

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

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 **31<sup>st</sup> March 2017** 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 that give true and fair view of the financial position in accordance with accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies, making judgements and estimates that are reasonable and prudent and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern disclosing as applicable, matters related to going concern using the going concern basis of accounting unless

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management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management is also responsible for overseeing the company's financial reporting process

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but it is not the guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The audit was conducted in accordance with standards on auditing specified under Section 143(10) of the Companies Act, 2013.. 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.

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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 Income and Expenditure Account and Balance sheet are in agreement with the books of account. In the Annexure, essential information had been furnished to the extent required and applicable.

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 31<sup>st</sup> March 2017, and
- (b) In the case of Income and Expenditure Account of the excess of income over expenditure for the year ended on that date.

*P. N. Balasubramanian*

PLACE: CHENNAI

DATED: 12/09/2017



CHARTERED ACCOUNTANT

P.N. BALASUBRAMANIAN

Membership No. 003606

*G. Sudha*

G. SUDHA & ASSOCIATES

CHARTERED ACCOUNTANTS

G. SUDHA-M.NO:215533

## **THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA**

### **Note No.9-Significant Accounting Policies: -**

1. The method of Accounting is on mercantile basis and on accrual system of accounting.
2. Depreciation on fixed assets had been provided under the written down value Method as provided in the Schedule II 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 not for profit company limited by guarantee involved in the promotion of Motor sports in India. There is no equity share or shareholder and no distribution of dividend.
5. The sum of accrued interest is as certified by the bank.
6. During the year, as per Council approval, the FMSCI has written off irrecoverable membership fees of Rs.28,21,290/- of old years. In accordance with the Council approval, it has also written off homologation fees of 2013 of Rs.2,44,205/- and homologation charges of Rs.12,21,024/- sent to CIK FIA in 2013 which are not recoverable.
7. All figures have been rounded off to the nearest rupee.

*PJB*

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

9. There is a contingent liability towards income tax demand for various years due change in law for various years as below. The assessment for Ay2010-11 is reverted by the Honourable Income Tax Tribunal back to CIT(A) with a favourable direction to reconsider the main issue namely extending the benefit of 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
2009-10	956298	183684	pending before CIT(A)
2010-11	5244099	2625000	pending before CIT(A)
2012-13	8664290	1496704	Pending before CIT(A)
2013-14	5223060	1554699	Pending before CIT(A)
2014-15	2124878	888581	Pending before CIT(A)

The balance of tax demand had been stayed by the assessing officer, pending disposal of appeal



10. The details of Specified Bank Notes(SBN) held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 are as follows

Closing cash on hand as on 08-11-2016	47940.00
Add: Receipts SBN and other denominations	41186.00
Add: Withdrawals from bank	15813.00
Less: payments in other denominations	15813.00
Less: Payments in SBN	6432.00
Less: Amount deposited in banks	53300.00
Closing cash in hand as on 30/12/2016	29394.00

11. 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 expenses from FIA      Rs.5,44,384/-

**EXPENDITURE**

The expenditure in Foreign exchange is      Rs.5,10,349/-

(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

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receipt from the member clubs in INR, if any. Travel Expenses debited in the Financial Statement includes reimbursement of foreign travel expenses, to authorised members in INR.

*P. N. Balasubramanian*

Place: Chennai

Dated: 12/09/2017



CHARTERED ACCOUNTANT

P.N. BALASUBRAMANIAN

M. No. 003606

*G. Sudha*

G. SUDHA AND ASSOCIATES  
CHARTERD ACCOUNTANTS  
G. SUDHA-M.NO:215533

## **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 registered under Section 25(Section 8 of the Companies Act, 2013) and is not doing any trading or any other business activity and is a National Federation for Motor Sports Activity in India, for managing, supervising and controlling motor sport activities in India, as per National and International Regulations applicable to the Sport.

3.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.

4. The company has disclosed the impact of pending litigations on its financial position in the financial statements(Note 9)

3.The Company is regular in depositing all applicable statutory dues with the appropriate authorities.

4. The company has deposited SBN in bank as per bank statment during the period 8/11/2016 to 31/12/2016 of Rs.53300/-. The company has received Rs.41,186/- in SBN and other denominations and has spent in SBN and other denominations of Rs.22,245/- out of withdrawals from bank of Rs.15,813 and SBN. However it is not possible to express opinion on the SBN transactions,as details of denominations are not readily available.

*Proof*



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's income tax proceedings are pending before appellate authorities.

