

## Roshanara Club Limited

### Note 22: Other Explanatory Information

- a) Balances in Trade Receivable, Loans & Advances and Current Liabilities as shown in the accounts are subject to confirmation. However, in the opinion of the Management Committee, the assets other than fixed assets are fully realisable at the values stated, if realised in the ordinary course of business. The provision for all known liabilities is adequate in the opinion of Management Committee.
- b) Club changed its accounting software during the year w.e.f. 23.05.2016 as the old software being used was in operation for the past many years and it required substantial modifications for making it workable in future. The consultant who was in-charge of operating the old software is not co-operating with the club authorities and club is having problems in accessing the available data from the software so much so that even the print outs of the books of account for the period 01.04.2016 to 22.05.2016 and past years is not available and the club's accounts department is not conversant on how to operate the said old accounting software.
- c) Related Party Disclosures

The management committee members and other key management personnel have not informed the club about the enterprises owned or significantly influenced by them or their relatives. Accordingly information w.r.t. related party transactions is not available.

Since the Club is a mutual concern therefore sale of services / goods to members and receipt of entrance fee / membership fee from them is not considered to be within the ambit of related party transactions.
- d) Since the Club is a mutual concern therefore its receipts from members are not income in terms of provisions of Income tax Act, 1961 and therefore are not subject to Income tax.
- e) Since the Club does not have share capital therefore provisions of Accounting Standard (AS) 20 regarding calculation of Earnings per share are not applicable to it.
- f) Contingent Liabilities: Claims not acknowledged as debts - Not determined (Previous year Not determined).
- g) Litigation: The Club is subject to legal proceedings and claims, which have arisen in the ordinary course of operations. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Club's results of operations or financial condition.
- h) Club has filed its periodical returns as required by law with Service tax Authorities & Delhi Value Added tax department. The figures of turnover, taxes payable and / or balance of input credit available, as mentioned in these returns, do not match with figures as per books of account and / or financial

statement. Efforts are being made, in consultation with the relevant consultants, to pay the due taxes and / or revise these returns, if required.

i) Disclosures on Specified Bank Notes (SBN)

Particulars	SBNs (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	32,09,500	9,847	32,19,347
(+) permitted receipts	Nil	1,00,77,706	1,00,77,706
(-) Permitted payments	Nil	17,45,244	17,45,244
(-) Amount deposited in Banks	32,09,500	75,52,105	1,07,61,605
Closing cash in hand as on 30.12.2016	Nil	7,90,204	7,90,204

j) Foreign Exchange Income / Expenses Nil Nil

k) Based on information available with the club the details of dues to Micro and Small Enterprises as per MSMED Act, 2006 are as under:-

		March 31, 2017	March 31, 2016
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
3	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
5	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

- l) Trade receivables as at close of the year, as stated in note 11 includes sums receivable from members from past years Rs. 2,87,522 (Previous year Rs. 7,26,757) wherein the names of members is not available and further the said amount of trade receivable is net of Rs. 1,06,661 received from certain members wherein the name of members from whom these sums have been received is not available. Management is confident of reconciling these amounts in near future.
- m) Deposit against membership application as stated under note 6 includes monies received and outstanding since past many years. In the opinion of management these sums are outstanding and payable as the concerned applicants could stake claim to the monies paid by them.
- n) Internal auditors of the Club in their quarterly reports have pointed out anomalies in various areas. Major concerns raised by the internal auditors are (a) non reconciliation of service tax returns and VAT returns with books of account, (b) non collection and payment of service tax as required by law, (c) anomalies in the fee collected from members for transfer of membership and loyalty bonus payment to resigning members, (d) transfer of membership of deceased member to his / her spouse and non transfer of corresponding outstanding balance of the deceased member to the spouse. Management committee is studying the internal audit reports and shall take suitable action shortly to resolve the issues raised.
- o) Club has admitted 95 members during the year and 29 members resigned during the year. The number of members as at 31.03.2017 was 4,367. Details of members admitted during the year is as under :-

S. No.	Particulars	Number
a)	Members reinstated during the year	43
b)	Ordinary members admitted during the year	25
c)	Dependent members admitted during the year	19
d)	Transfer of membership to wife of deceased member	7
e)	Higher Service Member	1
	<b>Total</b>	<b>95</b>

In terms of Article 11 of the Articles of Association of the club the abovesaid Ordinary new members paid Rs. 10,00,000 each as entrance fee. In terms of Article 11(b) of the Articles of Association of the club, membership loyalty bonus aggregating to Rs. 82,50,000 was paid @ Rs. 2,50,000 per member to 33 resigning members

- p) Fixed assets aggregating to Rs. 41,14,579 being additions to Building were capitalized from time to time on various dates during the year based on the management decision about the completion of the work and the asset being put to use.
- q) As stated in note 6 credit balance of members includes amounts receivables from past years. Due to change in accounting software member wise details of amounts due from past years is not available.

- r) Due to change in accounting software, it is not possible to verify whether the inventories are truly valued on first-in-first-out basis.
- s) Previous Year Comparatives

Previous year figures have been regrouped / reclassified where ever considered necessary to make them comparable to the current year classification.

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