

NOTICE

The Eighty Sixth Adjourned Annual General Meeting of the Members of Khar Gymkhana will be held in the Gymkhana premises on Sunday, 6th January 2019 at 10.30 am to transact the following business:

AGENDA

3. To receive and adopt the Annual Report and audited Statements of Accounts, duly audited for the year ended 31st March,2018.
7. To consider any proposal of change of Rules in respect of which a notice has been given by a member before 30th June of the relevant calendar year.
8. To consider any motion except in connection with Rule 124, notice of which has been given in writing to the Hon. General Secretaries by a Member at least 10 clear days before the date of the meeting. The notice given under this Rule shall be put up on the General Notice Board of the Gymkhana.
9. Any other business with the permission of the Chair.

13th Road, Khar, Mumbai
Dated:

AMARJIT SINGH CHADHA

GAURAV KAPADIA

HON.GENERAL SECRETARIES

Notes:

- a) If the meeting is adjourned for want of quorum, the adjourned meeting will be held at 11.00 am at the same place. No other intimation will be given to the members.
- b) Members who have sought information four days before the AGM held on 30th September 2018 would be furnished with the information asked for.
- c) Admission strictly on production of identity cards issued by the Gymkhana.
- d) Only eligible members with I.Card will be allowed at AGM.
- e) The Managing Committee has requested Advocate & Solicitor H. D. Shetty to be present at this meeting.

Kindly bring this copy of the Annual Report along with your identity card while attending the meeting.

INDEPENDENT AUDITOR'S REPORT

To the Members of Khar Gymkhana

Report on the Financial Statements

We have audited the accompanying combined financial statements ("financial statements") of the Trustees of Khar Gymkhana and Khar Gymkhana ("the Gymkhana"), which comprise the Balance Sheet as at March 31, 2018 and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Office Bearers, Committee Members and Trustees ("Management's") Responsibility for the Financial Statements

The Gymkhana's management is responsible for the matters stated in Section 19 of the Indian Trusts Act, 1882 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Gymkhana in accordance with accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Gymkhana 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 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 conducted our audit in accordance with the Standards on Auditing issued by the ICAI. 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 controls relevant to the Gymkhana's maintenance of the books of accounts and the preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Gymkhana has in place an adequate internal control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and

the reasonableness of the accounting estimates made by the Gymkhana's Management, 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 qualified audit opinion on the financial statements.

Basis of Qualified Opinion

- (a) Bank reconciliation for a bank account with Union Bank was not reconciled on a regular basis resulting in several errors and omissions. Due to voluminous nature of unreconciled transactions, the Gymkhana Management has credited the income by Rs. 8,679,497 after evaluating and reconciling several unreconciled transactions. Any further impact due to voluminous nature of unreconciled transactions and complexity of errors and omissions on the financial statements is not ascertainable at present. (Refer Note 11 [B] (2) to the financial statements)
- (b) The Gymkhana has received demand orders for various assessment years aggregating to Rs. 92,599,114 which are being disputed with various Income Tax authorities for which provision of taxation is not made by the Gymkhana Management. Should the outcome of these disputes be decided against the Gymkhana, the effect thereof could have an adverse effect on its financial position. (Refer Note 14 to the financial statements)
- (c) Sundry debtors, sundry creditors, other deposits given, and deposits received are unconfirmed / unreconciled. The effect of adjustments that may arise from the confirmation / reconciliation of these assets and liabilities is not ascertainable at present. (Refer Note 15 and 16 to the financial statements)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 Gymkhana as at March 31, 2018, and its excess of income over expenditure for the year ended on that date.

Emphasis of Matters

We draw attention to following matters in the Notes to financial statements:

- (a) Note 11 wherein it is stated that due to errors/ omissions in the preparation of financial statements of earlier years, certain expenditure and income have been recognised during the year.
- (b) Note 17 wherein it is stated that the Gymkhana is carrying forward Rs. 596,086,888 as earmarked funds / specific reserves through appropriations over the years including current year. The

Gymkhana management is reviewing the objective / rationale for creation and utilization of amounts set aside through such appropriations.

Our opinion is not modified in respect of these matters except for sub point [B] (2) to Note 11.

Other Matter

The financial statements of the Gymkhana for the year ended March 31, 2017, were audited by another auditor whose report dated July 27, 2017 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739

Place : Mumbai
Date : December 14, 2018

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)
Balance Sheet as at March 31, 2018

Particulars	Note No	As at March 31, 2018		As at March 31, 2017	
		(Amount Rs.)	(Amount Rs.)	(Amount Rs.)	(Amount Rs.)
SOURCES OF FUNDS / LIABILITIES					
Earmarked Funds					
<u>1. Sports Fund</u>					
Balance brought forward		225,319,713		225,108,470	
Add : Addition during the Year		300,078		213,363	
Less : Utilised during the year		-	225,619,791	2,120	225,319,713
<u>2. Tournament Fund</u>					
Balance brought forward		15,519,746		15,519,746	
Add : Addition during the Year		-		-	
Less : Utilised during the year		-	15,519,746	-	15,519,746
<u>3. Depreciation Fund - Building</u>					
Balance brought forward		10,168,233		8,692,673	
Add : Addition during the year		3,878,910		3,003,323	
Less : Utilised during the year		2,117,826	11,929,317	1,527,763	10,168,233
<u>4. Repairs & Replacement Fund - Furniture & Fixtures</u>					
Balance brought forward		15,324,993		12,321,671	
Add : Addition during the year		3,878,910		3,003,322	
Less : Utilised during the year		-	19,203,903	-	15,324,993
<u>5. Special Reserve Fund</u>					
Balance brought forward		7,857,130		7,401,130	
Add : Amount transferred from Patron & Life Subscription Fees		162,000		456,000	
Less : Utilised during the year		-	8,019,130	-	7,857,130
<u>6. Building Fund</u>					
Balance brought forward		306,980,000		306,980,000	
Add : Addition during the year		-		-	
Less : Utilised during the year		-	306,980,000	-	306,980,000
<u>7. Special Fund A/c No. 1</u>					
Balance brought forward		8,803,975		8,803,975	
Add : Addition during the year		-		-	
Less : Utilised during the year		-	8,803,975	-	8,803,975
<u>8. Other Fund Accounts</u>					
<u>Rattan Chalange Cup Deposits</u>					
Balance brought forward		5,102		4,992	
Add : Addition during the year		110		110	
Less : Utilised during the year		-	5,212	-	5,102
<u>Chaubal Trophy Deposits</u>					
Balance brought forward		5,714		5,614	
Add : Addition during the year		100		100	
Less : Utilised during the year		-	5,814	-	5,714
<u>Reserves & Surplus</u>					
Surplus as per Income & Expenditure A/c		283,501,913		234,674,131	
Add : Surplus for the year		6,149,916	289,651,829	48,827,782	283,501,913
Deposits	3		25,835,058		24,564,188
Current Liabilities & Provisions	4		33,657,010		29,004,357
Sundry Creditors			15,445,509		18,831,266
Total Sources of Funds / Liabilities			960,676,294		945,886,330

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Balance Sheet as at March 31, 2018

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
		(Amount Rs.)	(Amount Rs.)
APPLICATION OF FUNDS / ASSETS			
Property, Plant and Equipment			
- Tangible Fixed Assets	5	150,518,444	145,728,659
- Capital Work in Progress	5	574,000	-
Investments	6	630,201,006	637,311,006
Loans & Advances	7	135,726,913	127,168,596
Security Deposits	8	6,859,802	7,420,308
Sundry Debtors		15,926,404	14,679,863
Other Current Assets	9	6,953,429	6,058,934
Cash & Bank Balances	10	13,916,296	7,518,964
Total Application of Funds / Assets		960,676,294	945,886,330

Summary of significant accounting policies

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The accompanying notes are an integral part of the financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of Khar Gymkhana

