

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

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

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

**AUDIT REPORT**

We have audited the annexed Balance Sheet as at **31<sup>st</sup> March 2019** 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

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 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.

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 2019, 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: 05/09/2019

**UDIN: 19003606 AAAAAA 7012**

P.N. BALASUBRAMANIAN

CHARTERED ACCOUNTANT

Membership No. 003606



*G. Sudha*

G. SUDHA AND ASSOCIATES  
CHARTERD ACCOUNTANT  
Firm Regn NO:014677S  
G.SUDHA[M.No:215533]

**UDIN:19215533AAAAAC4702**

## **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 we have physically verified the same.
- 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 10]
5. The company has offered unclaimed old balances from various parties, received over the period with out proper instruction from the parties to the extent of Rs.3,96,343/-as income
- 6.Sundry creditors balance include Rs.16,29,662/- received from various parties. It was stated that these were the amounts received from various competitors through online transactions during 2018 and 2019. Due to lack of information about the allocation of the same from the parties it is shown as advance from parties.



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

8.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. This order is under appeal filed by Income tax officer with the Income-tax Appellate Tribunal ,pending disposal.

9.The Company has not borrowed any loan from banks or financial institution.

Place: Chennai

Date:05/09/2019

**UDIN: 19003606AAAAA7032**

**UDIN:19215533AAAAAC4702**

*P.N. Balasubramanian*

CHARTERED ACCOUNTANT

P.N.BALASUBRAMANIAN

M. No. 003606



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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 2019**

	NOTES	Current Year 31-3-2019	Previous Year 31-03-2018
(Amount in Rupees)			
<b>INCOME</b>			
Revenue From Operations			
Motor Sport Activity	1	239,22,330	273,32,278
Other Income	2	65,01,004	65,22,288
<b>TOTAL</b>		<b>304,23,334</b>	<b>338,54,566</b>
<b>EXPENSES/APPLICATION OF INCOME</b>			
Employee Benefits		57,98,078	49,35,813
Excess provisioning of accrued interest of earlier years written off			11,55,850
Depreciation		14,47,510	8,39,378
Income Tax Paid		8,31,940	12,44,420
<b>OTHER EXPENSES</b>	3	129,80,281	151,31,525
		<b>210,57,809</b>	<b>233,06,986</b>
<b>Net Income/Transferred to Reserve</b>		<b>93,65,525</b>	<b>105,47,580</b>
Earnings for Equity Shares		Not Applicable	Not Applicable
Significant Accounting Policies and Notes to the Accounts	8		

PLACE: CHENNAI  
DATE: 05/09/2019

DIRECTOR




UDIN:

19003606AAAAA7012

UDIN: 19215533AAAAAC4702



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



G SUDHA & ASSOCIATES  
Firm Regn No:014677S  
CHARTERED ACCOUNTANTS  
(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 2019**

	NOTES	Current Year 31-3-2019	Previous Year 31-03-2018
(Amount in Rupees)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share holder Funds</b>			
(i) Share Capital	4	-	
(ii) Reserves and Surplus	5	856,18,957	762,53,432
(iii) Protest Fund		3,01,503	3,91,503
<b>NON CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	6	104,66,565	18,82,798
<b>TOTAL</b>		<b>963,87,025</b>	<b>785,27,733</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets Tangible	7	46,36,096	26,21,930
Stock of Race Wears		2,02,864	2,02,864
<b>NON -CURRENT INVESTMENTS</b>			
Bank of India Deposits		761,03,127	649,41,509
<b>CURRENT ASSETS</b>			
Loans and Advances		8404312	71,26,815
Cash and Cash Equivalent			1,830
Cash at Bank		2389381	9,11,954
Accrued Bank Interest Receivable		3366485	20,06,558
Sundry Debtors		1284760	7,14,273
<b>TOTAL</b>		<b>963,87,025</b>	<b>785,27,733</b>
Significant Accounting Policies and Notes to the Accounts	8		

PLACE: CHENNAI

DATE: 05/09/2019

DIRECTORS

UDIN:

39003606AAAAA7012

UDIN: 19215533AAAAAC4702

*P. N. Balasubramanian*

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(P.N. BALASUBRAMANIAN)  
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**THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA**  
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**NOTES TO BALANCE SHEET-31-03-2019**

LIABILITIES	NOTES	Current Year 31-3-2019	Previous Year 31-03-2018
		(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		762,53,432	657,05,852
Excess of Income over Expenditure for the year		93,65,525	105,47,580
<b>Total</b>		<b>856,18,957</b>	<b>762,53,432</b>
<b>Current Liabilities</b>	6		
GST Liability for march 2018		1,51,845	1,67,723
Sundry Creditors		31,43,945	6,60,681
FIA Subscription Payable		4,01,565	4,04,260
FIA Inscription Charges Payable		2,79,510	3,25,430
FIM Subscription Payable		1,02,945	2,96,985
FIM Riders Licence payable			22,719
Service charge-97-2000- P.N. Balasubramanian		5,000	5,000
Advance Received Clubs/Members		61,06,055	
Audit fees payable		45,000	
ASN Reward Programme		2,30,700	
<b>Total</b>		<b>104,66,565</b>	<b>18,82,798</b>

