 March 2017 | |
| Lt Gen I J Singh - President | Brig H P S Bedi |
| Ms Niji Sapra | Ms Ruchika Chaudhry Govil |
| Lt Gen Anil Bhalla | Ms Urmila Gupta |
| Dr Jayadev Sarangi | Kanwar Rattanlal Malhotra |
| Brig Vivek Mehta | Col Mohit Nasa |
| Cdr Ganiteshwar S Miglani | Mr Promod C Rawal |
| Mr S P Rawal | Lt Gen Balbir Singh Sandhu |

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 26 Related party disclosure (contd.)

	Maj Gen SVP Singh Brig S K Sapru	Wg Cdr C K Sharma Air Cmde Harjit S Sassan, Secretary
(ii)	Retired during the year Mr Robindra Gupta Maj Yogesh Prasad Ms Nisha Bahadur Mr Rajesh Chopra	Brig Deepak Kapur Mr Gurpreet Singh Brig G S Uban
(b)	Relatives of key management personnel (with whom transactions have taken place during the year)	
	<u>Name</u>	<u>Nature of Relationship</u>
	Mr Vikramjit Singh	Son of Lt Gen I J Singh
	Miss Anandi Singh	Daughter of Lt Gen I J Singh
	Ms Ritika Goel	Daughter of Mr Robindra Gupta
	Mr Rohit Gupta	Son of Robindra Gupta
	Miss Rachna Prasad	Daughter of Maj Yogesh Prasad
	Mr Gaurav Chopra	Son of Mr Rajesh Chopra
	Dr (Miss) Geetanjali Chopra	Daughter of Mr Rajesh Chopra
	Capt A S Uban	Son of Brig G S Uban
	Ms Fiamma Uban	Daughter of Brig G S Uban
	Miss Meghna Bahadur	Daughter of Ms Nisha Bahadur
	Mr Aditya Sapru	Son of Brig S K Sapru
	Mr Amar Pratap	Son of Maj Gen S V P Singh
	Mr Arjun Pratap	Son of Maj Gen S V P Singh
	Ms Pearl Shweta	Daughte of Cdr Ganiteshwar S Miglani
	Miss Nyka Miglani	Daughter of Cdr Ganiteshwar S Miglani
	Ms Gagandeep Sassan	Daughter of Air Cmde Harjit S Sassan
	Miss Amanpreet Sassan	Daughter of Air Cmde Harjit S Sassan
	Ms Shagoon Kaycee Kapur	Daughter of Brig Deepak Kapur
	Ms Sheetal Kalia Kapur	Daughter of Brig Deepak Kapur
	Mr Jaskaran Singh Bedi	Son of Brig HPS Bedi
	Mr Pranay Mohan Govil	Son of Ms. Ruchika Chaudhry Govil
	Mr Sameer Gupta	Son of Mrs Urmila Gupta
	Mr Sidharth Gupta	Son of Mrs Urmila Gupta
	Mr Rahul Malhotra	Son of Kanwar Rattanlal Malhotra
	Mr Vikram Malhotra	Son of Kanwar Rattanlal Malhotra
	Mr Abhijit Rawal	Son of Mr Pramod C Rawal
	Dr. Sonali Rawal	Daughter Mr Pramod C Rawal
	Ms Nisha Somaia	Daughter of Wg.Cdr C K Sharma
	Dr Akhil Sharma	Son of Wg Cdr C K Sharma
c)	Enterprise over which KMP exercises Significant influence	Delhi Gymkhana EPF Trust
d)	Lt Gen I.J. Singh	Delhi Gymkhana Club Staff Welfare and Education Trust

B. Details of transactions with Key management personnel and their relatives:

	2017	(Rupees '000)
		2016
(i) Brig (Dr) Ajay Mehta	—	1,848
(ii) Air Cmde Harjit S Sassan	2,341	92

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 26 Related party Disclosure (Contd.)

	2017	(Rupees '000) 2016
b) Billing for Club services availed & paid		
Mr S P Rawal	604	582
Brig G S Uban	—	371
Lt Gen Anil Kumar Bhalla	1,332	—
Others (less than 10%)	3,424	1,856
	<u>5,360</u>	<u>2,809</u>
c) Subscription fee received		
Maj Atul Dev	—	17
Others (less than 10%)	262	137
	<u>262</u>	<u>154</u>
d) Balance at the year end		
(a) Outstanding Receivables	742	182
(b) Outstanding Payables	32	14

C. Detail of Transactions with enterprises over which KMP exercises significant influence

(a) Delhi Gymkhana EPF Trust	13530	12909
(b) Delhi Gymkhana Club Staff Welfare and Education Trust - Donation	1262	-

