

THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

AUDIT REPORT

To
The Members of M/s. Federation of Motor Sports Clubs of India

Opinion

We have audited the accompanying Standalone financial statements of **M/s. The Federation of Motor Sports Clubs of India ("the Company")** which comprises the Balance Sheet as at March 31, 2022, the Statement of Income and Expenditure, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its excess of Income over expenditure Income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the

financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of the key audit matters as per SA701, are not applicable to the company as it is an unlisted company.

Information other than financial statements and auditor's report thereon

The council of Members is responsible for the preparation of other information. The other information comprises the information included in the Council of members' Report including Annexures to Council's Report, responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as there is no material mis statement

Responsibility of management for the Financial Statements

The Company's Council of Members is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 the 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 and using the going concern basis of accounting unless council either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Council of Members are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 of assurance but is not a 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

The Balance Sheet, the Statement of Income and Expenditure, Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.


In our opinion, the provisions of Section 143(3)(i) with regard to opinion on internal financial controls with reference to financial statements and operating effectiveness of such controls is not applicable to the company.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.

Annexure to this report also forms part of this report

This report does not include a statement on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020, issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company



PLACE: Chennai

DATE: 27/08/2022

UDIN: 22003606ARGFZN5536

P.N. Balasubramanian

Chartered Accountant
Membership No. 003606



PLACE: Chennai

DATE: 27/08/2022

UDIN: 22215533ARGEYO8122

for G. Sudha & Associates

Chartered Accountant [F. No:014677S]

G. Sudha [M. No:215533]

ANNEXURE TO AUDITOR'S REPORT

1. According to the information and explanation given to us, the Company has not granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
2. The company has not accepted any deposits during the year.
3. The company has sold the land purchased in 2019 after the end of the financial year 2021-22. Hence the documents relating to the Land at Madipakkam are not in possession of the company for verification of physical custody of documents as on the date of report.
4. The Company is regular in depositing all applicable undisputed statutory dues with the appropriate authorities.
5. The Company has not borrowed any loan from any bank or financial institution.
6. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
7. No employee has been paid salary in excess of the limits specified under the Companies Act, 2013, either for part or the whole year.
8. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its

Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

9. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

10. The company has credit balances of Rs.3,61,059/- collected from competitors towards license fees. This is shown under current liabilities. It is stated that these are monies received online, without proper information for allocation of licence and are still unclaimed. Some of the credits are adjusted in the next year. The Company has refunded the excess money remitted to the extent identifiable to some of the parties during the year.

11. The Company has written off a sum of Rs.10,00,654/- (Refer Note 7-Notes on accounts) as bad debts. The excess of income over expenditure for the year is understated to that extent.

12. The Company has disclosed the impact of pending income tax litigations on its financial position in the financial statements. (Note 9). Details of income-tax dues which have not been deposited as of 31st March 2022 on account of disputes are to the extent of Rs.2.41 Crores. The appeals for the above dues are pending with National Faceless Appeal Centre (NFAC) of Income Tax Department. Provision for the above tax liability has not been made in the books of accounts based on the favourable order of the Commissioner of Income tax (Appeals) for the assessment years 2010-11, 2008-09, 2005-06 and 2006-07 restoring exemption under section 11 on 02.07. 2018 and partial relief to many substantial additions. Appeals filed by the Revenue against the order with the Income -tax Appellate Tribunal was dismissed on 28th October 2020 by the Income -tax Appellate Tribunal as the tax effect in all the appeals filed by the Revenue is less than the monetary limit of 50 Lakhs.

The proceedings for similar issues are still pending before the respective authorities for the other assessment years.

P.N. Balasubramanian

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Chartered Accountant

Membership 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 2022

	NOTES	Current Year 31-3-2022	Previous Year 31-03-2021
(Amount in Rupees)			
INCOME			
Revenue From Operations			
Motor Sport Activity	1	2,38,73,883	1,68,71,652
Other Income	2	40,72,429	57,07,668
Prior year Income			34,771
TOTAL		2,79,46,312	2,26,14,091

EXPENSES/APPLICATION OF INCOME

Employee Benefits		53,82,977	49,09,811
Depreciation		24,34,981	18,66,959
Income Tax Paid		8,31,618	
OTHER EXPENSES	3	1,87,77,791	1,25,60,015
		2,74,27,367	1,93,36,785

Net Income/Transferred to Reserve

Earnings for Equity Shares		5,18,945	32,77,306
Significant Accounting Policies and Notes to the Accounts	9	Not Applicable	Not Applicable

