

ANNUAL REPORT

2009-2010



BHUBANESWAR CLUB LTD.

RAJPATH, UNIT – VI, BHUBANESWAR -751001 (ORISSA)

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NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE BHUBANESWAR CLUB LTD., WILL BE HELD IN THE CLUB PREMISES ON FRIDAY THE 13TH AUGUST, 2010 AT 8.00 PM MEMBERS ARE REQUESTED TO ATTEND THE MEETING.

AGENDA

1. President's address.
2. To Receive the Committee's Annual Report of the Club for 2009-10.
3. To Adopt the Statutory Audit Report and Accounts of the Club for the year 2009-10.
4. To Appoint Auditors and fix their remuneration.
5. To elect President, Vice President, Honorary Secretary, Joint Secretary and six Committee Members for 2010-11.
6. To transact any other business.
7. Announcement of election results.

By order of the Executive Committee

(Ashok Chinchela)
Honorary Secretary
Dated: 17.06.2010

Note :

1. Copies of the Annual Report together with Accounts will be sent in advance. No additional copies will be distributed at the time of AGM.
2. Copies of the Annual Report together with Accounts have been displayed on the Club's Notice Board.
3. Dinner will be served.

BHUBANESWAR CLUB LTD.
MANAGING COMMITTEE – 2009 - 2010

Mr. Priyabrata Patnaik, IAS
President

Mr. Sudipta Das
Vice-President

Mr. Ashok Chinchela
Honorary Secretary

Mr. Harsh Vardhan Lal
Joint Secretary

COMMITTEE MEMBERS

Mr. Asit Pradhan

Mr. J.B. Pany

Mr. Rajdeep Mohanty

Mr. Srimoy Kar

Mr. Abhijit Bhaduri

Mr. Laxmidhar Pangari

Mr. Parag Gupta, IAS

Mr. Kishore Ku. Mohanty, OAS

Mr. Siddhanta Das, IFS

Mr. Rabi Narayan Nanda, OAS

Mr. Madhusudan Padhi, IAS

Mr. Manonjay Rath

Mr. Shivkumar Agarwal

Bankers

UCO Bank, Suryanagar Branch

Axis Bank Ltd., Bhubaneswar

Andhra Bank, OMC Branch

Statutory Auditors

Ms. H. Naik & Co.
Chartered Accountants

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BHUBANESWAR CLUB LTD.
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR 2009-10

Dear Member,

The Executive Committee takes pleasure in presenting the Annual Report and Audited Accounts of the Bhubaneswar Club Ltd., for the year 2009-10. Your Club continued to strive to maintain best standards of its services to the members in keeping with its reputation as one of the better managed clubs in the country.

This year we begin the Annual report with the achievements, improvements and additional facilities made available to our esteemed members.

1. Club's Cuisine and Bar /Beverage Services

The Indian Dinning Hall has been one of the main attraction for members and their families. This year too the Club's Indian cuisine has been very popular. The Chinese Dinning Hall has also been in demand among the members and their families. Both the dining halls always remain full especially in the evenings. The club has taken up expansion of the existing Indian kitchen by constructing additional space to cope up with the demand and construction work has already commenced.

2. Lounge and other Additions

The new lounge has been with a wall mounted Plasma TV has given an ambience of comfort for members to sit and watch TV or read the various Magazines and news papers placed there.

3. Proposed New Club Complex

The Club has been allotted a plot of 5 Ac. at Ghatikia adjacent to SUM Hospital with a 100 foot wide road on one side and also existing boundary walls on two sides. The Club has taken possession of the land in the month of June 2009. The proposed project would have a tennis academy with six courts. There would be indoor Badminton & Squash courts as well as a bowling alley. The Building would have double basement, parking facilities and state of the art Club facilities including similar facilities existing in the present club premises. It is further proposed to also to have a Banquet hall with a capacity for 2000 PAX and three conference halls and fifty Super Deluxe Guest Rooms. The Project cost has been estimated at Rs.36.50 crores. The Architect has made a presentation on the architectural designed plan and the work for two sides of boundary wall has been taken up & completed.

4. Entertainment Programmes, Cultural Functions and Special Events

The Club has been ensuring that the Entertainment Programmes are attractive & enjoyable for family members.

The Annual General Meeting was held on the 8th August 2009 and there was a Bumper Housie for ladies followed by Dinner for all present. The 63rd Pre-Independence Nite was celebrated as usual with patriotic songs.

The Club's Annual Disco Dandia Nite was the next event. The Club celebrated with Light music and fireworks on the Pre Diwali evening and all these events were graced by our members and their families.

