



**JANAKPURI CLUB (REGD.)**

**BHUPINDER SHAH & CO.**  
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT**

TO,  
THE MEMBERS,  
**JANAKPURI CLUB (REGD.)**  
Registered under the Societies Registration Act No. XXI of 1860  
vide registration no. 13728 dated 8<sup>th</sup> August 1983  
PAN : AAAAJ0041M

**REPORT ON THE AUDIT OF 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 a true and fair view in conformity with the accounting principles generally accepted in India.

- (I) The Balance sheet, read with the notes thereon is a full and fair Balance sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the society as at 31st March, 2021 in conformity with accounting principles generally accepted in India:
- (ii) The Income and Expenditure Account, read with notes thereon shows a true balance of the excess of Expenditure over Income, in conformity with accounting principles generally accepted in India, for the year.

**BASIS FOR OPINION**

We have audited the accompanying financial statements of **JANAKPURI CLUB (REGD.)**, Registered under the Societies Registration Act No. XXI of 1860 ("The Club") which comprise the Balance Sheet as at 31st March 2021 and Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.





## JANAKPURI CLUB (REGD.)

### MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Society's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the society in accordance with the accounting Standards issued by Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Society 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.

The management is of view that there will be no effect of Covid-19 on the Club's ability to continue as a going concern.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

- 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 Institute of Chartered Accountants of India. 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 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 control relevant to the Society for preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 audit opinion.





**JANAKPURI CLUB (REGD.)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

The Balance Sheet and Income & Expenditure Account have been drawn up in the format prescribed by the Societies Registration Act, 1860, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, one necessary for the purposes of our audit and have found them to be satisfactory.
- (b) The transactions of the society, which have come to our notice, have been within the powers of the society.
- (c) In our opinion, proper books of accounts have been kept by the society as appears from our examination of those books.
- (d) In our opinion, the balance sheet and the Income & expenditure Account comply with the accounting standards issued by the Institute of Chartered Accountants of India.
- (e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Society.
- (f) The management has evaluated post COVID-19 additional risk on account of operational disruption, contractual non-compliance, liquidity and working capital issues, possibility of fraud etc. and no revision in the assessment and calculation of materiality is required.

AUDITORS' REPORT UNDER SOCIETIES REGISTRATION ACT, 1860  
As per our report of even date.

For **BHUPINDER SHAH & CO.**  
Chartered Accountants  
Firm Registration No. 008169N

(BHUPINDER SHAH)  
B.Com(H), FCA, DISA  
ICAI Membership No. 084879  
PARTNER  
UDIN: 22084879AAAAAV7501

NEW DELHI  
21<sup>ST</sup> JANUARY, 2022





## JANAKPURI CLUB (REGD.) BALANCE SHEET AS ON 31ST MARCH, 2021

	SCHEDULE	AS ON 31.03.2021	AS ON 31.03.2020
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Members' Fund	1	13,04,51,701.85	13,04,51,701.85
(b) Reserves and Surplus	2	-2,19,38,760.99	10,85,12,940.86
			-1,33,36,902.95
			11,71,14,798.90
	<b>TOTAL</b>	<b>10,85,12,940.86</b>	<b>11,71,14,798.90</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. PROPERTY, PLANT &amp; EQUIPMENT</b>			
(a) Gross Block		21,37,99,822.50	21,35,02,834.30
(b) Less : Depreciation		10,49,99,267.08	9,49,45,208.08
(c) Net Block	3	<u>10,88,00,555.42</u>	<u>11,85,57,626.22</u>
<b>2. CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	4	1,64,40,557.00	1,69,48,910.00
(b) Cash and Bank Balances	5	1,57,07,741.59	2,06,46,736.60
(c) Loans and Advances	6	<u>1,08,31,615.03</u>	<u>90,53,317.42</u>
		<u>4,29,79,913.62</u>	<u>4,66,48,964.02</u>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
(a) Liabilities	7	4,16,20,897.18	4,57,45,479.68
(b) Provisions	8	<u>16,46,631.00</u>	<u>23,46,311.66</u>
		<u>4,32,67,528.18</u>	<u>4,80,91,791.34</u>
<b>NET CURRENT ASSETS</b>		<b>-2,87,614.56</b>	<b>-14,42,827.32</b>
<b>TOTAL</b>		<b>10,85,12,940.86</b>	<b>11,71,14,798.90</b>
<b>NOTES ON ACCOUNTS &amp; SIGNIFICANT ACCOUNTING POLICIES</b>	9		

(B. P. SINGH)  
PRESIDENT

(OM PRAKASH)  
GENERAL SECRETARY

(AMIT GULATI)  
TREASURER

AUDITORS' REPORT UNDER SOCIETIES REGISTRATION ACT, 1860

As per our report of even date.