Amrish Vaidya

Partner

Membership No: 101739

Place: Mumbai

Date: December 14, 2018

Shyam Shroff

President

Place: Mumbai

Date: December 14, 2018

Ashok Mohanani

Vice President

Place: Mumbai

Date: December 14, 2018

Madhavi Ashar

Hon. Treasurer

Place: Mumbai

Date: December 14, 2018

Amarjit Singh Chadha

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

Gaurav Kapadia

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Income & Expenditure Account for the year ended March 31, 2018

INCOME	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Closing Inventory	213,818	213,818
Fees & Subscriptions	55,875,518	57,170,526
Entrance Fees	16,222,135	32,132,477
Tournament & Sponsorship Income	12,602,916	6,510,878
Coaching Fees	18,113,224	18,510,652
Royalty Income from Restaurants	10,311,072	12,193,848
Reservation Charges	9,399,417	11,516,960
Guest Fees	9,239,263	11,942,847
Sale Of Cards, Balls, Shuttle cocks	1,405,334	1,286,770
Massage Health Club Fees	1,907,075	856,478
Social Events / Functions Income	1,659,493	839,580
Locker Charges	246,825	306,800
Advertisement Income	1,050,095	803,903
Interest Income :		
- on Saving Bank Account	251,081	305,371
- on fixed deposits with banks	46,644,475	46,357,225
- others	3,046,104	3,461,885
Excess Provision Written Back	3,430	559,179
Miscellaneous Income	726,978	374,175
Total Income	188,918,253	205,343,372

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Income & Expenditure Account for the year ended March 31, 2018

EXPENDITURE	Note No	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Opening Inventory		213,815	166,185
Purchase of:			
- Cards		499,532	356,722
- Sport Materials		1,835,451	1,674,891
Employee Benefit Expenses:			
- Salaries, bonus and ex-gratia		42,189,831	37,498,831
- Employer's contribution to provident and other funds		3,733,340	3,154,845
- Gratuity		1,817,871	2,927,059
- Compensated absences		2,625,272	530,921
- Staff Welfare Expenses		2,032,892	1,899,811
Depreciation		17,880,938	18,639,176
Election Expenses		838,137	-
Sports Promotion expense		2,040,000	2,201,992
Retainership		99,375	45,000
Electricity Charges		22,449,647	18,390,732
Water Charges		2,255,157	2,306,976
AMC and Repairs & Maintenance		8,231,252	7,278,178
Housekeeping Charges		7,164,403	7,152,787
Security Charges		5,586,550	5,323,259
Match & Tournament Expenses		2,820,066	2,645,478
Coaching Fees		12,792,971	11,241,385
Legal & Professional Charges		5,208,510	4,175,027
Contract Manpower Charges		4,193,002	4,972,546
Statutory Audit Fees (excluding applicable taxes)		500,000	300,000
Insurance		1,549,147	1,054,306
Office Expenses		1,649,609	1,686,584
Postage & Courier Charges		885,679	894,767
Printing & Stationary		3,184,521	2,898,065
Rates & Taxes		9,139,839	7,989,970
Social Events / Functions Expenses		2,938,702	1,668,561
Telephone Charges		354,387	284,752
Bank Charges		188,840	330,005
Loss on Sale & write off of tangible assets		1,565,335	306,543
Miscellaneous Expenses		2,243,270	1,835,272
Total Expenditure		170,707,341	151,830,626
Excess of Income over Expenditure prior to appropriations & exceptional items		18,210,912	53,512,746
Appropriations			
(a) Depreciation Fund - Building		3,878,910	3,003,323
(b) Repairs & Replacement Fund - Furniture & Fixtures		3,878,910	3,003,323
(c) Special Reserve Fund Account		162,000	456,000
(d) Rattan Challenge Cup Deposits		110	110
(e) Chaubal Trophy Deposits		100	100
Excess of Income over Expenditure after appropriations & before exceptional items		10,290,882	47,049,890
Exceptional items (Net)	11	(4,140,966)	1,777,892
Excess of Income over Expenditure transferred to Reserves & Surplus		6,149,916	48,827,782

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MSKA & Associates

For and on behalf of Khar Gymkhana

Chartered Accountants

Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No: 101739

Place: Mumbai

Date: December 14, 2018

Shyam Shroff

President

Place: Mumbai

Date: December 14, 2018

Ashok Mohanani

Vice President

Place: Mumbai

Date: December 14, 2018

Madhavi Ashar

Hon. Treasurer

Place: Mumbai

Date: December 14, 2018

Amarjit Singh Chadha

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

Gaurav Kapadia

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the financial statements for the year ended March 31, 2018

Note 3. Deposits	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Member Deposits	17,234,647	15,552,637
Caterers & Decorators Deposits	6,619,618	5,894,618
Other Deposits	1,980,793	3,116,933
Total	25,835,058	24,564,188

Note 4. Current Liabilities & Provisions	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Statutory Dues Payable	10,495,439	6,718,130
Employee Benefits Payable	2,585,354	2,235,731
Provision for Employee Benefits	18,876,217	16,116,610
Other Liabilities	-	3,933,886
Entrance Fees received in advance	1,700,000	-
Total	33,657,010	29,004,357

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the financial statements for the year ended March 31, 2018

Note 5 - Property, Plant and Equipment

(Amount in Rs.)

S No.	Particulars	WDV As At April 01,2017	Additions during the year	Internal Transfers	Sale	Total	Depreciation for the year	WDV As At March 31, 2018
		A	B	C	D	E=A+B+C-D	F	G = E-F
1	Building	55,908,347	-	-	-	55,908,347	5,593,916	50,314,431
2	Conference Room	18,885	-	22,513	3,446	37,952	5,722	32,230
3	Cyber Café	244,228	-	-	-	244,228	26,035	218,193
4	Elevators	2,975,587	-	-	-	2,975,587	297,559	2,678,028
5	Banquet Hall	9,581,699	-	-	-	9,581,699	1,011,996	8,569,703
6	Swimming Pool	9,058,601	73,106	-	340	9,131,367	951,306	8,180,061
7	Cricket	3,070,952	1,341,282	-	8,402	4,403,832	470,568	3,933,264
8	Billiard Hall	1,232,484	4,693,485	(232,636)	182,304	5,511,029	256,007	5,255,022
9	Table Tennis Hall	4,378	-	34,562	33,428	5,512	5,512	-
10	Pickel Ball	-	3,142,966	-	-	3,142,966	233,480	2,909,486
11	Squash Court - Ground Floor	421,548	-	-	-	421,548	47,596	373,952
12	Shooting Range	7,272	-	-	-	7,272	1,091	6,181
13	Badminton Court	2,321,669	580,276	186,771	955	3,087,761	333,030	2,754,731
14	Tennis Court	6,740,675	3,566,319	235,982	10,825	10,532,151	1,118,023	9,414,128
15	Table Tennis	1,664,540	-	(34,562)	-	1,629,978	198,475	1,431,503
16	Squash	2,530,156	1,180,000	-	-	3,710,156	284,103	3,426,053
17	Gymnasium	15,655,081	62,000	(422,753)	308,617	14,985,711	1,840,554	13,145,157
18	Football	468,546	-	-	-	468,546	46,855	421,691
19	Card Room	1,840,195	260,403	-	32,668	2,067,930	220,534	1,847,396
20	Airconditioners	810,838	-	-	-	810,838	121,626	689,212
21	Yoga - Aerobics	434,104	80,000	(26,568)	8,442	479,094	56,591	422,503
22	Pavilion Dining Hall	5,745,685	107,243	232,636	318,212	5,767,352	631,935	5,135,417
23	New Bar	576,722	-	-	13,360	563,362	80,472	482,890
24	Melting Pot Restaurant	6,322,447	-	-	380,082	5,942,365	654,588	5,287,777
25	Canteen & Bar Room	194,003	318,434	18,698	127,727	403,408	44,408	359,000
26	Canteen	822,052	39,620	(32,651)	-	829,021	108,425	720,596
27	Poolside Canteen & Kitchen	2,083,168	-	-	54,881	2,028,287	225,228	1,803,059
28	Accounts Department	22,772	74,988	2,300	-	100,060	5,827	94,233
29	E.R.P. Department	2,348,619	48,380	130	-	2,397,129	876,558	1,520,571
30	Administrative Department	6,626,659	6,090,384	727	172,200	12,545,570	1,248,297	11,297,273
31	Library	1,231,815	-	-	-	1,231,815	125,978	1,105,837
32	CCTV Cameras	322,387	-	31,234	-	353,621	49,192	304,429
33	Paramedical Centre	330,209	-	-	-	330,209	35,075	295,134
34	Toddlers Play Hall	1,985,315	-	-	-	1,985,315	241,815	1,743,500
35	Mural Work	436,925	-	-	-	436,925	43,693	393,232
36	Energy Conversion Project	1,615,066	-	-	-	1,615,066	235,144	1,379,922
37	Trustees Room	75,030	2,667,726	(16,383)	-	2,726,373	153,724	2,572,649
	Total	145,728,659	24,326,612	-	1,655,889	168,399,382	17,880,938	150,518,444

