

P.N. BALASUBRAMANIAN
B. Com., F.C.A.
CHARTERED ACCOUNTANT

Phone: 24981879
"Ananthi Apartments"
Flat No. C-3,
New No. 2. Rakkiappa Street,
Chennai-600 004.

THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

AUDIT REPORT

We have audited the annexed Balance Sheet as at 31st March 2016 and also the annexed Income and Expenditure Account for the year ended on that date of THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA. The management of the Federation is responsible for the preparation of the financial statements and our responsibility is to express an opinion on the financial statements based on our audit.

The audit was conducted in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An Audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. we believe that our audit provides a reasonable basis for our opinion.

We have also obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.

The Balance Sheet and the Income and Expenditure Account dealt with by our report are in agreement with the books of account of the company.

In our opinion proper books of accounts as required by law have been kept by the company in so far as appears from our examination of the books.

In the Annexure. Essential information had been furnished to the extent required and applicable.



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All figures have been rounded off to the nearest rupee.

Figures of the previous year have been regrouped wherever necessary to make them comparable with those of the current year.

No employee had been paid salary, in excess of the limits specified under the Companies Act, 2013, either for a part or the whole year.

In our opinion and to the best of our information and explanations given to us, the accounts together with the Notes there on give the information required by the Companies Act, 2013, and in the manner so required and give a true and fair view.

- (a) In the case of the Balance Sheet of the state of affairs of the company as on 31st March 2016 , and
- (b) In the case of Income and Expenditure Account of the excess of income over expenditure for the year ended on that date.

PLACE: CHENNAI

DATED: 22/09/2016

P. N. Balasubramanian



CHARTERED ACCOUNTANT
P.N.BALASUBRAMANIAN
MEM. No. 003606

G. Sudha

CHARTERED ACCOUNTANT
G. SUDHA, MEM. No. 215533
G.SUDHA & ASSOCIATES
FR. NO. 014677S.

THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

SIGNIFICANT ACCOUNTING POLICIES:- NOTE:*9

1. The method of Accounting is mercantile on accrual basis.
2. Depreciation on fixed assets had been provided under the written down value Method as provided in the Schedule to the Companies Act.
3. The Federation is availing of the Exemption under The Income tax Act as Sports.

Association with the object of controlling, supervising and monitoring Motorsports Activity in India affiliated to the world Body. The Federation is Also.

Recognised as the only institution affiliated to the world organisation by the Ministry of Sports Hence no provision had been made for any Income tax Liability for the current year.

4. The Federation is a non profitable company involved in the promotion of Motor sports and there is no equity share or shareholder and no distribution Of Dividend.
5. Transactions effected in foreign currencies are recorded at the rates prevailing On the dates and as recorded by the Bank. The Earnings and Expenditure in Foreign Currencies are furnished as under:-

EARNINGS

Reimbursement of Foreign Travel

Rs. 44,262/-



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EXPENDITURE

The expenditure in Foreign exchange is Rs. 10, 97,699
(Included under various heads)

The Foreign Currency Expenditure mentioned above (Other Than Travel)

Represents out flow of Foreign Currency and the Expenditure in the Financial Statements is only the net amount spent under various expenses after adjusting the receipt from the member clubs in INR. Travel Expenses debited in the Financial Statement includes reimbursement of foreign travel expenses, to authorised members in INR.



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ANNEXURE TO AUDITOR'S REPORT
(AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER
2015.

