

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

**FINANCIAL STATEMENTS FOR THE YEAR  
ENDING 31<sup>ST</sup> MARCH 2018**

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 2018** 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 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.

AR.1.



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.

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.





4

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 2018, 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: 22/09/2018

*P. N. Balasubramanian*



CHARTERED ACCOUNTANT

P.N. BALASUBRAMANIAN

Membership No. 003606

*G. Sudha*

G. SUDHA & ASSOCIATES

CHARTERED 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 income tax litigations on its financial position in the financial statements (Note 9)
- 5.The Company is regular in depositing all applicable statutory dues with the appropriate authorities.
- 6.In respect of income tax proceedings as stated in the previous year, part payment has been made for the disputed tax. The Company's income tax proceedings are pending before appellate authorities. Commissioner of Income Tax(Appeals) has passed orders for appeal pending before the authority for various old years. For the assessment year 2010-11, the CIT(A) has restored exemption under section 11 and has given partial relief to most of the additions made by the officers. The order is yet to be given effect by assessing officer.

AR 4



7. During the year the company has paid Income tax of Rs.8,44,420/-for non utilisation of surplus of income (in excess of 15%of gross income) over expenditure for the year ended 31<sup>st</sup> March 2011, as per the provisions of the Income-tax Act., while filing the return of income for the assessment year 2017-18, with exemption limited to 15% of the gross income.

8. During the year the company has given bank guarantee on the security of its deposits of value 1.65 Cr for the import of vehicles for Asian Road racing Championship conducted by Madras Motor Sports Club in 2017, backed by guarantee from Madras Motor Sports Club. The re-export obligation of the vehicles had been completed and the bank guarantee is closed as on date.

9. 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.

Place: Chennai


Date:22/09/2018


CHARTERED ACCOUNTANT

P.N.BALASUBRAMANIAN

M. No. 003606

  
G. SUDHA AND ASSOCIATES  
CHARTERD ACCOUNTANTS  
G SUDHA-M 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 2018**

	NOTES	Current Year 31-3-2018 (Amount in Rupees)	Previous Year 31-03-2017
<b>INCOME</b>			
Revenue From Operations			
Motor Sport Activity	1	273,32,278	243,89,691
Other Income	2	65,22,288	46,79,907
<b>TOTAL</b>		<b>338,54,566</b>	<b>290,69,598</b>
<b>EXPENSES/APPLICATION OF INCOME</b>			
Employee Benefits		49,35,813	34,25,297
Irrecoverable membership fees, homologation charges and homologation fees written off			42,86,519
Excess provisioning of accrued interest of earlier years written off		11,55,850	
Depreciation		8,39,378	1,85,688
Income Tax Paid		12,44,420	20,89,001
<b>OTHER EXPENSES</b>	3	151,31,525	91,62,541
		<b>233,06,986</b>	<b>191,49,046</b>
<b>Net Income/Transferred to Reserve</b>		<b>105,47,580</b>	<b>99,20,552</b>
Earnings for Equity Shares		Not Applicable	Not Applicable
Significant Accounting Policies and Notes to the Accounts	8		

PLACE: CHENNAI  
DATE: 22/09/2018


**DIRECTORS**

1.   
2. 





**CHARTERED ACCOUNTANT**  
(P.N. BALASUBRAMANIAN)  
MEM NO: 003606

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

8

**THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA**  
**(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)**  
**BALANCE SHEET AS AT 31ST MARCH 2018**

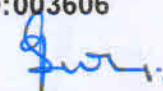
	NOTES	Current Year 31-3-2018	Previous Year 31-03-2017
(Amount in Rupees)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share holder Funds</b>			
(i) Share Capital	4	-	
(ii) Reserves and Surplus	5	762,53,432	657,05,852
(iii) Protest Fund		3,91,503	3,01,503
<b>NON CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	6	18,82,798	43,73,314
<b>TOTAL</b>		<b>785,27,733</b>	<b>703,80,669</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets Tangible	7	26,21,930	32,71,794
Stock of Race Wears		2,02,864	
<b>NON -CURRENT INVESTMENTS</b>			
Bank of India Deposits		649,41,509	588,61,966
<b>CURRENT ASSETS</b>			
Loans and Advances		71,26,815	45,76,256
Cash and Cash Equivalent		1,830	650
Cash at Bank		9,11,954	-2,23,959
Accrued Bank Interest Receivable		20,06,558	27,20,840
Sundry Debtors		7,14,273	11,73,122
<b>TOTAL</b>		<b>785,27,733</b>	<b>703,80,669</b>
Significant Accounting Policies and Notes to the Accounts	8		

**PLACE: CHENNAI**  
**DATE: 22/09/2018**

**DIRECTORS**

1.   
 2. 