PLACE: CHENNAI

DATE: 27/08/2022

UDIN:22003606ARGFZN5536

DIRECTORS

CHARTERED ACCOUNTANT

(P.N. BALASUBRAMANIAN)

MEM NO:003606

PLACE:CHENNAI

Date:27/08/2022

UDIN:22215533ARGEYO8122

G SUDHA & ASSOCIATES

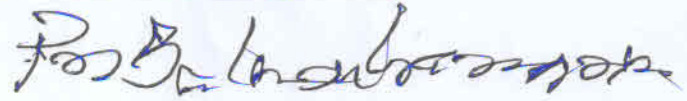
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CHARTERED ACCOUNTANTS

(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 2022

	NOTES	current year 31-03-2022 Rupees)	Current Year 31-3-2021
EQUITY AND LIABILITIES			
Share holder Funds			
(i) Share Capital	4		-
(ii) Reserves and Surplus	5	9,47,51,993	9,42,33,047
(iii) Protest Fund		3,01,503	3,01,503
NON CURRENT LIABILITIES			
CURRENT LIABILITIES			
Other Current Liabilities	6	1,19,09,101	72,63,131
TOTAL		<u>10,69,62,597</u>	<u>10,17,97,681</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets Tangible	7	2,04,82,580	1,94,95,131
Stock of Race Wears		2,02,864	2,02,864
NON -CURRENT INVESTMENTS			
Bank of India Deposits		6,78,27,199	6,39,16,026
Accrued Bank Interest receivable		12,08,280	17,37,328
CURRENT ASSETS			
Loans and Advances	8	1,18,85,899	1,06,73,623
Electronic control units in stock with member clubs		8,43,500	13,46,812
Cash and Cash Equivalent		13,980	13,980
Cash at Bank		29,35,511	21,76,648
Sundry Debtors		15,62,784	22,35,269
TOTAL		<u>10,69,62,597</u>	<u>10,17,97,681</u>
Significant Accounting Policies and Notes to the Accounts	9		

PLACE: CHENNAI
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DIRECTORS

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

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G SUDHA & ASSOCIATES(F.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 2022

	NOTES	Current Year 31-3-2022	Previous Year 31-03-2021
		(Amount in Rupees)	
Revenue from Operations	1		
Motor Sports Activity			
Competition Licence Fees		35,58,955	51,18,317
FIM Officials and riders licence		4,45,875	
Entrance Fees		30,000	60,000
FIA Inscription charges(Net)		26,100	9,71,820
FIM Sx riders [Net]			2,75,106
Fines		2,90,780	1,59,636
Homologation Fees		1,11,500	14,000
INRC Registration			20,000
Membership Subscription		6,84,000	10,62,000
Naming Rights		27,24,750	11,07,750
Permit Fees		40,66,527	12,13,877
Protest Fee		1,20,000	18,000
Track Inspection and Renewal fees		32,00,820	42,90,138
Sale of Homologation form		12,508	11,008
Sponsorship		84,88,068	25,50,000
Appeal Fee		1,14,000	
Total		2,38,73,883	1,68,71,652



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 2022

NOTES	Current Year	Previous Year
	31-3-2022	31-03-2021
(Amount in Rupees)		
OTHER INCOME	2	
Interest from Bank of India	34,69,003	37,63,124
Timing and Result Services		3,81,356
Record Ratification Fees	60,000	1,38,000
Miscellaneous Income-reimbursement	40,113	
Electronic control unit - at cost to member clubs	5,03,313	14,25,188
Total	40,72,429	57,07,668

P. N. Balasubramanian

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MEM NO:003606

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UDIN:22215533ARGEYO8122

G SUDHA & ASSOCIATES

Firm Regn No:014677S

CHARTERED ACCOUNTANTS

(G. SUDHA-MEM NO: 215533)

A. H. H.

G. Sudha



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 2022

NOTES	Current Year 31-3-2022	Previous Year 31-03-2021
	(Amount in Rupees)	
OTHER EXPENSES	3	
<u>Office administration expenses</u>		
Postage	2,36,633	2,69,729
Telephone Expenses	25,625	46,713
Commission Expenses-Paytm	17,739	21,092
Office Expenses	1,62,148	93,210
Building Maintenance	36,235	69,529
Electricity charges	48,999	33,846
printing and stationery	88,235	83,779
Computer Consumables	59,750	76,100
Statutory expenses-filing expenses	4,428	
Tally ERP Upgradation	14,400	16,949
Godown rent	12,000	12,000
Bad debts-old dues of membership fees	10,00,654	
Annual Maintenance charges	15,800	15,800
Bank charges	44,900	41,566
Total-a	17,67,546	7,80,313
 <u>Consultancy and professional charges</u>		
Legal and Professional Charges	15,58,500	11,39,500
Audit Fees	60,000	45,000
Total-b	16,18,500	11,84,500
 <u>Seminars and Meeting Expenses</u>		
Seminar Expenses/Council Meeting Expenses	2,80,819	2,27,613
Rally commssion Meeting		23,400
Karting Commission Meeting	14,160	
Regularity Commission hearing	25,000	
Women in Motor Sport Meeting	1,67,434	
Total-c	4,87,413	2,51,013