- Note: 1. Related party relationship is as identified by the Club and relied upon by the Auditors.
2. No amount (other than disclosed) has been written off / provided for in respect of dues from or to any related party

Note 27 Disclosures as per accounting standard - 15 (Employee Benefits)

Disclosure pursuant to Accounting Standard 15 - "Employee Benefits" (Revised 2005) notified under Companies (Accounting Standards) Rules, 2006:

Particulars	2017	Gratuity 2016	(Rupees '000) Leave Encashment	
			2017	2016
A. Actuarial assumptions				
a) Discounting rate	7.37	8.00	7.37	8.00
b) Future salary increase	5.50	5.50	5.50	5.50
c) Expected rate of return on plan assets	0.00	0.00	0.00	0.00
d) Retirement age (years)	62	62	62	62
e) Ages	<u>Withdrawal Rate (%)</u>		<u>Withdrawal Rate (%)</u>	
Upto 30 years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00
B. Change in Present Value of Obligation				
a) Present value of obligation as at the beginning of the period	73,820	62,051	30,335	26,135
b) Acquisition adjustment	—	—	—	—
c) Interest cost	5,906	4,809	2,427	2,025
d) Past service cost	—	—	—	—
e) Current service cost	3,673	3,253	2,210	1,906
f) Curtailment cost/(Credit)	—	—	—	—

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 27 Disclosures as per accounting standard – 15 (Employee Benefits) (Contd.)

Particulars	Gratuity		(Rupees '000)	
	2017	2016	Leave 2017	Encashment 2016
g) Settlement cost / (Credit)	—	—	—	—
h) Benefits paid	(1,337)	(4,085)	(3,056)	(4,205)
i) Actuarial (gain)/ loss on obligation	2,208	7,792	2,597	4,473
j) Present value of obligation as at the end of period	84,270	73,820	34,512	30,335
C. Fair value of plan assets				
a) Fair value of plan assets at the beginning of the period	—	—	—	—
b) Acquisition adjustment	—	—	—	—
c) Expected return on plan assets	—	—	—	—
d) Employer contributions	—	—	—	—
e) Benefits paid	—	—	—	—
f) Fair value of plan assets at the end of the period	—	—	—	—
g) Funded status	(84,270)	(73,820)	(34,512)	(30,335)
h) Excess of actual over estimated return on plan assets	—	—	—	—
D. Expense recognized in the statement of Income & Expenditure				
a) Current service cost	3,673	3,253	2,210	1,906
b) Past service cost	—	—	—	—
c) Interest cost	5,906	4,809	2,427	2,025
d) Expected return on plan assets	—	—	—	—
e) Curtailment cost/ (credit)	—	—	—	—
f) Settlement cost/ (credit)	—	—	—	—
g) Net actuarial (gain) / loss recognized in the period	2,208	7,792	2,597	4,473
h) Expenses recognised in the Income & expenditure	11,787	15,854	7,234	8,405
E. Movement in liability recognized in the balance sheet				
a) Opening liability	73,820	62,051	30,335	26,135
b) Expenses as above	11,787	15,854	7,234	8,405
c) Benefits paid	(1,337)	(4,085)	(3,056)	(4,205)
d) Actual return on plan assets	—	—	—	—
e) Acquisition adjustment	—	—	—	—
f) Closing Liability	84,270	73,820	34,512	30,335
F. Bifurcation of PBO at the end of year as per schedule III to the Companies Act, 2013				
a) Current liability	3,164	1,739	2,279	1,444
b) Non-current liability	81,106	72,081	32,233	28,891
c) Total PBO at the end of year	84,270	73,820	34,512	30,335

Note 28 Earnings in foreign currency

Amount received in foreign currency:		(Rupees '000)	
a. Entrance fee		282	352
b. Other receipts		230	93

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 29 Disclosures of the micro, small and medium enterprises

The Company has not received information from vendors/suppliers regarding their status under the "Micro, Small & Medium Enterprises Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

Note 30 Depreciation

- Although, there is no provision in Schedule II of the Companies Act, 2013 allowing 100% depreciation on assets costing upto Rs.5 thousand such assets purchased during the year with cost of Rs.569 thousand (previous year Rs 656 thousand) have been fully depreciated as a matter of prudence. This has resulted in higher depreciation in the current year and lower surplus for the year by Rs.569 thousand (previous year Rs 656 thousand).
- As the Club has a very large number of fixed assets these have been broadly classified as per Schedule II for classification under nature of assets prescribed under Schedule II.
- The useful life of the fixed assets as per Schedule II of the Act and estimated by the management is different where given below:

Note 30 Depreciation (Contd.)