The Children participated in the Children's Sports and annual Boogie Woogie followed by prize distribution. The Pre Christmas was well celebrated with a magic show which was the main attraction of the evening for children.

Eid Milan was held followed by a gazal evening and dinner.

The New Year's Eve was celebrated with great fun and fanfare and the members danced their way welcoming the New Year with colourful fireworks, dazzling lights and live music from "Moonwind" of Guwahati along with their DJ. Pine Cask had sponsored a gala fashion show in which top-notch models of the country participated.

The Pre Republic day evening was also celebrated in gaiety with patriotic songs.

The Club picnic was held at the Naraj IB which was attended by members. Holi was celebrated with much pomp & ceremony followed by DJ music and dance on a dance floor made of ice. The annual Volley ball tournament in memory of Late Izhar and Hooda (employees) was held. The inter club Late Gora Das Memorial Cricket was held at Barabati Stadium under the Arc Lights where our club won the match against Cuttack Club.

The Pre-Utkal Divas Celebration was held on 31.03.2010. This year too we had a backdrop of a typical ethnic village. In course of the evening the famous song drama "Patent Medicine" was enacted and followed by many a famous singers who presented songs including the songs of Late Sri Akshaya Mohanty. As usual

the members had the taste of the Thella Gadi Gupchup, Dahibara / Aloo dum, Chat, etc.

The Annual rain dance was held on 7th May 2010 with the sponsorship of M/s UB Group.

5. **Games & Sports**

As in the past year the Card Tournament along with Tennis, Billiards, Snooker was held and the same continues to be popular. The two clay courts have been redone to suit the requirement of the Tennis users and the coaching of the young children has become very popular. Tennis has become a “round the year” sport. Club hosted a Tennis Tournament of KDTA. AIRCEL has sponsored a few Bumper Housies for the entertainment of our club members & their families.

6. **Swimming Pool**

The Swimming Pool has always been in great demand and this summer the demand for coaching has increased.

7. **Library, Saloon and Lawns**

The Club this year too received a number of books as gift. The Saloon services are provided for gentlemen with specified timings. The lush green lawn continues to be the pride of the Club.

8. **Communication Centre**

The Communication Centre has been rendering excellent services to the members and also to Club Guests from affiliated Clubs with STD/ ISD Local, Facsimile, Internet E-mail and DTP facilities. A digital A3 size coloured laser printer has been added to the existing facilities.

9. **Mutual Benefit Fund – Social Security Cover**

Consequent on the demise of 8 participant members the respective nominees/spouses have been paid @ Rs.50000/- each under the Mutual Benefit Fund Scheme during the year.

10. **Members who left us for their heavenly abode during the Period**

The Club condoled the sad demise of the following members for the period from 01.04.2009 to 17.06.2010.

Name of the deceased Member

1. Late Sukumar Nayak, OP0047
2. Late Srigopal, P0971
3. Late Bijoy Kumar Panda, P1233
4. Late B.K. Deo, P0202
5. Late Gopal Misra, P0107
6. Late P.S. Subramaniam, P0257
7. Late Bibhuti Bhusan Das, H0028
8. Late Epari Sadasiva Rao, L0092
9. Late Krishna Giri, P0062
10. Late Prafulla Ch. Mishra, P0960
11. Late Kishore Ch. Singh Deo, P1604
12. Late V.Raja Reddy , OP0063

11. **Personal Accident Insurance Cover for eligible members and staff**

Arrangements were made during the year to provide group personal accident insurance cover to eligible members and staff of the Club up to Rs.2 lakhs each through the National Insurance Co. Ltd. The insurance warranty covered “death, permanent partial disablement, permanent total disablement, loss of limbs and loss of eyes” and the club claimed and paid to the nominee of one deceased member during the year.

12. **Staff & Human Resources Development and Staff Welfare**

The Committee places on record their appreciation of the efforts put in by the employees of the Club at all levels. During the year, the salaries of the staff have been substantially revised.

13. **Affiliation with Other Clubs**

Our Club made reciprocal arrangements with the following additional Clubs taking the total number of affiliated to the following Clubs:- ***INDIA CLUB, DUBAI***

14. **Statutory Declaration**

The Club has no employee of the category as specified under Section 217(2A) of the Companies Act, 1956.

15. **Club Management – Meetings**

During the period under report five formal meetings of Executive Committee were held in addition to the Annual General Meeting held on 8th August 2009. All the functional matters of management were reviewed periodically. In addition, meetings of

sub-committees and special meets/informal meetings of EC members and Invitees were held for smooth functioning of the Club.