1. The Company has maintained proper records of Fixed Assets and the management has physically verified the same and no discrepancies have been notified by them.
2. The Company is not doing trading or any other business activity.
3. The Company is regular in depositing all applicable statutory dues like provident fund, sales tax, etc. with the appropriate authorities.
4. In respect of income tax proceedings as stated in the previous year, part payment had been effected even for the disputed tax. The Company income tax proceedings are pending before appellate authorities.
5. There is a contingent liability towards income tax demand for various years due to misinterpretation of the amendment in the Income tax-Act by the Assessing officer which does not affect the activity of the Federation. The assessment for Ay2010-11 is reverted back to CIT (A) with a favourable direction to reconsider the main issue namely extending the benefit of



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Income Tax exemption. Assessments for other years are for the same issue,
so tax liability is not provided in the books of accounts

Assessment year	Demand from tax authorities	Taxes paid	Present status
2010-11	5244099	2625000	pending before CIT(A)
2012-13	8664290	1496704	Pending before CIT(A)
2013-14	5223060	907340	Pending before CIT(A)

The balance of tax demand had been stayed by the assessing officer.

6. The Company had not borrowed any loan from banks or financial institution. As per the information provided, the management had not come across any fraud in respect of financial transactions.



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THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST
MARCH 2016

		CURRENT YEAR 31.03.2016	PREVIOUS YEAR 31.03.2015
		(Amount in Rupees)	
INCOME			
Revenue From Operations			
Motor Sport Activity	1	179,49,422	224,00,585
Other Income	2	40,98,349	51,07,784
TOTAL		220,47,771	275,08,369

EXPENSES/APPLICATION OF INCOME

Employee Benefits		33,46,004	32,10,450
Finance Cost			
Depreciation		1,51,427	97,616
Income Tax Paid		11,62,794	
OTHER EXPENSES	3	76,57,805	194,92,467
		123,18,030	228,00,533

Company is seeking exemption under income tax hence no tax provision

Net Income/Transferred to Reserve

Earnings for Equity Shares		97,29,741	47,07,836
Significant Accounting Policies and Notes to the Accounts	9	Not Applicable	Not Applicable

PLACE: CHENNAI
DATE: 22-09-2016

Directors

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Mem.no.003606

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(G. SUDHA-MEM NO: 215533)



THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)
BALANCE SHEET AS AT 31ST MARCH 2016

	NOTES	CURRENT YEAR 31.03.2016	PREVIOUS YEAR 31.03.2015
(Amount in Rupees)			
EQUITY AND LIABILITIES			
Share holder Funds			
(i) Share Capital	4	-	
(ii) Reserves and Surplus	5	557,85,300	460,55,559
(iii) Protest Fund		3,01,503	2,63,503
NON CURRENT LIABILITIES			
		NIL	NIL
CURRENT LIABILITIES			
Other Current Liabilities	6	69,19,493	37,17,877
TOTAL		630,06,296	500,36,939
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets Tangible	7	8,12,612	5,06,354
NON -CURRENT INVESTMENTS			
Bank of India Deposits	8	496,14,368	355,53,080
CURRENT ASSETS			
Loans and Advances		38,14,557	33,11,633
Cash and Cash Equivalent			9,665
Cash at Bank		11,58,413	22,96,740
Accrued Bank Interest Receivable		27,35,486	28,37,706
Sundry Debtors		48,70,860	55,21,761
TOTAL		630,06,296	500,36,939
Significant Accounting Policies and Notes to the Accounts	9		

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PLACE: CHENNAI
 DATE: 22-09-2016

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THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)
NOTES TO INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED
31ST MARCH 2016

	NOTES	CURRENT YEAR 31.03.2016	PREVIOUS YEAR 31.03.2015
		(Amount in Rupees)	
OTHER EXPENSES	3		
Postage		2,28,115	2,04,207
Seminar Expenses/Council Meeting Expenses		4,34,178	5,33,845
Travelling and Conveyance			
Local Travel & Conveyance		8,33,369	18,19,700
Foreign Travel Expenses		10,05,107	14,79,775
Legal and Professional Charges		2,78,000	9,66,397
Insurance		5,75,363	4,14,732
Office Expenses		3,10,073	1,04,477
Building Maintenance		34,800	34,800
Computer Consumables		52,700	76,933
FIA/FIM Subscription		5,39,094	4,77,372
Audit Fees		30,000	20,000
Homologation Charges			3,79,500
Sponsorship/Expenses			
Sponsorship payment to clubs			30,00,000
TV Production Expenses			23,13,493
Results Expenses			3,90,000
Timing Equipment Hiring Charges			15,00,006
Prize distribution expenses for 2014 and 2015 (including Prize money)		24,57,100	32,90,000
Sundry Expenses		8,79,906	24,87,230