*P. N. Balasubramanian*

**PLACE: CHENNAI**

**DATE: 05/09/2019**

**DIRECTORS**

**UDIN: 19003666AAAAAA7012**

*[Signature]*

**UDIN: 19215533AAAAAC4702**

*[Signature]*

**CHARTERED ACCOUNTANT  
P.N. BALASUBRAMANIAN)**

**M.NO: 003606**

**G SUDHA & ASSOCIATES**

**Firm Regn No:014677S**

**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 2019**

	NOTES	Current Year 31-3-2019	Previous Year 31-03-2018
		(Amount in Rupees)	
<b>Revenue from Operations</b>	1		
<b>Motor Sports Activity</b>			
Competition Licence Fees		64,39,211	71,89,225
Entrance Fees		90,000	
FIA Inscription charges(Net)		26,353	
FIM Sx riders [Net]		4,68,705	
Fines		2,56,559	1,52,559
Homologation Fees		1,77,000	3,48,500
INRC Registration		10,000	
Membership Subscription		9,36,000	9,00,000
Naming Rights		42,20,000	52,75,000
Permit Fees		60,18,915	90,36,797
Protest Fee		1,34,200	
Track Inspection and Renewal fees		6,35,904	7,20,195
Sale of Homologation form		9,483	3,000
Sponsorship		20,00,000	3,00,000
Bid Fees		25,00,000	34,07,002
<b>Total</b>		<b>239,22,330</b>	<b>273,32,278</b>
<b>OTHER INCOME</b>	2		
Interest from Bank of India		57,26,360	46,47,127
Appeal Fees			96,000
Display charges			15,00,000
Record Ratification Fees		1,50,000	30,000
Rental Services		1,01,068	54,441
Income from use of extrication equipment		88,983	
Website advertisement revenue		38,250	
Miscellaneous Income		3,96,343	1,94,720
<b>Total</b>		<b>65,01,004</b>	<b>65,22,288</b>

**PLACE: CHENNAI**

**DATE: 05/09/2019**

**DIRECTORS**

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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 2019**

NOTES	Current Year 31-3-2019	Previous Year 31- 03-2018
	(Amount in Rupees)	
<b>OTHER EXPENSES</b>	3	
<b><u>Office administration expenses</u></b>		
Postage	5,27,502	3,70,777
Telephone Expenses	47,523	52,133
Commission Expenses-Paytm	28,356	30,169
Office Expenses	1,58,827	2,92,974
Building Maintenance	35,800	34,800
Rates and Taxes-Building	8,050	16,289
Electricity charges	93,756	75,414
printing and stationery	1,19,668	1,35,491
Computer Consumables	98,375	82,349
Tally ERP Upgradation	10,800	34,746
Godown rent	12,000	12,000
Income tax appeal fees		4,000
Statutory compliance Expenses	10,600	
Annual Maintenance charges	15,800	5,074
Bank charges	38,736	41,246
<b>Total-a</b>	<b>12,05,793</b>	<b>11,87,462</b>
<b><u>Consultancy and professional charges</u></b>		
Legal and Professional Charges	7,16,500	8,58,000
Audit Fees	45,000	45,000
<b>Total-b</b>	<b>7,61,500</b>	<b>9,03,000</b>
<b><u>Seminars and Meeting Expenses</u></b>		
Seminar Expenses/Council Meeting Expenses	5,00,475	4,89,034
FIM Mx CoC.Steward Seminar-2018	2,85,610	
FIA Stewards Seminar	42,283	
4W Auto cross Meeting	50,000	
Race commission meeting	13,162	34,941
Rally commssion Meeting	71,560	8,902
2W manufacturers Meeting		10,316
Marshall Training Camp		30,000
Disciplinary Meeting	62,704	
seminars-Motor Sport Development Program	25,000	10,92,525
Women in Motor Sport Meeting	79,651	
<b>Total-c</b>	<b>11,30,445</b>	<b>16,65,718</b>