  
**CHARTERED ACCOUNTANT**  
**(P.N. BALASUBRAMANIAN)**  
**MEM NO:003606**

  
**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 2018**


	NOTES	Current Year 31-3-2018	Previous Year 31-03-2017
		(Amount in Rupees)	
<b>Revenue from Operations</b>	1		
<b>Motor Sports Activity</b>			
Competition Licence Fees		71,89,225	64,20,829
Entrance Fees			1,50,000
FIA Inscription charges(Net)			4,48,002
FIM Sx riders			3,26,503
FIM Official Licence			26,205
Fines		1,52,559	2,40,400
Homologation Fees		3,48,500	6,57,500
Membership Subscription		9,00,000	17,46,000
Naming Rights		52,75,000	55,00,200
Permit Fees		90,36,797	78,49,652
Protest Fee			49,400
Track Inspection and Renewal fees		7,20,195	
Sale of Homologation form		3,000	21,000
Sponsorship		3,00,000	9,10,000
Bid Fees		34,07,002	
Technical Seminar Delhi-Seminar Fee			44,000
<b>Total</b>		<b>273,32,278</b>	<b>243,89,691</b>
<b>OTHER INCOME</b>	2		
Interest from Bank of India		46,47,127	45,59,907
Appeal Fees		96,000	
Display charges		15,00,000	
Record Ratification Fees		30,000	1,20,000
Rental Services		54,441	
Miscellaneous Income		1,94,720	
<b>Total</b>		<b>65,22,288</b>	<b>46,79,907</b>

**PLACE: CHENNAI**  
**DATE: 22/09/2018**

**DIRECTORS**

1.   
2. 

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

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



16

**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 2018**

NOTES	Current Year 31-3-2018	Previous Year 31- 03-2017
	(Amount in Rupees)	
<b>OTHER EXPENSES</b>	<b>3</b>	
<b><u>Office administration expenses</u></b>		
Postage	3,70,777	3,38,872
Telephone Expenses	52,133	42,986
Commission Expenses-Paytm	30,169	
Office Expenses	2,92,974	1,68,746
Building Maintenance	34,800	34,800
Rates and Taxes-Building	16,289	49,000
Electricity charges	75,414	79,949
printing and stationery	1,35,491	1,17,360
Computer Consumables	82,349	51,650
Tally ERP Upgradation	34,746	3,600
Godown rent	12,000	12,000
Income tax appeal fees	4,000	1,000
Annual Maintenance charges	5,074	3,800
Bank charges	41,246	26,400
<b>Total-a</b>	<b>11,87,462</b>	<b>9,30,163</b>
<b><u>Consultancy and professional charges</u></b>		
Legal and Professional Charges	8,58,000	4,30,426
Audit Fees	45,000	45,000
<b>Total-b</b>	<b>9,03,000</b>	<b>4,75,426</b>
<b><u>Seminars and Meeting Expenses</u></b>		
Seminar Expenses/Council Meeting Expenses	4,89,034	4,39,535
Race commission meeting	34,941	1,18,958
Rally commssion Meeting	8,902	1,05,595
2W manufacturers Meeting	10,316	
Marshall Training Camp	30,000	3,29,879
seminars-Motor Sport Development Program	10,92,525	
<b>Total-c</b>	<b>16,65,718</b>	<b>9,93,967</b>



other exp/contd..2



**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**


NOTES	Current Year 31-3-2018	Previous Year 31- 03-2017
	(Amount in Rupees)	
<b>OTHER EXPENSES</b>	3	
<b><u>Motor sport development expenses</u></b>		
Insurance	4,73,623	4,85,875
Aid to accident hit participant towards hospitalisation charges	2,50,000	
Participation expenses-Asia Auto Gymkhana	19,600	
Technical co-ordinator fees	1,50,000	
Timing system fo rally-INRC	1,50,000	
Auto Expo-18	27,86,226	
2017 FIM ARRC	1,190	
AGOC Korea-Entry fees	6,500	
FIA-APRC-2017-Delegate air fare	2,70,517	
FIA Inspection charges	6,66,562	
Homologation charges	24,537	
Advertisement		13,623
CIK FIA Prize money	20,093	18,787
Prize Distribution expenses-2017	14,10,618	
Prize distribution expensesfor 2015 and 2016(including Prize money)	4,000	22,91,807
Sanctioning body fee-member	96,870	
FIA Inscription charges	3,89,963	
FIA/FIM Subscription	5,98,300	5,10,349
FIM Riders Licence	22,719	48,137
<b><u>Travelling and Conveyance</u></b>		
Local Travel & Conveyance	14,30,748	14,55,757
Foreign Travel Expenses	13,19,508	10,27,394
Media Expenses	4,60,875	
Website Maintenance	8,22,896	9,11,256
<b>Total-d</b>	<b>113,75,345</b>	<b>67,62,985</b>
Other expenses-Total(a+b+c+d)	151,31,525	91,62,541

**PLACE: CHENNAI**  
**DATE: 22/09/2018**

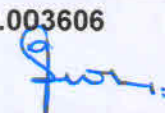
**DIRECTORS**

1. 

2. 