Capital Work in Progress	Amount in Rs.
Opening Balance	-
Add: Additions during the year	574,000
Less: Capitalised during the year	-
Closing Balance	574,000

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the financial statements for the year ended March 31, 2018

Note 6. Investments	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Fixed Deposits with Banks	630,201,006	637,301,006
National Saving Certificate	-	10,000
Total	630,201,006	637,311,006

Note 7. Loans & Advances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Advances given to Suppliers / Vendors	13,541,223	22,562,749
Less : Provision For Doubtful Advances	5,532,350	-
	8,008,873	22,562,749
Balances with Government Authorities	6,469,199	2,256,542
Income Tax paid under Protest	56,111,058	47,970,297
Advance Tax /TDS Receivable	57,643,476	45,357,256
Staff Loan	2,883,050	3,195,928
Prepaid Expenses	3,734,522	4,596,546
Capital Advances	860,000	-
Other Advances	16,735	1,229,278
Total	135,726,913	127,168,596

Note 8. Security Deposits	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Security Deposits :		
- B.M.C.	1,418,168	1,418,168
- Electricity	2,955,067	2,955,067
- Others	2,486,567	3,047,073
Total	6,859,802	7,420,308

Note 9. Other Current Assets	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Interest Accrued on Fixed Deposits with Banks	4,203,859	5,845,116
Inventory (Refer Note 19)	2,749,570	213,818
Total	6,953,429	6,058,934

Note 10. Cash & Bank Balances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Cash on Hand	673,088	2,699,447
Balances with Banks in Current Accounts	13,243,208	4,819,517
Total	13,916,296	7,518,964

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)
Notes forming part of the financial statements for the year ended March 31, 2018

Note 11. Exceptional Items (Net)	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
[A] Expenditure		
1. Prior Period Expenses:		
Electricity Charges	2,256,450	-
Employee Benefit Expenses	775,284	-
Caterer Expenses	4,013,744	
Opening Inventory charged off	213,818	
Rates & Taxes	100,000	1,035,219
Legal & Professional Charges	45,000	-
Miscellaneous Expenses	136,622	-
Total Prior Period Expenses	7,540,918	1,035,219
2. Provision for Doubtful Advances	5,532,350	-
3. Advances given to Suppliers / Vendors written off	5,374,743	-
4. Accrued Interest for prior year	2,340,495	-
5. Cash balance written off	1,270,373	-
6. Old Staff Loan written off	134,713	-
7. Balance in National Saving Certificate written off	10,000	-
[A] Total Expenditure (summation of 1 to 7)	22,203,592	1,035,219
[B] Income		
1. Liabilities no longer required written back	9,383,129	2,813,111
2. Income recognized on reconciliation of bank account for prior period	8,679,497	-
[B] Total Income (1+2)	18,062,626	2,813,111
Exceptional Items (Net) [B-A]	(4,140,966)	1,777,892

Note: The expenditure and income cited above comprise of various items arising and recognised during the year owing to errors / omissions in the preparation of financial statements of earlier years for these items.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

SIGNIFICANT ACCOUNTING POLICIES

1. Background Information

Khar Gymkhana ("Gymkhana") is registered as a Trust under Section 11 of the Income Tax Act, 1961. The main objective of Gymkhana is to promote all forms of sports, games and advancement of cultural and social activities.

2. Summary of significant accounting policies

a. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use with those of previous year.

The Gymkhana is a non-corporate small and medium size enterprise (SME). Accordingly, it has complied with the accounting standards as applicable to a SME.

b. Changes in accounting policy

The Gymkhana was previously providing for compensated absences on cash basis. During the current year, Gymkhana has accrued compensated absences as per Accounting Standard 15, "Employee Benefits", based on an actuarial valuation, on projected unit credit method.

The additional expense arising due to change in accounting policy is Rs. 2,096,402. Had the Gymkhana continued to use the earlier policy of accounting on cash basis, the surplus (excess of income over expenditure) for the current year would have been higher by Rs. 2,096,402.

c. Use of estimates

The preparation of financial statements requires the office bearers, the trustees and the managing committee ("Gymkhana Management") to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the Gymkhana Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Property, Plant and Equipment

Tangible assets

Tangible Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/acquisition.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

Depreciation

Depreciation on tangible assets has been provided using written down value method as per the rates and method prescribed under the Income Tax Act, 1961.

e. Investments

The Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Income and Expenditure account.

f. Income recognition

Entrance Fees, Subscriptions, other charges / fees from members and income from sports activities, social and cultural activities and other club activities are accounted on accrual basis.

Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

g. Inventories

Inventories are stated at lower of cost and net realisable value. Cost of inventories is computed on a weighted-average basis. Cost includes cost of purchase and all other related direct expenses incurred in bringing the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

h. Retirement and other employee benefits

Defined contribution plan

The Gymkhana makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance which are recognised in the Income and Expenditure Account on accrual basis.

The Gymkhana has no further obligations under these plans beyond its monthly contributions.

Defined Benefit Plan- Gratuity

The Gymkhana provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Gymkhana with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Other long-term benefits

The Gymkhana provides for the liability at the year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

Actuarial gains and losses are recognised in the Income and Expenditure Account as and when incurred.

i. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

j. Income taxes

Provision for current taxation is made on the basis that the Gymkhana is covered under Section 11 of the Income Tax Act, 1961 and would continue to comply with the conditions stated in that Section.

k. Contingent Liability and Provisions

The Gymkhana creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

12. In accordance with the Accounting Standard-15 'Employee Benefits', the Gymkhana has tabulated various benefits provided to employees as under:

A. Defined contribution plans

- a) Provident fund
- b) Employee State Insurance Fund
- c) Labour welfare fund

During the year the Gymkhana has recognized following amounts in the Income and Expenditure Account:-

(Amount in Rs.)