16. **Membership Coverage**

The membership of the Club as on 31.03.2010 stood at 2343 by registering an increase of 50 members over last year's position. The marked increase was under the category "Permanent". The details of aggregate Membership position are given below:

MEMBERSHIP POSITION OF THE CLUB

Type of Member	31.03. 10	31.03. 09	Increase / Decrease
Corporate Members	192*	187*	+5
Life Members	347	339	+8
Permanent (Resident)	1552	1522	+30
Permanent (Outstation)	181	185	(-4)
Honorary Members	32	35	(-3)
Long Term Temporary / Temporary	17	15	+2
Institutional	10	10**	-
Tenorial	12	nil	+12
Total	2343	2293	+50

* 309 additional nominees (As on 31.03.2010)

** 21 additional nominees (As on 31.03.2010)

The total membership of the Club at 2343 excludes 309 additional nominees of corporate members and 21 additional nominees of Institutional members. It may be seen from the above that enrolment of Corporate and Life Members has remained sluggish and the club has adopted a policy to restrict new memberships. The variations in the Membership during the year are as under:

Type of Members	Corporate	Insttl.	Life	Permanent	Outstation Permanent	LT. Temporary	Tenurial	Honorary	Total
New Members Enrolled	6	-	16	87	-	10	13	-	132
Membership Terminated	1	-	7	49	6	8	1	2	74
Membership Restored	-	-	-	2	-	-	-	-	2
Members Resigned	-	-	-	3	-	-	-	-	3
Members Expired/ceased	-	-	1	5	-	-	-	1	7
Inter se conversion between Permanent and Outstation Permanent Members	-	-	-	-2	+2	-	-	-	2
Net Increase(+)	5	-	8	30	-	2	12	-	57
Net Decrease(-)	-	-	-	-	-4	-	-	-3	-7
As on 31.03.09	187	10	339	1522	185	15	-	35	2293
As on 31.03.10	192	10	347	1552	181	17	12	32	2343

17. Statutory Audit Report & Audited Accounts for the Year 2009-10

The Audit Report together with Audited Accounts for the year 2009-10 duly certified by M/s. H.Naik & Co., Chartered Accountants, has been displayed on the Club's Notice Board for information of the members in terms of Article No. 65 of the Articles of Association of the Club. The Audit Report with Accounts is annexed. An abridged version of the Balance Sheet and Profit & Loss Accounts is given below:

ABRIDGED BALANCE SHEET AS ON 31.03.2010 - (COMPARATIVE POSITION) (Amounts in lakhs of Rupees)

FUNDS & LIABILITIES	31.3.2010 (Audited)	31.3.2009 (Audited)	Difference
1.General Fund	394.08	368.11	(+)25.97
2.Building Fund	913.53	712.59	(+)200.94
3.Mutual Benefit Fund (after netting out payments to deceased members)	2.14	1.91	(+)0.23
4.Staff Welfare Fund (after netting out payments to staff)	1.78	1.60	(+)0.18

TOTAL FUNDS	1311.53	1084.21	(+)227.32
PROPERTY & ASSETS			
1. Fixed Assets			
Gross Block	616.79	621.46	(-)4.67
Less: Accumulated Depreciation	31.39	30.34	(+)1.05
Net Block "A"	585.40	591.12	(-)5.72
2. Current Assets			
Stocks, Stores, Bills Receivables, Etc.	67.14	74.19	(-)7.05
Loans & Advances	8.45	10.55	(-)2.10
Security Deposits	117.73	117.74	(-)0.01
Cash & Bank Balances and Investments	550.92	305.52	(+)245.40
Total Current Assets	744.24	508.00	(+)236.24
Less: Current Liabilities & Provisions	18.11	14.91	(+)3.20
3. Net Current Assets "B"	726.13	493.09	(+)233.04
TOTAL ASSETS (A + B)	1311.53	1084.21	(+)227.32

Financial turn over touched a new high at Rs.18.33 crores as against Rs.15.53 Crores last year. The Cash & Bank Balances stood at Rs. 550.92 lakhs.