5. During the year the company has paid Income tax of Rs.10,99,000/- for non utilisation of surplus of income over expenditure for the year ended 31<sup>st</sup> March 2010, as per the provisions of the Income-tax Act.

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

8.

Place: Chennai

Date: 12/09/2017



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CHARTERED ACCOUNTANT

P.N. BALASUBRAMANIAN

M. No. 003606

A handwritten signature in dark ink, appearing to read "G. Sudha".

G. SUDHA AND ASSOCIATES  
CHARTERD ACCOUNTANTS  
G. SUDHA-M.NO:215533

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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 2017**

	NOTES	CURRENT YEAR 31.03.2017 (Amount in Rupees)	PREVIOUS YEAR 31.03.2016
<b>Revenue from Operations</b>	1		
<b>Motor Sports Activity</b>			
Competition Licence Fees		64,20,829	62,52,848
Entrance Fees		1,50,000	1,50,000
FIA Inscription charges(Net)		4,48,002	
FIM Sx riders		3,26,503	
FIM Official Licence		26,205	
Fines		2,40,400	2,72,700
Homologation Fees		6,57,500	2,16,000
Membership Subscription		17,46,000	16,56,000
Naming Rights		55,00,200	44,16,000
Permit Fees		78,49,652	48,88,874
Protest Fee		49,400	
Track Inspection and Renewal fees			72,000
Sale of Homologation form		21,000	25,000
Sponsorship		9,10,000	
Technical Seminar Delhi-Seminar Fee		44,000	
<b>Total</b>		<b>243,89,691</b>	<b>179,49,422</b>
<b>OTHER INCOME</b>	2		
Interest		45,59,907	40,64,520
Appeal Fees			31,452
Profit on sale of assets			2,377
Record Ratification Fees		1,20,000	
<b>Total</b>		<b>46,79,907</b>	<b>40,98,349</b>

PLACE: CHENNAI  
DATE: 12/09/2017

DIRECTORS

*[Signature]*  
*[Signature]*

CHARTERED ACCOUNTANT  
P.N. BALASUBRAMANIAN)  
M.NO: 003606

*[Signature]*  
G SUDHA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(G. SUDHA-MEM NO: 215533)



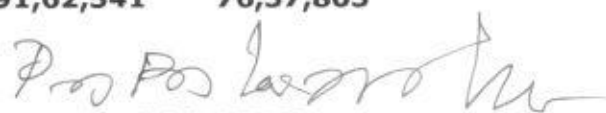
**THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA**  
**(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)**  
**NOTES TO INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED**  
**31ST MARCH 2017**

	NOTES	CURRENT YEAR 31.03.2017	PREVIOUS YEAR 31.03.2016
		(Amount in Rupees)	
<b>OTHER EXPENSES</b>	3		
Postage		338872	2,28,115
Seminar Expenses/Council Meeting Expenses		993968	4,34,178
<b>Travelling and Conveyance</b>			
Local Travel & Conveyance		1455757	8,33,369
Foreign Travel Expenses		1027394	10,05,107
Legal and Professional Charges		430426	2,78,000
Insurance		485875	5,75,363
Office Expenses		269094	3,10,073
Building Maintenance		34800	34,800
Computer Consumables		51650	52,700
FIA/FIM Subscription		510349	5,39,094
FIM Riders Licence		48137	
Audit Fees		45000	30,000
<b>Sponsorship/Expenses</b>			
Advertisement		13623	
CIK FIA Prize money		18787	
Prize distribution expensesfor 2015 and 2016(including Prize money)		2291807	24,57,100
Website Maintenance		911256	
Sundry Expenses		235746	8,79,906
<b>Total</b>		<b>91,62,541</b>	<b>76,57,805</b>

PLACE: CHENNAI  
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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)**  
**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH**  
**2017**

	NOTES	CURRENT YEAR 31.03.2017 (Amount in Rupees)	PREVIOUS YEAR 31.03.2016
<b>INCOME</b>			
Revenue From Operations			
Motor Sport Activity	1	243,89,691	179,49,422
Other Income	2	46,79,907	40,98,349
<b>TOTAL</b>		<b>290,69,598</b>	<b>220,47,771</b>

**EXPENSES/APPLICATION OF INCOME**

Employee Benefits		34,25,297	33,46,004
Irrecoverable membership fees, homologation charges and homologation fees written off		4286519	
Depreciation		185688	1,51,427
Income Tax Paid		2089001	11,62,794
<b>OTHER EXPENSES</b>	3	9162541	76,57,805
		<b>191,49,046</b>	<b>123,18,030</b>