Particulars	2017-18	2016-17
Employers Contribution to Provident fund and Employee Pension Scheme, 1995	3,215,720	2,899,640
Employers Contribution to Employee state insurance	509,520	245,965
Employers Contribution to Labour welfare fund	8,100	9,240
Total	3,733,340	3,154,845

B. Defined benefit plans and Other long-term benefits

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plan based on the following assumptions.

i. Actuarial assumptions

Particulars	31 March 2018	31 March 2019
Discount rate (per annum)	7.78%	7.27%
Expected Rate of increase in compensation levels	6%	6%
Expected Rate of return on plan assets.	NA	NA
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Average attained age	41.90 years	41.76 years
Attrition Rate	2%	2%

The discount rate assumed is 7.78% per annum (Previous Year 7.27 %) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

13. Capital Commitments

Particulars	As at March 2018 (Amount in Rs.)	As at March 2017 (Amount in Rs.)
Estimated value of contracts in capital account remaining to be executed	1,303,876	--

14. Contingent Liabilities

Disputed Income Tax Demands:

Assessment Year	Assessment Order under Section of Income Tax Act 1961	Contingent Liability as at March 31, 2018 (Amount in Rs.)	Contingent Liability as at March 31, 2017 (Amount in Rs.)	Remarks
2009 - 2010	143(3)	2,603,159	2,603,159	The department has withdrawn exemption under Section 11 of the Income Tax Act, 1961 and taxed the Gymkhana on non-mutual income. The Gymkhana has appealed claiming the activities of Gymkhana are for the ultimate benefit of its members and not for general public. The disputed matters are sub-judice and the Gymkhana Management reckons that the Gymkhana's position will quite likely be upheld in the appellate process / court of law.
2010 - 2011	271(1)(c) and 143(3)	26,983,775	26,983,775	
2011 - 2012	143(3)	11,424,260	11,424,260	
2012 - 2013	143(3)	21,696,080	21,696,080	
2013 - 2014	143(3)	8,761,050	8,761,050	
2014 - 2015	143(3)	10,511,590	10,511,590	
2015 - 2016	143(3)	10,619,200	--	
Total		92,599,114	81,979,914	

The Gymkhana has been claiming an exemption from payment of income tax on its income under Section 11 of the Income Tax Act, 1961. Accordingly, no provision for tax is made on the basis that the Gymkhana is exempt under Section 11 of the Income Tax Act, 1961.

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

15. Some of the balances receivable from members which are overdue is subject to confirmation / reconciliation / adjustments and Gymkhana management is taking necessary steps for same.
16. The Gymkhana Management is taking steps for confirming and reconciling following assets and liabilities. Consequently, the effect of these steps on the books as on March 31, 2018 is not ascertainable.

Particulars	As at March 31, 2018 (Amount in Rs.)
Assets:	
Other deposits (Supporting documents and records for some deposits given by Gymkhana is not available and the Gymkhana management is undertaking measures to identify and compile such records)	6,859,802
Liabilities:	
Sundry Creditors (Some of the balances payable to vendors is subject to confirmation / reconciliation / adjustments and Gymkhana management is taking necessary steps for same)	15,423,080
Deposits (Deposits received by Gymkhana mainly comprise of deposits received from its members and other deposits viz. from caterers, decorators, etc. Currently, Gymkhana does not have any member wise listing of deposits and in case of other deposits, the records are incomplete. The Gymkhana Management is undertaking measures to identify and complete such records)	25,835,058

17. Khar Gymkhana has created following earmarked funds / specific reserves through appropriations over the years. The Gymkhana Management is reviewing the objective / rationale for creation and utilization of amounts set aside through appropriations:

Particulars	As at March 31, 2018 (Amount in Rs.)	As at March 31, 2017 (Amount in Rs.)
Sports fund	225,619,791	225,319,713
Tournament fund	15,519,746	15,519,746
Depreciation Fund - Building	11,929,317	10,168,233
Repairs & Replacement Fund - Furniture & Fixtures	19,203,903	15,324,993
Special Reserve Fund	8,019,130	7,857,130
Building Fund	306,980,000	306,980,000
Special Fund A/c No. 1	8,803,975	8,803,975
Other Fund Accounts: Rattan Chalange Cup Deposits	5,212	5,102
Other Fund Accounts: Chaubal Trophy Deposits	5,814	5,714
Total	596,086,888	589,984,606

18. Exceptional Items

Gymkhana Management has identified certain exceptional items in nature of income and expense which is disclosed in the Note 11 of the financial statements. The net impact of such items is Rs. 4,140,966 (Previous Year income of Rs. 1,777,892). These items essentially comprise of prior period expenses which were omitted in prior periods, write off and write back of assets and liabilities respectively due to error in

KHAR GYMKHANA (COMBINED FINANCIAL STATEMENTS OF THE TRUSTEES OF KHAR GYMKHANA & KHAR GYMKHANA)

Notes forming part of the Financial Statements for the year ended March 31, 2018

the accounting in the earlier period and bank reconciliation for a bank account with Union Bank which was not reconciled on a regular basis resulting in several errors and omissions.

- 19.** During the year, the Gymkhana had a net receivable from a party amounting to Rs. 2,749,570. Against this, the Gymkhana has agreed to take possession of inventory aggregating Rs. 2,749,570 against such receivable.
- 20.** Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date

**For MSKA & Associates
Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of Khar Gymkhana

Amrish Vaidya

Partner

Membership No: 101739

Place: Mumbai

Date: December 14, 2018

Shyam Shroff

President

Place: Mumbai

Date: December 14, 2018

Ashok Mohanani

Vice President

Place: Mumbai

Date: December 14, 2018

Madhavi Ashar

Hon. Treasurer

Place: Mumbai

Date: December 14, 2018

Amarjit Singh Chadha

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

Gaurav Kapadia

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

KHAR GYMKHANA

Balance Sheet as at March 31, 2018

Particulars	Note No	As at March 31, 2018		As at March 31, 2017	
		(Amount Rs.)	(Amount Rs.)	(Amount Rs.)	(Amount Rs.)
SOURCES OF FUNDS / LIABILITIES					
Earmarked Funds					
<u>1. Sports Fund</u>					
Balance brought forward		225,319,713		225,108,470	
Add : Addition during the Year		300,078		213,363	
Less : Utilised during the year		-	225,619,791	2,120	225,319,713
<u>2. Tournament Fund</u>					
Balance brought forward		15,519,746		15,519,746	
Add : Addition during the Year		-		-	
Less : Utilised during the year		-	15,519,746	-	15,519,746
<u>Reserves & Surplus</u>					
Deficit as per Income & Expenditure A/c		(64,436,669)		(74,475,355)	
Add : (Deficit) / Surplus for the year		(3,988,673)	(68,425,342)	10,038,686	(64,436,669)
Deposits	1		25,835,058		24,564,188
Current Liabilities & Provisions	2		31,949,590		28,980,944
Sundry Creditors			10,395,912		18,677,836
Total Sources of Funds / Liabilities			240,894,755		248,625,758
APPLICATION OF FUNDS / ASSETS					
Investments	3		123,701,006		140,611,006
Loans & Advances	4		68,210,383		66,957,892
Other Deposits	5		19,216,802		19,777,308
Sundry Debtors			15,926,404		14,679,863
Other Current Assets	6		5,154,993		2,554,313
Cash & Bank Balances	7		8,685,167		4,045,376
Total Application of Funds / Assets			240,894,755		248,625,758

Stamped for Identification purpose

For and on behalf of Khar Gymkhana

MSKA & Associates

Chartered Accountants

Shyam Shroff

President

Place: Mumbai

Date: December 14, 2018

Ashok Mohanani

Vice President

Place: Mumbai

Date: December 14, 2018

Madhavi Ashar

Hon. Treasurer

Place: Mumbai

Date: December 14, 2018

Amarjit Singh Chadha

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

Gaurav Kapadia

Hon. General Secretary

Place: Mumbai

Date: December 14, 2018

KHAR GYMKHANA**Income & Expenditure Account for the year ended March 31, 2018**

INCOME	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Closing Inventory	213,818	213,818
Fees & Subscriptions	55,335,518	55,650,526
Tournament & Sponsorship Income	12,602,916	6,510,878
Coaching Fees	18,113,224	18,510,652
Royalty Income from Restaurants	10,311,072	12,193,848
Reservation Charges	9,399,417	11,516,960
Guest Fees	9,239,263	11,942,847
Sale Of Cards, Balls, Shuttle cocks	1,405,334	1,286,770
Massage Health Club Fees	1,907,075	856,478
Social Events / Functions Income	1,659,493	839,580
Locker Charges	246,825	306,800
Advertisement Income	1,050,095	803,903
Interest Income :		
- on fixed deposits with banks	12,276,140	10,178,584
- from Trustees of Khar Gymkhana	1,294,221	2,359,090
- others	3,046,104	3,461,885
Miscellaneous Income	726,978	374,175
Total Income	138,827,493	137,006,794