RECEIPTS AND PAYMENTS OF CAPITAL ACCOUNT - (COMPARATIVE POSITION)

(Amounts in lakhs of Rupees)

RECEIPTS/ INFLOW OF FUNDS	2009-10	2008-09	Difference
Entrance Fees	15.49	11.96	(+)3.53
Building Fund (Development Fees)	200.94	158.85	(+)42.09
Mutual Benefit Fund	2.23	2.28	(-)0.05
Staff Welfare Fund	0.32	0.24	(+)0.08
TOTAL RECEIPTS (A)	218.98	173.33	(+)45.65
PAYMENTS/ OUTGO OF FUNDS	2009-10	2008-09	Difference
Addition to Fixed Assets less depreciation	(-)5.72	67.16	(-)72.88
Mutual Benefit Fund	2.00	1.00	(+)1.00
Staff Welfare Fund	0.14	-	(+)0.14
TOTAL PAYMENTS (B)	(-)3.58	68.16	(-)71.74
NET SURPLUS IN CAPITAL A/C. (A) – (B)	222.56	105.17	(+)117.39

Abridged Revenue Account (Comparative Position)

(Amounts in Lakhs of Rupees)

Financial Results	2009-10	2008-09	Increase (+) Decrease (-)
a) Surplus under Operational Accounts (Bar, Kitchen, Guest Rooms, etc.)	105.11	74.23	(+)30.88
b) Receipts under non-operating accounts	86.19	57.95	(+)28.24
a) Total Receipts	191.30	132.18	(+)59.12
b) Expenditure under operating accounts (Cards,	18.76	4.57	(+)14.19

Billiards, Entertainment, Tennis etc.)			
c) Expenditure under non-operating accounts (Staff and establishment)	130.66	127.48	(+)3.18
d) Total Expenditure	149.43	132.05	(+)17.38
e) Revenue Surplus before depreciation (a – d)	41.87	0.13	(+)41.74
f) Depreciation	31.39	30.34	(+)1.05
g) Net Surplus after Depreciation (e - f)	10.48	(-)30.21	(+)40.69

REVENUE SURPLUS ACCOUNTS

Kitchen sales topped all-time high at Rs.231.03 lakhs, and registered an increase by Rs.43.10 lakhs over last year. Kitchen surplus after staff salary and expenses stood at Rs.45.41 lakhs. The rate of return stood at 20%. The kitchen has shown improvement.

Bar sales have marginally increased from Rs.101.64 lakhs (last year) to Rs.118.03 lakhs during the year.

Bar surplus stood at Rs.25.40 lakhs.

Guest Rooms surplus stood at Rs.27.88 lakhs.

DEFICIT NET REVENUE ACCOUNTS

The Deficit Revenue Account comprises Billiards, Tennis, Entertainment Programmes A/c. Other Games A/c. and the Swimming Pool A/c.

This year also we have been able to present a good number of Entertainment programmes. A shortfall in the Swimming Pool A/c. has emerged due to charging of salaries of staff attached to the Swimming Pool to the Pool Account. Otherwise, the receipts and expenses (other than staff salaries) under Swimming Pool compared reasonably well with that of previous year.

SEGMENT-WISE ANALYSIS OF MAIN INCOME ACCOUNTS

(Amounts in lakhs of Rupees)

Financial Results	Year	Year	Increase(+) Decrease (-)
MAIN SURPLUS SEGMENTS	2009-2010	2008-2009	
Bar & Beverage Services/Sales	118.03	101.64	(+)16.39
Bar surplus before salary & expenses	38.59	31.99	(+)6.60
Bar rate of return before salary & expenses	33%	32%	(+)1%
Bar surplus after salary & expenses	25.40	22.42	(+)2.98
Bar rate of return on sales & services	22%	22%	
Kitchen Services/Sales	231.03	187.93	(+)43.10
Kitchen purchases & expenses	158.14	149.50	(+)8.64
Kitchen surplus after purchases / expenses but before staff salary	72.79 32% on sale	38.78 21% on sale	(+)34.01 (+)11%
Kitchen salary & expenses	35.10 (16% of Sales)	21.18 (12% of sales)	(+)13.92 (+)4%
Kitchen surplus after salary	45.41	24.80	(+)20.61
Kitchen Return on sales	20%	14%	(+)6%
Guest Rooms collections	39.90	34.49	(+)5.41
Guest Rooms salaries & expenses guest hospitality expenses	12.02	10.66	(+)1.36
Guest Rooms surplus after salaries & expenses	27.88	23.83	(+)4.05
Communication Centre Collections (including Telephone)	3.50	3.41	(+)0.09
Less: Consumables & staff salary	3.48	3.37	(+)0.11
Surplus in Communication Centre (Excluding input cost towards office matters, publication of Club Track)	0.03	0.04	(-)0.01
Card Room collections	3.14	1.84	(+)1.30
Less: Expenses & Salary	1.17	1.25	(-)0.08
Surplus in Card Room	1.96	0.59	(+)1.37
Gym surplus	4.43	2.56	(+)1.87
DEFICIT OPERATIONAL ACCOUNTS	LOSS	LOSS	DIFFERENCE
BILLIARDS	1.17	0.84	(+)0.33
ENTERTAINMENT PROGRAMMES A/C.	14.85	0.50	(+)14.35
OTHER GAMES A/C.	0.78	1.70	(-)0.92
TENNIS A/C.	0.70	0.69	(+)0.01
SWIMMING POOL A/C.	1.25	0.85	(+)0.40