Company is seeking exemption under  
income tax hence no tax provision

**Net Income/Transferred to Reserve**

Earnings for Equity Shares

Significant Accounting Policies and

Notes to the Accounts

9

**99,20,552**      **97,29,741**  
 Not Applicable      Not Applicable

PLACE: CHENNAI  
 DATE: 12/09/2017

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**THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA**  
**(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

	NOTES	CURRENT YEAR 31.03.2017 (Amount in Rupees)	PREVIOUS YEAR 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Share holder Funds</b>			
(i) Share Capital	4	-	
(ii) Reserves and Surplus	5	657,05,852	557,85,300
(iii) Protest Fund		3,01,503	3,01,503
<b>NON CURRENT LIABILITIES</b>			NIL
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	6	43,73,314	69,19,493
<b>TOTAL</b>		<b>703,80,669</b>	<b>630,06,296</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets Tangible	7	32,71,794	8,12,612
<b>NON -CURRENT INVESTMENTS</b>			
Bank of India Deposits	8	588,61,966	496,14,368
<b>CURRENT ASSETS</b>			
Loans and Advances		4576256	38,14,557
Cash and Cash Equivalent		650	
Cash at Bank		-223959	11,58,413
Accrued Bank Interest Receivable		2720840	27,35,486
Sundry Debtors		1173122	48,70,860
<b>TOTAL</b>		<b>703,80,669</b>	<b>630,06,296</b>
Significant Accounting Policies and Notes to the Accounts	9		

PLACE: CHENNAI  
DATE: 12/09/2017

DIRECTORS

*[Signature]*  
*[Signature]*

CHARTERED ACCOUNTANT  
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G SUDHA & ASSOCIATES  
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(G. SUDHA-MEM NO: 215533)



**FMSCI 2017-18 FIXED ASSETS SCHEDULE-NOTE 7**

**FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2017**

S.No	Description	Cost as at 01.04.2016(R s.)	Additions during the year (Rs.)	Total Cost 31.03.2017 (Rs.)	Depreciation			W.D.V	
					Till 31.03.2016 (Rs.)	Depn for The Year (Rs.)	Total	31.03.2017 (Rs.)	31.03.2016 (Rs.)
1	Land	178700		178700				178700	
2	Building	329960		329960	274059	2722	276781	53179	55901
3	office equipments	903846		903846	781450	55164	836614	67233	122397
4	computers	511059		511059	470386	25688	496074	14984	40672
5	Equipments	333347		333347	249008	22157	271165	62182	84339
6	Furniture-f	74315		74315	73688	162	73850	465	627
7	Machinery and other equipments	463612		463612	133636	59726	193362	270250	329976
ADDITION DURING THE YEAR-2017									
8	Smart Computer Printer - Dual		71400	71400		18772	18772	52628	
9	HP Colour Lazerjet M176n		34500	34500		1296	1296	33203	
10	Extrication Equipment		2538970	2538970				2538970	
	TOTAL	2794839	2644870	5439709	1982227	185688	2167915	3271793	812612

Place: Chennai  
Date: 12/09/2017

DIRECTORS

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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-31-03-2017**

<b>LIABILITIES</b>	<b>NOTES</b>	<b>CURRENT YEAR 31.03.2017</b>	<b>PREVIOUS YEAR 31.03.2016</b>
		(Amount in Rupees)	
<b>Share Capital</b>			
Private Company with out share capital and Limited by Guarantee	4	-	-
<b>Reserves and Surplus</b>	5		
Opening Capital Fund		557,85,300	46055559
Excess of Income over Expenditure for the year		99,20,552	9729741
<b>Total</b>		<b>657,05,852</b>	<b>557,85,300</b>
<b>Current Liabilities</b>	6		
Sundry Creditors		294676	2,99,025
FIA Subscription Payable -2016			3,63,702
FIA Inscription Charges Payable		279510	8,78,046
Advance Received Clubs/Members(Bid Money)			23,02,002
FIM Subscription Payable		102945	1,02,945
Service charge-97-2000- P.N. Balasubramanian		50000	
Advance Received Clubs/Members		1344181	29,73,773
Provision for Prize Giving Ceremony-2014			
2017 MMSC FMSC INRC 4W		1202002	
2017 MMSC FMSC NMRC 2W		1100000	
Bank of India-			
<b>Total</b>		<b>43,73,314</b>	<b>69,19,493</b>
<b>ASSETS</b>			
<b>Non Current Investments</b>			
Deposits in Bank of India, Adyar Branch	8	588,61,966	496,14,368
		<b>588,61,966</b>	<b>496,14,368</b>

PLACE: CHENNAI  
DATE:

DIRECTORS

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