KHAR GYMKHANA

Income & Expenditure Account for the year ended March 31, 2018

EXPENDITURE	Note No	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Opening Inventory		213,815	166,185
Purchase of:			
- Cards		499,532	356,722
- Sport Materials		1,835,451	1,674,891
Employee Benefit Expenses:			
- Salaries, bonus and ex-gratia		42,189,831	37,498,831
- Employer's contribution to provident and other funds		3,733,340	3,154,845
- Gratuity		1,817,871	2,927,059
- Compensated absences		2,625,272	530,921
- Staff Welfare Expenses		2,032,892	1,899,811
Electricity Charges		22,449,647	18,390,732
Water Charges		2,255,157	2,306,976
AMC and Repairs & Maintenance		8,231,252	7,278,178
Housekeeping Charges		7,164,403	7,152,787
Security Charges		5,586,550	5,323,259
Match & Tournament Expenses		2,820,066	2,645,478
Coaching Fees		12,792,971	11,241,385
Legal & Professional Charges		4,206,260	2,513,527
Contract Manpower Charges		4,193,002	4,972,546
Statutory Audit Fees (excluding applicable taxes)		500,000	300,000
Insurance		1,430,699	938,869
Office Expenses		1,649,609	1,686,584
Postage & Courier Charges		885,679	894,767
Printing & Stationary		3,184,521	2,898,065
Rates & Taxes		746,081	7,933,510
Social Events / Functions Expenses		2,938,702	1,668,561
Telephone Charges		354,387	284,752
Bank Charges		188,840	330,005
Miscellaneous Expenses		2,149,370	1,776,754
Total Expenditure		138,675,200	128,746,000
Excess of Income over expenditure before exceptional items		152,293	8,260,794
Exceptional items (Net)	8	(4,140,966)	1,777,892
(Excess of Expenditure over income) / Excess of Income over expenditure transferred to Reserves and Surplus		(3,988,673)	10,038,686

Stamped for Identification purpose
MSKA & Associates
Chartered Accountants

For and on behalf of Khar Gymkhana

Shyam Shroff
President
Place: Mumbai
Date: December 14, 2018

Ashok Mohanani
Vice President
Place: Mumbai
Date: December 14, 2018

Madhavi Ashar
Hon. Treasurer
Place: Mumbai
Date: December 14, 2018

Amarjit Singh Chadha
Hon. General Secretary
Place: Mumbai
Date: December 14, 2018

Gaurav Kapadia
Hon. General Secretary
Place: Mumbai
Date: December 14, 2018

KHAR GYMKHANA

Notes forming part of the financial statements for the year ended March 31, 2018

Note 1. Deposits	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Member Deposits	17,234,647	15,552,637
Caterers & Decorators Deposits	6,619,618	5,894,618
Other Deposits	1,980,793	3,116,933
Total	25,835,058	24,564,188

Note 2. Current Liabilities & Provisions	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Statutory Dues Payable	10,488,019	6,694,717
Employee Benefits Payable	2,585,354	2,235,731
Provision for Employee Benefits	18,876,217	16,116,610
Other Liabilities	-	3,933,886
Total	31,949,590	28,980,944

KHAR GYMKHANA

Notes forming part of the financial statements for the year ended March 31, 2018

Note 3. Investments	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Fixed Deposits with Banks	123,701,006	140,601,006
National Saving Certificate	-	10,000
Total	123,701,006	140,611,006

Note 4. Loans & Advances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Advances given to Suppliers / Vendors	13,359,535	16,902,958
Less : Provision For Doubtful Advances	5,532,350	-
	7,827,185	16,902,958
Balances with Government Authorities	6,469,199	2,256,542
Receivable from Trustees of Khar Gymkhana	2,787,446	3,173,658
Income Tax paid under Protest	21,790,790	16,372,533
Advance Tax /TDS Receiveable	22,701,456	19,230,449
Staff Loan	2,883,050	3,195,928
Prepaid Expenses	3,734,522	4,596,546
Other Advances	16,735	1,229,278
Total	68,210,383	66,957,892

Note 5. Other Deposits	As at March 31, 2018	As at March 31, 2017
National Saving Certificate	-	10,000
Total	123,701,006	140,611,006

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Advances given to Suppliers / Vendors	13,359,535	16,902,958
Less : Provision For Doubtful Advances	5,532,350	-
	7,827,185	16,902,958
Balances with Government Authorities	6,469,199	2,256,542
Receivable from Trustees of Khar Gymkhana	2,787,446	3,173,658
Income Tax paid under Protest	21,790,790	16,372,533
Advance Tax /TDS Receiveable	22,701,456	19,230,449
Staff Loan	2,883,050	3,195,928
Prepaid Expenses	3,734,522	4,596,546
Other Advances	16,735	1,229,278
Total	68,210,383	66,957,892

Note 7. Cash & Bank Balances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Deposits with Trustees of Khar Gymkhana :		
- Legal Expenses	10,000,000	10,000,000
- Tennis Deposits	3,250,000	3,250,000
Security Deposits :		

KHAR GYMKHANA

Notes forming part of the financial statements for the year ended March 31, 2018

Note 8. Exceptional Items (Net)	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
[A] Expenditure		
1. Prior Period Expenses:		
Electricity Charges	2,256,450	-
Employee Benefit Expenses	775,284	-
Caterer Expenses	4,013,744	-
Opening Inventory charged off	213,818	-
Rates & Taxes	100,000	1,035,219
Legal & Professional Charges	45,000	-
Miscellaneous Expenses	136,622	-
Total Prior Period Expenses	7,540,918	1,035,219
2. Provision for Doubtful Advances	5,532,350	-
3. Advances given to Suppliers / Vendors written off	5,374,743	-
4. Accrued Interest for prior year	2,340,495	-
5. Cash balance written off	1,270,373	-
6. Old Staff Loan written off	134,713	-
7. Balance in National Saving Certificate written off	10,000	-
[A] Total Expenditure (summation of 1 to 7)	22,203,592	1,035,219
[B] Income		
1. Liabilities no longer required wrtiten back	9,383,129	2,813,111
2. Income recognized on reconciliation of bank account for prior period	8,679,497	-
[B] Total Income (1+2)	18,062,626	2,813,111
Exceptional Items (Net) [B-A]	(4,140,966)	1,777,892

Note: The expenditure and income cited above comprise of various items arising and recognised during the year owing to errors / omissions in the preparation of financial statements of earlier years for these items.