Total

76,57,805

194,92,467

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THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)
NOTES TO INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED
31ST MARCH 2016

	NOTES	CURRENT YEAR 31.03.2016	PREVIOUS YEAR 31.03.2015
		(Amount in Rupees)	
Revenue from Operations	1		
Motor Sports Activity			
Competition Licence Fees		62,52,848	53,57,300
Entrance Fees		1,50,000	75,000
Fines		2,72,700	1,84,800
Homologation Fees		2,16,000	75,000
INRC Registration			
Membership Subscription		16,56,000	13,05,000
Naming Rights		44,16,000	24,94,000
Permit Fees		48,88,874	43,87,731
Track Inspection and Renewal fees		72,000	7,500
Sponsorship INRC(2012)			85,00,000
Homologation Form Sales		25,000	5,500
FIM Official Licenses			8,754
Total		179,49,422	224,00,585
OTHER INCOME	2		
Interest		40,64,520	35,52,733
Appeal Fees		31,452	80,000
Foreign Travel Expense Reimbursement			1,87,919
FIM/SX Riders Training Reimbursement			
Reimbursement /FIM			12,87,132
Profit on sale of assets		2,377	
Total		40,98,349	51,07,784

mzkhan (1)
Sudha (2)

PLACE: CHENNAI
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THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)

NOTES TO BALANCE SHEET AS ON 31STY MARCH 2016

LIABILITIES	NOTES	CURRENT YEAR 31.03.2016	PREVIOUS YEAR 31.03.2015
		(Amount in Rupees)	
Share Capital			
Private Company with out share capital and Limited by Guarantee	4	-	-
Reserves and Surplus	5		
Opening Capital Fund		460,55,559	413,47,723
Excess of Income over Expenditure for the year		97,29,741	47,07,836
Total		557,85,300	460,55,559
Current Liabilities	6		
Sundry Creditors		2,99,025	4,82,147
FIA Subscription Payable -2016		3,63,702	
FIA Inscription Charges Payable		8,78,046	5,01,919
Advance Received Clubs/Members(Bid Money)		23,02,002	
FIM Subscription Payable		1,02,945	1,02,945
Received in Advance Naming Rights			3,48,000
Advance Received Clubs/Members		29,73,773	11,82,866
Provision for Prize Giving Ceremony-2014			11,00,000
Total		69,19,493	37,17,877
ASSETS			
Non Current Investments			
Deposits in Bank of India, Adyar Branch	8	496,14,368	355,53,080
		496,14,368	355,53,080