**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 2019**

NOTES	Current Year 31-3-2019	Previous Year 31- 03-2018
	(Amount in Rupees)	
<b>OTHER EXPENSES</b>	3	
<b><u>Motor sport development expenses</u></b>		
Insurance	7,75,850	4,73,623
Aid to accident hit participant towards hospitalisation charges		2,50,000
Participation expenses-Asia Auto Gymkhana		19,600
Technical co-ordinator fees	5,00,000	1,50,000
Timing system fo rally-INRC	2,00,000	1,50,000
Asia Auto Gymkhana	2,69,269	
Auto Expo-18		27,86,226
2018 FIM ARRC	24,590	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	76,360	24,537
Equipment Installation Charges- Baleno	32,339	
CIK FIA Prize money		20,093
INRC Prize Money	1,50,000	
Prize Dstribution expenses-2017 and2018	36,28,461	14,10,618
Prize distribution expensesfor 2015 and 2016(including Prize money)		4,000
Sanctioning body fee-member		96,870
FIA Inscription charges		3,89,963
FIA/FIM Subscription	4,01,565	5,98,300
FIM Riders Licence		22,719
Road Safety Project Expenses	2,38,445	
<b>Travelling and Conveyance</b>		
Local Travel & Conveyance	12,93,791	14,30,748
Foreign Travel Expenses[Net]	12,54,021	13,19,508
Media Expenses	4,40,000	4,60,875
Website Maintenance	5,97,852	8,22,896
<b>Total-d</b>	<b>98,82,543</b>	<b>113,75,345</b>
Other expenses-Total(a+b+c+d)	129,80,281	151,31,525

PLACE: CHENNAI

DATE: 05/09/2019

DIRECTORS

UDIN:

19003606AAAAAA7012

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*P. N. Balasubramanian*

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

G SUDHA & ASSOCIATES  
Firm Regn No:014677S

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(G. SUDHA-MEM NO: 215533)



FMSCI 2018-19 FIXED ASSETS SCHEDULE-NOTE 7									
FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2019									
S.No	Description	Cost as at 01.04.2018(R s.)	Additions during the year (Rs.)	Total Cost 31.03.2019( Rs.)	Depreciation		Total	W.D.V	
					Till 31.03.2018 (Rs.)	Depn for The Year (Rs.)		31.03.2019 (Rs.)	31.3.2018
1	Land	1,78,700		178700				178700	1,78,700
2	Building	3,29,960		329960	2,79,371	2464	281835	48125	50,589
3	office equipments	11,01,859		1101859	9,43,565	71342	1014907	86952	1,58,294
4	computers	5,80,559	60000	640559	5,16,362	42935	559297	81262	64,197
5	Equipments	28,72,317	2362500	5234817	9,44,603	1048734	1993337	3241480	19,27,714
6	Furniture-f	1,02,215		102215	81,114	5463	86577	15638	21,101
7	Machinery and other equipments	4,63,612		463612	2,42,277	40062	282339	181273	2,21,335
8	Motor Cars		1039176	1039176		236510	236510	802666	
	<b>Total</b>	<b>56,29,222</b>	<b>3461676</b>	<b>9090898</b>	<b>3007292</b>	<b>1447510</b>	<b>4454802</b>	<b>4636096</b>	<b>2621930</b>

Place: Chennai

Date: 05/09/2019

UDIN: 19003606 AAAAAA7012

UDIN: 19215533AAAAAC4702

DIRECTORS

*[Signature]*

*[Signature]*

*P. N. Balasubramanian*

CHARTERED ACCOUNTANT  
(P.N. BALASUBRAMANIAN)

MEM NO: 003606



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Firm Regn No: 014677S  
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(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 there is no distribution of dividend.
5. The sum of accrued interest is as certified by the bank for the current year.
6. All figures have been rounded off to the nearest rupee.
7. Figures of the previous year have been regrouped wherever necessary to make them comparable with those of the current year.
8. Credits in various miscellaneous parties account to the extent of Rs.3,96,343/- till the end of financial year 2017 not claimed by parties is offered as income during the year.
9. Sundry creditors include money received by online transfers from various parties like competitors during the financial years 2018 and 2019 without proper instruction for allocation of the same to the extent of Rs.16,29,662/.
10. 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 has filed appeal against the above said order.

The proceedings are in progress before various authorities. 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	- 9750{interest payable by Income tax]	Order passed BY CIT[A].Given effect by the assessing officer. Departmental appeal pending before Income Tax Appellate Tribunal
2012-13	7501496	Pending before CIT(A)
2013-14	3287291	Pending before CIT(A)
2014-15	1236299	Pending before CIT(A)
2015-16	2677570	Pending before CIT(A)
2016-17	3327750	Pending before CIT[A]

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

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.2,89,522/-

MSD Grant 2018 Rs.15,80,551/-

The MSD Grant received is passed to the member clubs for the promotion of motor sport activities



## **EXPENDITURE**

The Outflow in Foreign exchange is

Rs.30,55,704/-

(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:05/09/2019

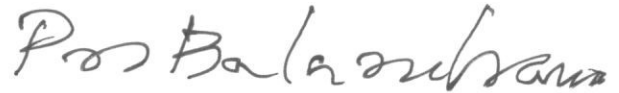
DIRECTORS

**UDIN:**

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CHARTERED ACCOUNTANT

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