KHAR GYMKHANA

Departmentwise Income & Expenditure Account for the year ended March 31, 2018

INCOME	Badminton	Cricket	Gymnasium	Card Room	Squash	Swimming	Tennis	Billiards	Library	Table Tennis	General	Pickle Ball	Social, Ladies Social & Sr. Citizen, Women Empowerment	Total
Fees & Subscriptions	976,589	113,013	10,374,617	115,341	636,250	3,081,968	813,903	261,875	449,442	549,952	37,817,668	144,900	-	55,335,518
	714,425	62,300	10,930,889	306,375	624,108	2,249,726	774,675	324,510	486,917	228,940	38,947,661	-	-	55,650,526
Guest Fees	116,050	-	298,880	211,950	69,800	590,555	57,300	59,830	-	81,928	7,752,970	-	-	9,239,263
	230,650	-	1,371,070	103,120	63,400	976,725	81,600	17,200	-	61,559	9,037,523	-	-	11,942,847
Reservation Charges	765,459	1,212,180	-	-	25,750	1,506,078	82,173	-	155,000	126,000	5,526,777	-	-	9,399,417
	400,800	1,459,350	-	-	-	1,034,595	3,450	-	-	238,478	8,380,287	-	-	11,516,960
Sale Of Cards, Balls, Shuttle cocks	3,985	-	-	1,263,514	-	-	62,835	-	-	-	75,000	-	-	1,405,334
	3,910	-	-	1,248,175	-	-	34,685	-	-	-	-	-	-	1,286,770
Locker Charges	36,975	-	66,550	-	16,400	126,700	-	-	-	200	-	-	-	246,825
	28,900	-	98,500	-	20,000	133,000	26,400	-	-	-	-	-	-	306,800
Interest Income	-	-	-	-	-	-	-	-	-	-	16,616,465	-	-	16,616,465
	-	-	-	-	-	-	243,750	-	-	-	15,755,809	-	-	15,999,559
Massage Health Club Fees	-	-	1,907,075	-	-	-	-	-	-	-	-	-	-	1,907,075
	-	-	856,478	-	-	-	-	-	-	-	-	-	-	856,478
Coaching Fees	1,188,800	1,518,374	2,049,300	-	2,020,521	3,256,670	5,332,250	-	-	1,482,000	1,223,309	42,000	-	18,113,224
	1,701,702	1,486,000	2,111,300	-	1,626,745	3,105,798	5,039,300	72,900	-	1,713,450	1,653,457	-	-	18,510,652
Tournament & Sponsorship Income	195,834	-	-	-	-	-	215,082	(9,900)	-	-	12,201,900	-	-	12,602,916
	-	-	-	900,000	-	-	433,510	-	300,000	-	4,877,368	-	-	6,510,878
Closing Inventory	-	-	-	-	-	-	-	-	-	-	213,818	-	-	213,818
	51,152	25,730	-	35,468	2,817	-	87,282	-	-	11,369	-	-	-	213,818
Royalty Income From Restaurants	-	-	-	-	-	-	-	-	-	-	10,311,072	-	-	10,311,072
	-	-	-	-	-	-	-	-	-	-	12,193,848	-	-	12,193,848
Advertisement Income	-	-	-	-	-	-	-	-	-	-	1,050,095	-	-	1,050,095
	-	-	-	-	-	-	-	-	-	-	801,863	-	2,040	803,903
Miscellaneous Income	-	-	7,062	23,300	410	214,419	-	-	23,418	-	458,369	-	-	726,978
	-	-	7,049	3,550	630	-	-	100	-	-	362,846	-	-	374,175
Social Events / Functions Income	-	-	-	-	-	-	-	-	-	-	1,659,493	-	-	1,659,493
	-	-	-	-	-	-	-	-	-	-	-	-	839,580	839,580
Liabilities no longer required written back	-	-	-	-	-	-	-	-	-	-	9,383,129	-	-	9,383,129
	-	-	-	-	-	-	-	-	-	-	2,813,111	-	-	2,813,111
Income recognized on reconciliation of bank account for prior period	-	-	-	-	-	-	-	-	-	-	8,679,497	-	-	8,679,497
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	3,283,692	2,843,567	14,703,484	1,614,105	2,769,131	8,776,390	6,563,543	311,805	627,860	2,240,080	112,969,562	186,900	-	156,890,119
	3,131,539	3,033,380	15,375,286	2,596,688	2,337,700	7,499,844	6,724,652	414,710	786,917	2,253,796	94,823,773	-	841,620	139,819,905
EXPENSES	Badminton	Cricket	Gymnasium	Card Room	Squash	Swimming	Tennis	Billiards	Library	Table Tennis	General	Pickle Ball	Social, Ladies Social & Sr. Citizen, Women Empowerment	Total
Miscellaneous Expenses	23,543	71,540	296,637	1,505	12,626	190,942	41,226	59,538	1,700	2,056	1,419,081	560	28,416	2,149,370
	560	9,615	306,115	-	38,135	257,775	32,156	639	-	30,927	1,075,363	-	25,469	1,776,754
Housekeeping charges	-	-	-	-	-	-	-	-	-	-	7,164,403	-	-	7,164,403
	-	-	-	-	-	-	-	-	-	-	7,152,787	-	-	7,152,787
Postage & Courier Charges	-	-	-	-	-	-	-	-	-	-	885,679	-	-	885,679
	-	-	-	-	-	-	-	-	-	-	894,767	-	-	894,767
Employee Benefit Expenses	1,535,685	671,590	5,529,031	2,157,205	1,824,038	5,110,532	1,356,218	2,179,209	1,754,034	934,635	29,345,029	-	2,000	52,399,206
	1,296,617	827,701	5,118,057	1,733,260	1,152,030	5,075,589	974,131	2,069,288	1,231,462	626,625	25,906,707	-	-	46,011,467
Printing & Stationary	3,538	1,900	1,763	1,100	13,650	4,060	5,422	720	49,389	-	2,958,306	-	144,673	3,184,521
	-	2,200	15,688	-	-	18,000	1,650	-	82,846	-	2,762,577	-	15,104	2,898,065
Contract Manpower Charges	-	437,322	465,156	24,000	99,422	88,000	919,431	-	3,150	-	1,901,941	58,240	7,500	4,193,002
	-	455,169	370,866	-	281,948	95,510	849,220	-	2,700	-	2,917,133	-	-	4,972,546
Electricity Charges	524,428	391,904	7,954,965	1,132,657	635,015	1,978,016	907,128	389,151	233,031	1,988,051	6,260,001	55,300	-	22,449,647
	534,850	212,625	6,631,706	1,182,309	706,936	1,881,395	850,438	1,067,885	229,902	1,241,085	3,851,601	-	-	18,390,732