S.NO	CATEGORY OF ASSETS AS PER SCHEDULE-2	PARTICULARS	USEFUL LIFE (in years)	
			AS PER CLUB	SCHEDULE-2
Cases where Useful life taken by Management is lower than Schedule-2				
1	Electric distribution plant	Electric Sub-Station	30	35
2	Electric distribution plant	Generator Set	20	35
3	Wind Power Generation Plant	Solar Water Heating System	20	22
Cases where Useful life taken by Management is higher than Schedule-2				
4	Electrical installations & Equipment	Kitchen Exhaust System	20	10
5	Electrical installations & Equipment	Cold Storage in Kitchen	20	10
6	General Plant & Machinery	Roller	20	15
7	General Plant & Machinery	ETP Plant	20	15
8	Electrical installations & Equipment	Oven Gas	15	10
9	Electrical installations & Equipment	Fixed Kitchen Installations	15	10
10	Furniture & Fixture	Steel & Brass Items	15	10
11	Furniture & Fixture	Service Counter	15	10

- The reconciliation of physically verified fixed assets with the books of account is in progress and the adjustment of short / excess will be made on completion of reconciliation.

Note 31 As per the provisions of Section 135 of the Companies Act 2013 read with Schedule VII and the relevant rules framed under that Section, the Club was required to spend Rs 1,262 thousand (Previous year Rs.1,465 thousand) on prescribed Corporate Social Responsibility (CSR) activities during the year 2016-17. The amount spent on prescribed CSR activities during the year is Rs. Nil. In the previous year, the Club had contributed Rs. 1,465 thousand to PM National Relief Fund which qualifies as expenditure on CSR under Section 135 read with Schedule VII of the Companies Act, 2013.

DELHI GYMKHANA CLUB LIMITED
(A company limited by guarantee)

Summary of significant accounting policies and other explanatory information (Contd.)
for the year ended 31 March 2017

Note 32 Details of Specified Bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December, 2016

(Rupees '000)

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	1,271	53	1,324
(+) Permitted receipts	-	4,468	4,468
(+) Non-permitted receipts	177	-	177
(-) Permitted Payments	-	351	351
(-) Amount deposited in Banks	1,448	3,073	4,521
Closing Cash in hand as on 30.12.2016	-	1,097	1,097

Note 33 Till the previous year, the registration fee received from applicants was non refundable and therefore accounted for as income of the year in which fee was received. As per the decision taken by the General Committee during the year, the registration fee will be refunded to members who do not wish to continue to be on the waitlist. In other cases it will be adjusted against balance fee payable at the time a person is admitted as a member. Therefore, the registration fee received during the year amounting to Rs. 1,34,875 thousand has been credited to Refundable / Adjustable registration fee account and shown under long term liabilities.

Note 34 Previous year figures have been re-grouped wherever considered necessary to make them comparable with those of the current year.

On behalf of the General Committee

Kanwar Rattan Lal Malhotra
Director-President(Officiating)

Dr Jayadev Sarangi
Chairman Finance Sub Committee

Members

Maj Gen SVP Singh
Mr S P Rawal

Air Cmde Harjit S Sassan
Secretary

For **Khanna & Annadhanam**
Chartered Accountants
Firm Registration No.001297-N

Place : New Delhi
Date : 26 August, 2017

Jitender Dhingra
Partner
Membership No.:90217

DELHI GYMKHANA CLUB LIMITED

(A COMPANY LIMITED BY GUARANTEE)

NEW DELHI



**ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS
YEAR ENDED
31 MARCH, 2017**

LIST OF COMMITTEE MEMBERS - 2017

LT GEN I J SINGH, AVSM, VSM (RETD)	PRESIDENT
BRIG H P S BEDI, VSM (RETD)	(COMMITTEE MEMBER)
LT GEN ANIL BHALLA, PVSM, AVSM, VSM (RETD)	”
MS RUCHIKA CHAUDHRY GOVIL, IRS	”
MS URMILA GUPTA, IIS (RETD)	”
KANWAR RATTAN LAL MALHOTRA	”
BRIG VIVEK MEHTA (RETD)	”
CDR GANITESHWAR SINGH MIGLANI (RETD)	”
COL MOHIT NASA	”
MR PROMOD C RAWAL, IAS (RETD)	”
MR S P RAWAL	”
LT GEN BALBIR SINGH SANDHU, VSM	”
MS NIJI SAPRA	”
BRIG S K SAPRU (RETD)	”
DR JAYADEV SARANGI, IAS	”
WG CDR C K SHARMA (RETD)	”
MAJ GEN S V P SINGH, VSM (RETD)	”

REGD. OFFICE: 2, SAFDARJUNG ROAD, NEW DELHI - 110011

Printed at : Kapur Electric Press

Phones : 23237114, 9811387789
25285678, 9811296297