For **BHUPINDER SHAH & CO.**

Chartered Accountants

Firm Registration No. 008169N



(BHUPINDER SHAH)  
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ICAI Membership No. 084879  
PARTNER  
UDIN: 22084879AAAAAV7501

NEW DELHI  
21<sup>ST</sup> JANUARY, 2022



## JANAKPURI CLUB (REGD.)

### INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	SCHEDULE	FOR THE YEAR ENDED 31-3-2021	FOR THE YEAR ENDED 31-3-2020
<b>INCOME</b>			
Supply of Goods & Beverage to Members	10	1,08,99,305.97	3,22,64,472.81
Interest Income	11	11,09,011.67	16,23,647.62
Subscription received from Members	12	14,99,410.50	32,23,622.50
Other Income	13	59,99,723.00	1,47,14,488.85
	<b>TOTAL</b>	<b>1,95,07,451.14</b>	<b>5,18,26,231.78</b>
<b>EXPENDITURE</b>			
Cost of Food, Beverages etc. sold to Members	14	64,94,755.60	2,18,54,107.20
Personnel Expenses	15	37,63,389.00	67,57,500.00
Administrative and Other Expenses	16	81,59,692.24	1,11,05,011.99
Depreciation	3	1,00,54,059.00	1,12,40,748.09
	<b>TOTAL</b>	<b>2,84,71,895.84</b>	<b>5,09,57,367.28</b>
<b>SURPLUS/DEFICIT BEFORE TAX</b>		<b>-89,64,444.70</b>	<b>8,68,864.50</b>
Provision for Gratuity		-5,13,597.66	1,33,137.00
Provision for Income Tax		1,51,011.00	3,37,094.00
<b>SURPLUS/DEFICIT AFTER TAX</b>		<b>-86,01,858.04</b>	<b>3,98,633.50</b>
<b>BALANCE SURPLUS FROM LAST YEAR</b>		<b>-1,33,36,902.95</b>	<b>-1,37,35,536.45</b>
<b>BALANCE SURPLUS CARRIED OVER TO BALANCE SHEET</b>		<b>-2,19,38,760.99</b>	<b>-1,33,36,902.95</b>

#### NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

9

(B. P. SINGH)  
PRESIDENT

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21<sup>ST</sup> JANUARY, 2022



## JANAKPURI CLUB (REGD.)

### SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021 AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	AS ON 31.03.2021	AS ON 31.03.2020
<b>SCHEDULE 1 : MEMBER'S FUND</b>		
Capital Fund	11,41,83,901.85	11,41,83,901.85
Land & Building Fund	1,62,67,800.00	1,62,67,800.00
	<u>13,04,51,701.85</u>	<u>13,04,51,701.85</u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
Excess of Income over Expenditure	-2,19,38,760.99	-1,33,36,902.95
	<u>-2,19,38,760.99</u>	<u>-1,33,36,902.95</u>
<b>SCHEDULE 4 : INVENTORIES</b> (At cost or realisable value whichever is lower) (As taken, valued & certified by the management)		
Finished Goods : Bought-out goods	1,64,40,557.00	1,69,48,910.00
	<u>1,64,40,557.00</u>	<u>1,69,48,910.00</u>
<b>SCHEDULE 5 : CASH AND BANK BALANCES</b>		
Cash in hand	1,21,776.00	1,51,048.00
Balance with Scheduled Banks :		
In Saving Bank Accounts	5,72,576.06	2,21,650.05
In Current Accounts	6,31,384.53	5,36,630.55
In Fixed Deposits	1,38,63,582.00	1,84,37,235.00
Interest accrued on Fixed Deposits	5,18,423.00	13,00,173.00
	<u>1,57,07,741.59</u>	<u>2,06,46,736.60</u>
<b>SCHEDULE 6 : LOANS AND ADVANCES</b> (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	73,29,048.24	46,96,136.52
Due from Members	8,74,951.00	8,61,371.00
Security Deposits	12,16,196.50	12,11,196.50
Advance Income Tax	26,000.00	80,000.00
DVAT Recoupable	10,42,296.65	19,37,854.00
Balance with GST Authorities	1,83,788.20	0.00
Balance with Excise Authorities	70,510.44	1,07,610.40
Tax Deducted at Source	86,621.00	1,53,949.00
Tax Collected at Source	2,203.00	5,200.00
	<u>1,08,31,615.03</u>	<u>90,53,317.42</u>
<b>SCHEDULE 7 : CURRENT LIABILITIES</b>		
Sundry Creditors for Goods	42,01,799.50	92,70,152.02
Advance Annual Subscription for 12 Years	43,417.00	1,96,386.50
Advance Annual Subscription for 30 Years	2,49,70,688.00	2,63,14,627.00
Advance Annual Subscription for Whole Life	36,904.50	39,406.50
Short Term Loans from Members	30,000.00	30,000.00
Stamp Duty Payable	15,23,529.00	15,23,529.00
Expenses Payable	5,66,136.00	6,03,052.82
Tax Deducted at Source Payable	17,629.00	16,545.00
E.S.I. Payable	13,796.00	17,925.00
E.P.F. Payable	45,956.00	59,469.00
GST Payable	9,28,239.00	6,84,032.00
Security Deposits from Contractors	40,00,000.00	40,00,000.00
Advances from Members	52,42,803.18	29,90,354.84
	<u>4,16,20,897.18</u>	<u>4,57,45,479.68</u>