EXPENSES	Badminton	Cricket	Gymnasium	Card Room	Squash	Swimming	Tennis	Billiards	Library	Table Tennis	General	Pickle Ball	Social, Ladies Social & Sr. Citizen, Women Empowerment	Total
Water Charges	82,306	87,151	368,456	40,458	75,675	206,912	164,516	9,327	19,497	56,148	1,144,711	-	-	2,255,157
	36,000	72,000	-	12,000	-	264,000	72,000	12,000	-	12,000	1,826,976	-	-	2,306,976
AMC and Repairs & Maintenance	515,527	342,663	1,062,506	129,413	292,223	929,385	256,627	802,679	33,180	192,925	3,669,784	-	4,340	8,231,252
	28,190	665,468	1,222,636	31,900	43,397	853,970	254,840	175,414	73,946	594,402	3,320,275	-	13,740	7,278,178
Social Events / Functions Expenses	-	-	-	-	-	-	-	-	-	-	2,048,693	-	890,009	2,938,702
	-	-	-	-	-	-	-	-	-	-	-	-	1,668,561	1,668,561
Match & Tournament Expenses	598,584	443,292	16,250	49,273	611,269	452,357	307,992	91,339	-	40,775	208,935	-	-	2,820,066
	174,069	408,217	185,953	-	157,470	474,664	997,489	41,499	-	206,117	-	-	-	2,645,478
Rates & Taxes	-	-	-	-	-	-	-	-	-	-	746,081	-	-	746,081
	-	-	-	-	-	-	-	-	-	-	7,933,510	-	-	7,933,510
Telephone Charges	-	-	-	-	-	-	-	-	-	-	354,387	-	-	354,387
	-	-	-	-	-	-	-	-	-	-	284,752	-	-	284,752
Insurance	-	-	-	-	-	-	-	-	-	-	1,430,699	-	-	1,430,699
	-	-	-	-	-	-	-	-	-	-	938,869	-	-	938,869
Statutory Audit Fees (excluding applicable taxes)	-	-	-	-	-	-	-	-	-	-	500,000	-	-	500,000
	-	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
Legal & Professional Charges	-	-	1,815,110	-	-	-	-	-	-	-	2,391,150	-	-	4,206,260
	-	2,590	546,650	-	-	-	22,100	-	-	-	1,933,737	-	8,450	2,513,527
Purchase of Sports Materials	1,083,152	157,865	6,685	499,532	87,871	1,484	171,355	-	254,694	43,245	12,040	17,060	-	2,334,983
	995,921	103,840	8,319	356,722	40,182	-	261,010	-	171,328	32,822	61,470	-	-	2,031,614
Coaching Fees	855,690	802,712	609,210	-	1,591,024	1,931,478	3,993,925	6,750	-	1,122,370	1,744,472	22,800	112,540	12,792,971
	704,280	1,179,000	916,149	-	1,267,558	1,261,520	3,375,795	17,325	-	1,411,425	964,551	-	143,782	11,241,385
Opening Inventory	-	-	-	-	-	-	-	-	-	-	213,815	-	-	213,815
	51,462	8,935	-	49,111	6,391	-	37,950	-	-	12,336	-	-	-	166,185
Office Expenses	-	100	6,300	-	-	-	2,180	95,033	5,613	-	1,502,584	-	37,800	1,649,609
	-	14,147	8,806	3,100	7,147	2,250	34,438	7,384	60,417	1,937	1,546,957	-	-	1,686,583
Security Charges	-	-	-	-	-	-	-	-	-	-	5,586,550	-	-	5,586,550
	-	-	-	-	-	-	-	-	-	-	5,323,259	-	-	5,323,259
Bank Charges	-	-	-	-	-	-	-	-	-	-	188,840	-	-	188,840
	-	-	-	-	-	-	-	-	-	-	330,005	-	-	330,005
Write off a/c	-	-	-	-	-	-	-	-	-	-	9,130,324	-	-	9,130,324
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prev Year Exp. A/C	-	-	-	-	-	-	-	-	-	-	7,540,918	-	-	7,540,918
	-	-	-	-	-	-	-	-	-	-	1,035,219	-	-	1,035,219
Provision for Doubtful Adv.	-	-	-	-	-	-	-	-	-	-	5,532,350	-	-	5,532,350
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	5,222,453	3,408,039	18,132,069	4,035,143	5,242,813	10,893,166	8,126,020	3,633,746	2,354,288	4,380,205	93,880,772	153,960	1,227,278	160,878,792
	3,821,949	3,961,507	15,330,945	3,368,402	3,701,194	10,184,673	7,763,217	3,391,434	1,852,601	4,169,676	70,360,515	-	1,875,106	129,781,219
(Excess of Expenditure over income) / Excess of Income over expenditure transferred to Reserves and Surplus (17-18)	(1,938,761)	(564,472)	(3,428,585)	(2,421,038)	(2,473,682)	(2,116,776)	(1,562,477)	(3,321,941)	(1,726,428)	(2,140,125)	19,088,790	32,940	(1,227,278)	(3,988,673)
(Excess of Expenditure over income) / Excess of Income over expenditure transferred to Reserves and Surplus (16-17)	(690,410)	(928,127)	44,341	(771,714)	(1,363,494)	(2,684,829)	(1,038,565)	(2,976,724)	(1,065,684)	(1,915,880)	24,463,258	-	(1,033,486)	10,038,686

Trustees of Khar Gymkhana
Balance Sheet as at March 31, 2018

Particulars	Note No	As At March 31, 2018		As At March 31, 2017	
		(Amount Rs.)	(Amount Rs.)	(Amount Rs.)	(Amount Rs.)
SOURCES OF FUNDS / LIABILITIES					
Earmarked Funds					
<u>1. Depreciation Fund - Building</u>					
Balance brought forward		10,168,233		8,692,673	
Add : Addition during the year		3,878,910		3,003,323	
Less : Utilised during the year		2,117,826	11,929,317	1,527,763	10,168,233
<u>2. Repairs & Replacement Fund - Furniture & Fixtures</u>					
Balance brought forward		15,324,993		12,321,671	
Add : Addition during the year		3,878,910		3,003,322	
Less : Utilised during the year		-	19,203,903	-	15,324,993
<u>3. Special Reserve Fund</u>					
Balance brought forward		7,857,130		7,401,130	
Add : Amount transferred from Patron & Life Subscription Fees		162,000		456,000	
Less : Utilised during the year		-	8,019,130	-	7,857,130
<u>4. Building Fund</u>					
Balance brought forward		306,980,000		306,980,000	
Add : Amount transferred from Reserve Fund		-		-	
Less : Utilised during the year		-	306,980,000	-	306,980,000
<u>5. Special Fund A/c No. 1</u>					
Balance brought forward		8,803,975		8,803,975	
Add : Addition during the year		-		-	
Less : Utilised during the year		-	8,803,975	-	8,803,975
<u>6. Legal Expenses Fund</u>					
Balance brought forward		10,000,000		10,000,000	
Add : Addition during the year		-		-	
Less : Utilised during the year		-	10,000,000	-	10,000,000
<u>7. Other Fund Accounts</u>					
<u>Tennis Deposits</u>					
Balance brought forward		3,250,000		3,250,000	
Add : Addition during the year		-		-	
Less : Utilised during the year		-	3,250,000	-	3,250,000
<u>Rattan Chalange Cup Deposits</u>					
Balance brought forward		5,102		4,992	
Add : Addition during the year		110		110	
Less : Utilised during the year		-	5,212	-	5,102
<u>Chaubal Trophy Deposits</u>					
Balance brought forward		5,714		5,614	
Add : Addition during the year		100		100	
Less : Utilised during the year		-	5,814	-	5,714
<u>Reserve Fund</u>					
Balance brought forward		347,938,582		309,149,486	
Add : Excess of Income over Expenditure		10,138,589	358,077,171	38,789,096	347,938,582
Sundry Creditors (Including Retention Money)			5,049,597		153,430
Current Liabilities & Provisions	1		4,494,866		3,197,071
Total Sources of Funds / Liabilities			735,818,985		713,684,230

Trustees of Khar Gymkhana
Balance Sheet as at March 31, 2018

Particulars	Note No	As At March 31, 2018		As At March 31, 2017	
		(Amount Rs.)	(Amount Rs.)	(Amount Rs.)	(Amount Rs.)
APPLICATION OF FUNDS / ASSETS					
Property, Plant and Equipment					
- Tangible Fixed Assets	2		150,518,444		145,728,659
- Capital Work in Progress			574,000		-
Investments	3		506,500,000		496,700,000
Loans & Advances	4		70,303,976		63,384,362
Security Deposits	5		893,000		893,000
Other Current Assets	6		1,798,436		3,504,621
Cash & Bank Balances	7		5,231,129		3,473,588
Total Application of Funds / Assets			735,818,985		713,684,230
<p>Stamped for Identification purpose MSKA & Associates Chartered Accountants</p> <p style="text-align: center;">For and on behalf of Trustees of Khar Gymkhana</p> <p style="text-align: center;">Manu Dadlani Managing Trustee Place: Mumbai Date: December 14, 2018</p>					

Trustees of Khar Gymkhana

Income & Expenditure Account for the year ended March 31, 2018

INCOME	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Subscription from Patron & Life Members	540,000	1,520,000
<u>Entrance Fees</u>		
Ordinary Members	11,372,135	11,022,477
Service Members	150,000	110,000
Corporate Members	4,700,000	21,000,000
<u>Interest Income</u>		
- On Savings Bank Account	251,081	305,371
- On Fixed Deposits with Banks	34,368,335	36,178,641
Excess Provision Written Back	3,430	559,179
Total Income	51,384,981	70,695,668