  
**CHARTERED ACCOUNTANT**  
**(P.N. BALASUBRAMANIAN)**  
**MEM NO.003606**



  
**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 BALANCE SHEET-31-03-2018**

LIABILITIES	NOTES	Current Year 31-3-2018	Previous Year 31-03-2017
		(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		657,05,852	557,85,300
Excess of Income over Expenditure for the year		105,47,580	99,20,552
<b>Total</b>		<b>762,53,432</b>	<b>657,05,852</b>
<b>Current Liabilities</b>	6		
GST Liability for march 2018		1,67,723	
Sundry Creditors		6,60,681	2,94,676
FIA Subscription Payable -2016		4,04,260	
FIA Inscription Charges Payable		3,25,430	2,79,510
FIM Subscription Payable		2,96,985	1,02,945
FIM Riders Licence payable		22,719	
Service charge-97-2000- P.N. Balasubramanian		5,000	50,000
Advance Received Clubs/Members			13,44,181
2017 MMSC FMSC INRC 4W			12,02,002
2017 MMSC FMSC NMRC 2W			11,00,000
<b>Total</b>		<b>18,82,798</b>	<b>43,73,314</b>

PLACE: CHENNAI  
DATE: 22/9/2018

**DIRECTORS**

1.

2.

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

*G. Sudha*  
**G SUDHA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(G. SUDHA-MEM NO: 215533)**



## FMSCI 2018-19 FIXED ASSETS SCHEDULE-NOTE 7

## FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2018

S.No	Description	Cost as at 01.04.2018(Rs.)	Additions during the year (Rs.)	Total Cost 31.03.2018 (Rs.)	Depreciation		Total	W.D.V	
					Till 31.03.2017 (Rs.)	Depn for The Year (Rs.)		31.03.2018 (Rs.)	31.03.2017 (Rs.)
1	Land	1,78,700		178700				178700	1,78,700
2	Building	3,29,960		329960	2,76,781	2590	279371	50589	53,179
3	office equipments	10,09,746	92113	1101859	8,56,682	86883	943565	158294	1,53,064
4	computers	5,11,059	69500	580559	4,96,074	20287	516362	64197	14,984
5	Equipments	28,72,317		2872317	2,71,165	673438	944603	1927714	26,01,152
6	Furniture-f	74,315	27900	102215	73,850	7264	81114	21101	465
7	Machinery and other equipments	4,63,612		463612	1,93,362	48915	242277	221335	2,70,250
	<b>Total</b>	<b>54,39,709</b>	<b>189513</b>	<b>5629222</b>	<b>2167915</b>	<b>839377</b>	<b>3007292</b>	<b>2621930</b>	<b>3271794</b>

Place: Chennai

Date: 22/09/2018

DIRECTORS

1.

2.



CHARTERED ACCOUNTANT  
(P.N. BALASUBRAMANIAN)  
MEM NO:003606

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



## THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

### **Note No.8-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 for the current year. Due to lack of proper information from the bank accrued interest in respect of earlier years have been included to the extent of Rs.11,55,850/-. This has been adjusted in the current year. This has been debited to profit and loss account.
7. All figures have been rounded off to the nearest rupee.
8. Figures of the previous year have been regrouped wherever necessary to make them comparable with those of the current year.
9. Uncleared cheques representing prior year expenditure pertaining to various previous financial years of Rs. 1,94,720/- were written off during the year and offered under miscellaneous income.
10. There is a bank guarantee given by FMSCI to Bank of India on the security of deposit of value of Rs.1.65 Cr for import of vehicles for Asia Road Racing Championship conducted by Madras Motor Sports Club as on 31<sup>st</sup> March 2018. The guarantee is closed as on date, the re-export obligation of the vehicle had been completed.





11. There is a contingent liability towards income tax demand for various years as below. The assessment for Assessment year 2010--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. The commissioner Appeals has restored the exemption under section 11 recently and has also deleted most of the additions. The assessing officer is yet to pass order giving effect to the order. Assessments for other years are for the similar issues, so tax liability is not provided in the books of accounts.

Assessment year	Outstanding Demand	Present status
2009-10	784489	pending before CIT(A)
2010-11	1719220	Order passed. Order not given effect by assessing officer.
2012-13	7501496	Pending before CIT(A)
2013-14	3287291	Pending before CIT(A)
2014-15	1239299	Pending before CIT(A)
2015-16	2677570	Pending before CIT(A)

The balance of tax demand had been stayed by the assessing officer, pending disposal of appeal. 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.1,02,265

Amount received as grant from Federation  
Internationale De l' Automobile      Rs.36,93,500



**EXPENDITURE**

The expenditure in Foreign exchange is

Rs.55,14,394

(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, if any. Foreign Travel Expenses debited in the Financial Statement includes reimbursement of foreign travel expenses, to authorised members in INR.

Place: Chennai

Dated: 22/09/2018

DIRECTORS

1.   
2. 



CHARTERED ACCOUNTANT

P.N. BALASUBRAMANIAN

M. No. 003606



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