## JANAKPURI CLUB (REGD.)

	AS ON 31.03.2021	AS ON 31.03.2020
<b>SCHEDULE 8 : PROVISIONS</b>		
Provision for Gratuity	14,95,620.00	20,09,217.66
Provision for Income Tax	1,51,011.00	3,37,094.00
	<u>16,46,631.00</u>	<u>23,46,311.66</u>
<b>SCHEDULE 10 : SUPPLY OF GOODS &amp; BEVERAGE TO MEMBERS</b>		
Bought-out goods	1,08,99,305.97	3,22,64,472.81
	<u>1,08,99,305.97</u>	<u>3,22,64,472.81</u>
<b>SCHEDULE 11 : INTEREST INCOME</b>		
Interest on Bank Fixed Deposits	10,38,773.00	15,23,495.00
Interest on Saving Bank Accounts	17,932.00	42,283.00
Interest on Security Deposit with BSES Rajdhani Power Limited	52,306.67	57,869.62
	<u>11,09,011.67</u>	<u>16,23,647.62</u>
<b>SCHEDULE 12 : SUBSCRIPTION RECEIVED</b>		
Subscription received from Members	14,99,410.50	32,23,622.50
	<u>14,99,410.50</u>	<u>32,23,622.50</u>
<b>SCHEDULE 13 : OTHER INCOME</b>		
Advertising Receipts	0.00	81,779.65
Associated Membership Fee	0.00	1,00,000.00
Charges from Honorary Members	30,000.00	1,16,474.58
Charges from Members for Banquet Hall/Lawn	46,97,957.00	86,81,118.11
Charges from Members for Kitty Parties	1,04,640.00	3,34,169.49
Credit Balance Written Off/Discount received	0.00	1,20,112.08
Miscellaneous Income from Members	1,22,662.00	2,24,406.54
Income from Members for Car Parking	5,183.00	18,347.79
Income from Members for Game Zone	8,415.00	22,983.13
Income from Members for Gym	1,25,096.00	2,01,101.79
Income from Members for Smart Identity Card	0.00	48,940.85
Income from Members for Swimming Pool	0.00	14,35,049.13
Income from Members for TV Projectors	17,987.00	66,789.83
Income from Sale of Bottle & Scrap	63,606.00	1,01,728.79
New Year Event Ticket Sale	0.00	5,75,165.66
Received Under Golden Opportunity Scheme	0.00	1,50,000.00
Refreshment charges from members	5,02,081.00	12,12,919.07
Room Rent from Members	3,22,096.00	12,23,401.70
Short and excess	0.00	0.66
	<u>59,99,723.00</u>	<u>1,47,14,488.85</u>
<b>SCHEDULE 14 : COST OF FOOD &amp; BEVERAGES SOLD TO MEMBERS</b>		
<b>COST OF BOUGHT-OUT GOODS SOLD</b>		
Opening Stock	1,69,48,910.00	9171402
Add : Purchases	59,86,402.60	2,96,31,615.20
	2,29,35,312.60	3,88,03,017.20
Less : Closing Stock	1,64,40,557.00	1,69,48,910.00
	<u>64,94,755.60</u>	<u>2,18,54,107.20</u>



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## JANAKPURI CLUB (REGD.)