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THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA											
FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2016- NOTE 7											
S.No	Description	Cost as at 1.4.2015(Rs.)	Additions during the year(Rs.)	Sale	Total Cost 31.3.2016 (Rs.)	RATE%	DEPRECIATION			W.D.V	
							Till 31.3.2015(Rs.)	Depn for The Year (Rs.)	Total (Rs.)	31.3.2016(Rs.)	31.3.2015 (Rs.)
1	Land	178700			178700					178700	178700
2	Building	329960			329960	5	271117	2942	274059	55901	58843
3	Furniture	74315			74315	25.89	73469	219	73688	627	846
4	Scooty	39800		11034	28766	25.89	28766		28766		11034
5	Cassette Tape Recorder	1266			1266	40	1249	7	1256	10	17
6	Computers ETC.,	216300			216300	40	216267	13	216280	20	33
7	Hard Disk	6900			6900	40	6695	81	6776	124	205
8	Acer Scanner	4075			4075	40	3909	65	3974	101	166
9	Computer (2003)	15000			15000	40	14978	9	14987	13	22
10	Cannon Printer	3000			3000	40	2828	68	2896	104	172
11	Digital Copier	60000		3589	56411	40	56411		56411		3589
12	Computers	104700			104700	40	98129	2582	100711	3989	6571
13	Computer(2012)	31900			31900	40	22497	3695	26192	5708	9403
14	Cycle	1042			1042	20	1037	1	1038	4	5
15	Scrutinizing Tools	228260			228260	18.1	201887	4774	206661	21599	26373
16	Electrical Fittings	20286			20286	18.1	19607	123	19730	556	679
17	Office Equipments	34212			34212	18.1	32872	243	33115	1097	1340
18	Fax and Cell Phone	34500			34500	18.1	31786	491	32277	2223	2714
19	Lamination Machine	22215			22215	18.1	14045	1479	15524	6691	8170
20	Timer Clocks,Printer	552278			552278	18.1	505536	8460	513996	38282	46742
21	Nokia 3310	8362			8362	18.1	6174	396	6570	1792	2188
22	Weighing Machine	7032			7032	18.1	5807	222	6029	1003	1225
23	Airconditioners	36000			36000	18.1	22545	2435	24980	11020	13455
24	Samsung Fridge	10250			10250	18.1	6320	711	7031	3219	3930
25	Kerr Wood base Stations	90000			90000	18.1	55492	6246	61738	28262	34508
26	U P S and Scanner	41750			41750	39.30	40540	476	41016	734	1210
27	UPS(2013)	56150			56150	39.30	42358	5420	47778	8372	13792
28	Printer	3500			3500	39.30	3347	60	3407	93	153
29	HP Colour Laser jet M175A	35400			35400	39.30	23661	4613	28274	7126	11739
30	LapTop	108269			108269	39.30	61535	18366	79901	28368	46734
31	Panasonic Fax	7019			7019	39.30	5598	558	6156	863	1421
32	M1005 Laser Printer LBP 2900	25300			25300	39.30	10372	5867	16239	9061	14928
33	Samsung Laptop	27990			27990	39.30	23952	1587	25539	2451	4038
	(A)	2422331		14623	2407708		1915977	72763	1988740	418968	506354
ADDITION DURING THE YEAR-2016											
35	150AH TT EL		44000		44000	25.89		2122	2122	41878	
36	3.6 KVA Inverter Microtex		16000		16000	25.89		772	772	15228	
37	Avanti Pouch Lamination Machine DL300		10305		10305	45.07		3232	3232	7073	
38	Computer Printer		57750		57750	45.07		25530	25530	32220	
39	Yamaha Alpha-113cc		61782		61782	25.89		15689	15689	46093	
40	Recorder Philips8GB VTR6900		7183		7183	45.07		621	621	6562	
41	Airconditioner-O General-2ton Split		60000		60000	18.1		10654	10654	49346	
42	Fire Extinguisher-Co2 Type		7958		7958	18.1		221	221	7737	
43	Fire Extinguisher-ABC Type		2147		2147	18.1		60	60	2087	
44	Electronic Density Meter with kit and Software		205183		205183	18.1		19763	19763	185420	
	(B)		472308		472308			78664	78664	393644	
	TOTAL =(A+B)	2422331	472308	14623	2880016		1915977	151427	2067404	812612	506354

Proofs



THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2016- NOTE 7

SUMMARY:

Original Cost As per Last Balance Sheet		2422331
Addition During the year		472308
		<u>2894639</u>
Deduct: Assets sold during the year (W.D.V)		14623
		<u>2880016</u>
Deduct: Depreciation 31-03-2015	1830800	
Depreciation on Asset sold	85177	
	<u>1915977</u>	
Depreciation for the year	151427	
		<u>2067404</u>
		<u>812612</u>

PLACE: CHENNAI
DATE: 22-09-2016

① *[Signature]*
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