Tax Demand Issues

(i) Income Tax

a. The demand raised by the Income Tax Department on completion of Assessment for the Assessment Year 1997-98 has been adjudicated in favour of the club by the Hon'ble Income Tax Appellate Tribunal, Cuttack.

b. For the assessment years 1999-2000 to 2002-2003 tax demand of Rs. 27.28 lakhs has been raised and the matter is pending before CIT(A), Bhubaneswar. The demand of Rs 67.20 lakhs for the assessment year 2004-05 & 2005-06 are disputed and are pending before CIT(A), Bhubaneswar. For the assessment year 2007-08 the club has filed a writ petition before the Hon'ble Orissa High Court challenging validity of the assessment order.

(ii) Service Tax:

The Club has also preferred an appeal against the notices of Service Tax Authority before the Hon'ble Orissa High Court.

(iii) Sales Tax:

The Commercial Tax Authorities had noticed the Club under the OST Act for assessment for the financial years 2000-01 to 2004-05 and had also assessed the club raising a demand of Rs. 2.68 crores. The Assessment has been challenged before Honb'le Orissa High Court and as per directions of the Honb'le Court a

sum of Rs. 67 lakhs has been deposited with the Commercial Tax Department. Further appeals against the orders of the the 1st appellate authorities has been preferred before the Hon'ble Commercial Tax Appellate Tribunal which are pending.

(iv) VAT:

A demand was raised up to December 2005 by assessing a sum of Rs.2.00 cores. The club had filed writ before the Hon'ble Orissa High Court wherein the Club had challenged the basic issues about mutuality. The Hon'ble Orissa High Court had granted stay on demand and as per order of the Hon'ble High Court, Club has deposited a sum of Rs.7.00 lakhs with the Commercial Tax Authorities. The order of the 1st appellate authority has been challenged by the Club before the Hon'ble Commercial Tax Appellate Tribunal which is pending.

18. **Committee Members' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Committee Members confirm that the Annual Accounts have been prepared in accordance with the applicable accounting standards. The management has selected such policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the club at the end of the financial year and profit/loss of the club for that period. Sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Club and for preventing and detecting fraud and other irregularities. The annual accounts have been prepared on a going concern basis.

19. **Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgoings**

The Club, being a mutual concern involved with social, cultural and sports activities of members, has not consumed energy of any significant level and no additional investment was made for reduction of energy conservation. Reasonable economy measures were taken for energy saving/conservation. No comment is made on technology absorption considering the nature of activities of the Club. There has been no foreign exchange earning or outgo during the year.

20. **Statutory Auditors**

Messrs. H. Naik & Co. Chartered Accountants, the Statutory Auditors of the Club retire at the ensuing Annual General Meeting and are eligible for re-appointment.

21. **Acknowledgement**

The Club management gratefully acknowledge the kind assistance and co-operation extended to the Club by the Government of Orissa, Banks, Auditors, Sponsors, affiliated clubs and other corporate bodies and organisations as well as the Members of the Club in the smooth functioning of the Club.

By Order of the Committee

Dated :17.06.2010
Bhubaneswar

(Ashok Chinchela)
Honorary Secretary

ANNEXURE

LIST OF ENTERTAINMENT / CULTURAL FUNCTIONS

HELD BY THE CLUB DURING 2009-10

1	08.08.2009	-	AGM with Ladies Housie
2	14.08.2009	-	Pre-Independence Day Eve
3	26.09.2009	-	Disco Dandia Nite
4	16.10.2009	-	Pre-Diwali
5	14.11.2009	-	Children's Sports, Children's Boogie Woogie & Prize Distribution
6	24.12.2009	-	Pre X 'Mas celebrations with games, Magic show
7	31.12.2009	-	New Year Eve
8	25.01.2010	-	Pre Republic Day Eve
9	07.02.2010	-	Members Picnic at Naraj IB Trisulia, Cuttack
10	22.04.2010	-	Izhar-Hooda Memorial Volley Ball Tournament
11	01.03.2010	-	Holi
12	31.01.2010	-	Goradas Memorial Day & Night Cricket Match at Barabati Stadium
13	31.03.2010	-	Pre Utkal Divas, Old Oriya songs, Village Craft
14	08.05.2010	-	Rain Dance