	<u>AS ON 31.03.2021</u>	<u>AS ON 31.03.2020</u>
<b>SCHEDULE 15 : PERSONNEL EXPENSES</b>		
Bonus & Ex-Gratia	0.00	4,32,814.00
Employer's Contribution to E.S.I.	1,02,606.00	1,99,172.00
Employer's Contribution to P.F.	2,27,136.00	3,79,526.00
Salaries including leave encashment	33,57,913.00	56,03,729.00
Staff Welfare Expenses	<u>75,734.00</u>	<u>1,42,259.00</u>
	<u>37,63,389.00</u>	<u>67,57,500.00</u>
<b>SCHEDULE 16 : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement Expenses	65,000.00	1,66,810.00
Annual General Meeting Expenses	42,182.00	1,93,522.00
Audit Fee	25,000.00	25,000.00
Bank Charges	1,37,848.81	2,44,895.88
Consumable (ETP)	32,300.00	56,086.00
Conveyance	31,795.00	35,305.00
Delhi Pollution Control Expenses	2,00,000.00	2,00,000.00
Diwali Gifts	0.00	29,940.00
VAT paid	0.00	1,111.00
Electricity & Water Expenses	14,22,384.20	20,83,603.50
Ineligible GST	0.00	6,02,731.00
Entertainment Expenses	51,109.00	1,28,955.00
Event, Functions and Festival Celebration Expenses	78,509.00	10,58,292.00
General & Miscellaneous Expenses	34,155.00	1,37,715.64
Ground Rent to DDA	17,00,087.00	4,76,110.00
Insurance	1,06,596.00	83,808.00
Fee & Taxes	27,537.00	0.00
Interest paid on TDS	31.00	1,183.00
Interest paid on VAT	0.00	0.00
Interest paid	12,607.00	0.00
Legal & Professional Charges	49,000.00	1,69,080.00
Meeting Expenses	8,671.00	31,430.00
Renovation expenses	1,26,404.14	0.00
Postage & Courier Expenses	18,040.00	24,295.00
Printing & Stationery	47,622.00	1,70,043.48
Property Tax Expenses	16,22,575.00	16,22,575.00
Short & Excess payments	4,325.87	0.00
Repair & Maintenance	13,77,099.02	17,08,732.00
Security Charges	1,27,947.00	5,41,465.00
Income Tax	14,345.00	2,271.17
Smart Card Expenses	12,576.00	1,00,697.00
Swimming Pool Operation & Maintenance Charges	15,383.00	3,84,278.00
Telephone Expenses	86,512.20	1,56,274.32
Licence Fee	<u>6,82,051.00</u>	<u>6,68,803.00</u>
	<u>81,59,692.24</u>	<u>1,11,05,011.99</u>







## JANAKPURI CLUB (REGD.) SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021 AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