Trustees of Khar Gymkhana

Income & Expenditure Account for the year ended March 31, 2018

EXPENDITURE	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Depreciation	17,880,938	18,639,176
Interest Expense	1,294,221	2,359,090
Rates & Taxes	8,393,758	56,460
Legal & Professional Charges	1,002,250	1,661,500
Election Expenses	838,137	-
Sports Promotion expense	2,040,000	2,201,992
Retainership	99,375	45,000
Insurance	118,448	115,437
Loss on Sale & write off of tangible assets	1,565,335	306,543
Miscellaneous Expenses	93,900	58,518
Total Expenditure	33,326,362	25,443,716
Excess of Income over Expenditure prior to Appropriations and exceptional items	18,058,619	45,251,952
Appropriations		
(a) 10% of surplus of previous years excess of income over expenditure transferred to :		
Depreciation Fund - Building	3,878,910	3,003,323
Repairs & Replacement Fund - Furniture & Fixtures	3,878,910	3,003,323
(b) 30% of Subscription from Patron & Life Members of current year transferred to:		
Special Reserve Fund Account	162,000	456,000
(c) Transferred to Rattan Challenge Cup Deposits	110	110
(d) Transferred to Chaubal Trophy Deposits	100	100
Excess of Income over expenditure transferred to Reserve Fund	10,138,589	38,789,096
Stamped for Identification purpose MSKA & Associates Chartered Accountants	For and on behalf of Trustees of Khar Gymkhana	
	Manu Dadlani Managing Trustee Place: Mumbai Date: December 14, 2018	

Trustees of Khar Gymkhana

Notes forming part of the financial statements for the year ended March 31, 2018

Note 1. Current Liabilities	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Statutory Dues Payable	7,419	23,413
Entrance Fees received in advance	1,700,000	-
Payable to Khar Gymkhana	2,787,447	3,173,658
Total	4,494,866	3,197,071

Trustees of Khar Gymkhana
Notes forming part of the financial statements for the year ended March 31, 2018
Note 2 - Property, Plant and Equipment

(Amount in Rs.)

S No.	Particulars	WDV As At April 01, 2017	Additions during the year	Internal Transfers	Sale	Total	Depreciation for the year	WDV As At March 31, 2018
		A	B	C	D	E=A+B+C-D	F	G = E-F
1	Building	55,908,347	-	-	-	55,908,347	5,593,916	50,314,431
2	Conference Room	18,885	-	22,513	3,446	37,952	5,722	32,230
3	Cyber Café	244,228	-	-	-	244,228	26,035	218,193
4	Elevators	2,975,587	-	-	-	2,975,587	297,559	2,678,028
5	Banquet Hall	9,581,699	-	-	-	9,581,699	1,011,996	8,569,703
6	Swimming Pool	9,058,601	73,106	-	340	9,131,367	951,306	8,180,061
7	Cricket	3,070,952	1,341,282	-	8,402	4,403,832	470,568	3,933,264
8	Billiard Hall	1,232,484	4,693,485	(232,636)	182,304	5,511,029	256,007	5,255,022
9	Table Tennis Hall	4,378	-	34,562	33,428	5,512	5,512	-
10	Pickel Ball	-	3,142,966	-	-	3,142,966	233,480	2,909,486
11	Squash Court - Ground Floor	421,548	-	-	-	421,548	47,596	373,952
12	Shooting Range	7,272	-	-	-	7,272	1,091	6,181
13	Badminton Court	2,321,669	580,276	186,771	955	3,087,761	333,030	2,754,731
14	Tennis Court	6,740,675	3,566,319	235,982	10,825	10,532,151	1,118,023	9,414,128
15	Table Tennis	1,664,540	-	(34,562)	-	1,629,978	198,475	1,431,503
16	Squash	2,530,156	1,180,000	-	-	3,710,156	284,103	3,426,053
17	Gymnasium	15,655,081	62,000	(422,753)	308,617	14,985,711	1,840,554	13,145,157
18	Football	468,546	-	-	-	468,546	46,855	421,691
19	Card Room	1,840,195	260,403	-	32,668	2,067,930	220,534	1,847,396
20	Airconditioners	810,838	-	-	-	810,838	121,626	689,212
21	Yoga - Aerobics	434,104	80,000	(26,568)	8,442	479,094	56,591	422,503
22	Pavilion Dining Hall	5,745,685	107,243	232,636	318,212	5,767,352	631,935	5,135,417
23	New Bar	576,722	-	-	13,360	563,362	80,472	482,890
24	Melting Pot Restaurant	6,322,447	-	-	380,082	5,942,365	654,588	5,287,777
25	Canteen & Bar Room	194,003	318,434	18,698	127,727	403,408	44,408	359,000
26	Canteen	822,052	39,620	(32,651)	-	829,021	108,425	720,596
27	Poolside Canteen & Kitchen	2,083,168	-	-	54,881	2,028,287	225,228	1,803,059
28	Accounts Department	22,772	74,988	2,300	-	100,060	5,827	94,233
29	E.R.P. Department	2,348,619	48,380	130	-	2,397,129	876,558	1,520,571
30	Administrative Department	6,626,659	6,090,384	727	172,200	12,545,707	1,248,297	11,297,273
31	Library	1,231,815	-	-	-	1,231,815	125,978	1,105,837
32	CCTV Cameras	322,387	-	31,234	-	353,621	49,192	304,429
33	Paramedical Centre	330,209	-	-	-	330,209	35,075	295,134
34	Toddlers Play Hall	1,985,315	-	-	-	1,985,315	241,815	1,743,500
35	Mural Work	436,925	-	-	-	436,925	43,693	393,232
36	Energy Conversion Project	1,615,066	-	-	-	1,615,066	235,144	1,379,922
37	Trustees Room	75,030	2,667,726	(16,383)	-	2,726,373	153,724	2,572,649
	Total	145,728,659	24,326,612	-	1,655,889	168,399,382	17,880,938	150,518,444

Capital Work in Progress	Amount in Rs.
Opening Balance	-
Add: Additions during the year	574,000
Less: Capitalised during the year	-
Closing Balance	574,000

Trustees of Khar Gymkhana

Notes forming part of the financial statements for the year ended March 31, 2018

Note 3. Investments	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Fixed Deposits with Banks	506,500,000	496,700,000
Total	506,500,000	496,700,000

Note 4. Loans & Advances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Income Tax paid under Protest	34,320,268	31,597,764
Advance Tax /TDS Receiveable	34,942,020	26,126,807
Capital Advances	860,000	-
Advances given to Suppliers / Vendors	181,688	5,659,791
Total	70,303,976	63,384,362

Note 5. Security Deposits	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Security Deposits :		
- B.M.C.	828,000	828,000
- Electricity	65,000	65,000
Total	893,000	893,000

Note 6. Other Current Assets	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Interest Accrued on Fixed Deposits with Banks	1,798,436	3,504,621
Total	1,798,436	3,504,621

Note 7. Cash & Bank Balances	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Balance with Banks in current and savings accounts	5,231,129	3,473,588
Total	5,231,129	3,473,588

6th April 2018

To
Hon. Treasurer
Khar Gymkhana

Dear Madam,

We have prepared at Bank Reconciliation Statement (BRS) for the month of April 2017. While conducting the audit, we have come across four issues which requires **immediate attention**

- A) Payments in Tally not traceable in Bank – Rs 7,44,417
- B) Receipts in Bank Statement not recorded in Tally – Rs 74,75,801
- C) Receipts in Tally not traceable in Bank – Rs 1,06,71,142
- D) Payment in Bank Statement not recorded in Tally – Rs 25,12,158

While arriving at these amounts, we have used cheque Numbers as the base data for comparison of amounts in Books and Bank Statements.

Further, we reviewed the Books and Bank Statements for April 2017 for preparation of this BRS along with Books of Accounts of 2 preceding months and Bank statements for 2 subsequent months. In spite of the same, we were not able to trace these amounts. Request you to do the needful and look into these deviations / mismatches.

Thanking you.

Regards,
CA Malavika Sahasrabudhe
Membership No 130848

mgore

Partner
Gokhale & Sathe
Chartered Accountants