### SCHEDULE 3 : PROPERTY, PLANT & EQUIPMENT

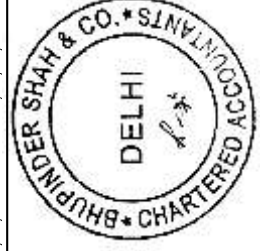
PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	ORIGINAL COST AS ON As on 31.03.2020	ADDITION DURING THE YEAR	UPTO 31.03.2020	FOR THE YEAR	WRITTEN DOWN VALUE AS ON 31.03.2021	AS ON 31.03.2020
<b>Tangible Assets :</b>						
Air Conditioning Plant	93,50,477.00	0.00	59,78,693.60	5,05,768.00	28,66,015.40	33,71,783.40
Boundary Wall	58,00,037.00	0.00	43,19,108.60	1,48,093.00	13,32,835.40	14,80,928.40
Building	13,46,69,121.96	0.00	6,48,08,452.48	69,86,067.00	6,28,74,602.48	6,98,60,669.48
Children Playing Station	3,42,502.00	0.00	32,412.30	46,513.00	2,63,576.70	3,10,089.70
Computers	5,50,672.00	0.00	5,24,120.80	10,620.00	15,931.20	26,551.20
Electrical Equipments	1,15,68,281.60	3,400.00	64,94,556.69	7,61,314.00	43,15,810.91	50,73,724.91
Furniture and Fixtures	76,45,592.19	34,921.00	30,87,879.44	4,57,517.00	41,35,116.75	45,57,712.75
Gym Equipments	20,46,811.00	0.00	11,51,240.80	1,34,336.00	7,61,234.20	8,95,570.20
Kitchen Equipments	14,72,566.50	0.00	9,62,859.75	76,456.00	4,33,250.75	5,09,706.75
Land	2,44,00,552.00	0.00	2,44,00,552.00	0.00	2,44,00,552.00	2,44,00,552.00
Lift	30,50,000.00	0.00	20,72,239.90	1,46,664.00	8,31,096.10	9,77,760.10
Office Equipments	9,72,365.17	2,58,667.20	5,50,508.39	82,679.00	6,33,187.39	5,97,844.98
Plant & Machinery	9,29,335.38	0.00	3,42,477.53	88,029.00	4,30,506.53	4,98,828.85
Swimming Pool	1,06,31,937.50	0.00	45,61,166.60	6,07,077.00	51,68,243.60	60,70,770.90
Vehicles : Bicycle	10,775.00	0.00	7,308.70	520.00	7,828.70	2,946.30
<b>SUB TOTAL</b>	<b>21,34,41,026.30</b>	<b>2,96,988.20</b>	<b>9,48,93,025.58</b>	<b>1,00,51,653.00</b>	<b>10,49,44,678.58</b>	<b>11,85,48,000.72</b>
<b>Intangible Assets :</b>						
Website	61,808.00	0.00	52,182.50	2,406.00	54,588.50	7,219.50
<b>SUB TOTAL</b>	<b>61,808.00</b>	<b>0.00</b>	<b>52,182.50</b>	<b>2,406.00</b>	<b>54,588.50</b>	<b>9,625.50</b>
<b>TOTAL</b>	<b>21,35,02,834.30</b>	<b>2,96,988.20</b>	<b>9,49,45,208.08</b>	<b>1,00,54,059.00</b>	<b>10,49,99,267.08</b>	<b>11,85,57,626.22</b>
<b>PREVIOUS YEAR</b>	<b>20,52,53,008.99</b>	<b>82,49,825.31</b>	<b>8,37,04,459.99</b>	<b>1,12,40,748.09</b>	<b>9,49,45,208.08</b>	<b>12,15,48,549.00</b>

NEW DELHI  
21<sup>ST</sup> JANUARY, 2022

  
(B. P. SINGH)  
PRESIDENT

  
(OM PRAKASH)  
GENERAL SECRETARY

  
(AMIT GULATI)  
TREASURER





## **JANAKPURI CLUB (REGD.)**

### **SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31.3.2021 AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

#### **SCHEDULE 9 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

##### **1. BACKGROUND OF THE ENTITY**

JANAKPURI CLUB (REGD.) is a society registered under the Societies Registration Act, 1860 vide registration no. 13728 dated 8th August 1983. The club is incorporated with the aim and objectives as follows-

- To provide amenities, comforts, privileges, advantages, convenience and accommodation as are generally available in other clubs of repute for recreation of the members, their families and guests.
- To provide suitable arrangements, apparatus and atmosphere for indoor and outdoor games and to provide sources thereof.
- To provide a good library and a reading room.
- To devise means and methods for promoting homogeneous and friendly environments for use of the club.
- To make arrangements with other reputed clubs in various parts of the country for using their clubs by the members of our club on reciprocal basis.
- To arrange cultural and other functions for recreation of general public and afford to its members facilities in accordance with the financial sources of the club.
- To do all other such things as are incidental and conducive to the attainment of the above objects or any one of them.

##### **2. BASIS OF ACCOUNTING**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis i.e. mercantile system of accounting and on the basis of going concern with the accounting principles generally accepted in India 'GAAP' and comply with the mandatory Accounting Standards, Guidance Notes and other pronouncements issued by The Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Societies Registration Act, 1860. Historical costs are not adjusted to reflect the changing value in the purchasing power of money.

The one time admission fee received is credited to the Capital Fund on receipt basis.

The subscription from the members is accounted for on receipt basis.





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The contribution from members received for specific purpose of acquisition/ construction of Land/Building is credited to Land & Building Fund.

The advance annual subscription for 12 years and for whole life is credited to the income and expenditure account over a period of 12 and 25 years respectively.

The advance annual subscription for 30 years is credited to the income and expenditure account over a period of 30 years.

Property tax to Municipal Corporation is accounted for on payment basis.

### 3. REVENUE RECOGNITION

The club is rendering sale of goods & services to its members only.

#### Supply of Goods

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the goods are transferred to the customer. Such revenue is stated net of trade discounts, rebates, sales return and sales tax wherever applicable

#### Supply of Services

Revenue from services is recognized as the service is performed by the proportionate completion method by relating the revenue with services rendered and certainty of consideration receivable.

The entity has re-assessed the impact of Covid-19 on expected increase in sales return, primary & secondary discount on account of liquidation of inventory and no additional disclosure is required for revenue loss

The Accounting Standard 9 issued by the Institute of Chartered Accountants of India is duly complied with.

### 4. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### 5. PROPERTY, PLANT & EQUIPMENT

The Accounting Standard 10 issued by the Institute of Chartered Accountants of India is duly complied with.

Property, Plant & Equipment is stated at cost of acquisition less accumulated depreciation till the end of financial year. Cost is inclusive of freight, duties, levies, installation expenses and any directly attributable cost of bringing the assets to their working condition for intended use which are capitalized till the assets are ready to be put to use.





## JANAKPURI CLUB (REGD.)

### 6. DEPRECIATION

Depreciation on Property, Plant & Equipment is provided in books on written down value method at the rates prescribed in the Income Tax Act, 1961.

### 7. TAXES ON INCOME

The member's club is governed by the principle of mutuality. All incomes derived by club from its members are exempt from levy of Income Tax. Only the interest income and other incidental income from outsiders is taxable under the Income Tax Act, 1961.

Provision for income tax comprises of current tax and deferred tax charge or release in compliance of Accounting Standard 22 issued by the Institute of Chartered Accountants of India. Current income tax, if any, is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax, if any, is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income and expenditure that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

The management has re-assessed the recognition of deferred tax asset on account of depreciation, impairment loss etc due to COVID-19 and no additional assets/liabilities are required to be provided.

### 8. INVENTORIES

As certified by the management, the inventory has been physically verified at reasonable intervals during the year under report by the management whereas shortages, breakage or loss arising on account of various reasons are adjusted and appropriated against consumption and/or stock. Shortages in stock of liquor, glassware etc. are considered as normal loss by the management and has been adjusted against the consumption.

Valuation is done in accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India i.e. at cost or market value whichever is less.

### 9. EMPLOYEES BENEFITS

The provision for gratuity has been made in compliance of Accounting Standard 15 issued by the Institute of Chartered Accountants of India. The enterprise has duly complied with the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948.

### 10. PENDING LITIGATION STATUS

An unfortunate shocking incident took place on 02.05.2016 when an amount of Rs. 5,17,820/- was embezzled from the locker of the club. The action as per law was initiated and FIR bearing no. WD-JP-000205 dated 03.05.2016 was registered with police station, Janakpuri. The said case still under investigation and an amount of Rs. 2,58,910/- has already been recovered from delinquent person. Whereas





## **JANAKPURI CLUB (REGD.)**

the other culprit undertook to pay the remaining amount of Rs. 2,58,910/- but he failed to fulfill his commitment and adopted dilly-dilly tactics for avoiding the same. The Managing Committee approached the senior police officials, the said person was arrested and he was jailed and now he got bail after application to higher Authorities. The case is still pending in the Court. The Club is exerting the fullest of its efforts to recover the money. The management is hopeful of recovery and as such no provision is made.

### **11. CONTINGENT LIABILITIES**

The society recognizes a provision when there is a 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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Accounting Standard 29 issued by the Institute of Chartered Accountants of India is duly complied with.

### **12. OTHERS**

In the opinion of the management of the club, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated.

Figures of previous accounting year have been regrouped, rearranged, recasted and reclassified, wherever necessary to confirm to current years' classification.

Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting principles and conventions.

Schedules 1 to 16 have duly been authenticated.

(B. P. SINGH)  
PRESIDENT

(OM PRAKASH)  
GENERAL SECRETARY

(AMIT GULATI)  
TREASURER

AUDITORS' REPORT UNDER SOCIETIES REGISTRATION ACT, 1860

As per our report of even date.

For **BHUPINDER SHAH & CO.**

Chartered Accountants

Firm Registration No. 008169N



(BHUPINDER SHAH)

B.Com(H), FCA, DISA

ICAI Membership No. 084879

PARTNER

UDIN: 22084879AAAAAV7501

NEW DELHI  
21<sup>ST</sup> JANUARY, 2022