**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 2022

	NOTES	31-3-2022	31-03-2021
		(Amount in Rupees)	
OTHER EXPENSES	3		
<u>Motor sport development expenses</u>			
Electronic control unit at cost-		5,03,313	14,25,188
Equipment installation charges		35,300	
Insurance		8,90,900	8,63,170
Motor Insurance Policy		1,26,684	28,256
Technical co-ordinator fees		2,20,000	6,74,000
Rally Safety Tracking System			8,76,000
Calibration Expenses		14,538	
Timing and Result Services		10,16,054	9,32,108
FIM Official Licence-Exp		1,70,411	
Homologation charges		9,151	
Track Inspection Expenses		25,42,350	33,92,595
FIM Rider Licence-Expenses		3,26,157	64,280
FIA Inscription charges		25,683	9,91,905
FIA/FIM Subscription		2,13,519	
Indian National Rally Championship-2021		55,94,295	
Indian National Regularity Run Championship-2021		16,31,500	
Travelling and Conveyance			
Local Travel & Conveyance		2,91,873	2,35,787
Foreign Travel Expenses[Net]		2,44,504	70,875
Media Expenses		5,60,000	3,20,000
Website Maintenance		4,88,100	4,70,025
Total-d		1,49,04,332	1,03,44,189
Other expenses-Total(a+b+c+d)		1,87,77,791	1,25,60,015

P. N. Balasubramanian

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DIRECTORS

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G. Sudha
G SUDHA & ASSOCIATES
Firm Regn No:014677S
CHARTERED ACCOUNTANTS
(G. SUDHA-MEM NO: 215533)

[Signature]

[Signature]



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

NOTES TO BALANCE SHEET-31-03-2022

LIABILITIES	NOTES	Current Year 31-3-2022	Previous Year 31-03-2021
		(Amount in Rupees)	
Share Capital			
Private Company with out share capital and Limited by Guarantee	4		-
Reserves and Surplus	5		
Opening Capital Fund		9,42,33,048	9,09,55,741
Excess of Income over Expenditure for the year		5,18,945	32,77,306
Total		<u>9,47,51,993</u>	<u>9,42,33,047</u>
Current Liabilities	6		
Sundry Creditors		4,50,427	38,19,428
FIA inspection charges collected payable		39,37,500	
Money received towards expression of interest for Indian National Autocross Championship and Indian National Dirt Track Championship 3-5 years		14,90,636	
Bid money for events 2021-22			20,84,000
Balances received from clubs-current account		6,13,552	
Appeal fees-competitors-pending judgement		3,39,840	
Sponsorship amount received for Indian National Rally Championship-2022-to be conducted -blue band sports p ltd		20,00,000	
Amount refundable to competitors and pending applications for want of information'		3,61,059	
GST payable		2,04,664	2,08,880
FIA Inscription Charges Payable		87,510	87,510
FIM Subscription Payable		1,02,945	1,02,945
Service charge-97-2000- P.N. Balasubramanian		5,000	5,000
Sponsorship-INRC2021 Expenses payable		7,55,600	
INRRC-2021 Expenses payable		5,90,000	
Fines received Pending Litigation		5,00,000	5,00,000
Audit fees payable		60,000	45,000
ASN Reward Programme		4,10,368	4,10,368
Total		<u>1,19,09,101</u>	<u>72,63,131</u>



FMSCI 2021-22 FIXED ASSETS SCHEDULE-NOTE 7									
FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31 ST MARCH 2022									
S.No	Description	Cost as at 01.04.2021 (Rs.)	Additions during the year (Rs.)	Total Cost 31.03.2022 (Rs.)	Depreciation		Total (Rs.)	W.D.V	
					Till 31.03.2021 (Rs.)	Depn for The Year (Rs.)		31.03.2022 (Rs.)	31.3.2021 (Rs.)
1	Land	1,42,55,690		1,42,55,690					1,42,55,690
2	Building	3,29,960		3,29,960	2,86,409	2121	2,88,529	41,431	43,551
3	office equipments	11,01,859		11,01,859	10,75,621	11825	10,87,445	14,414	26,238
4	computers	6,40,559	29000	6,69,559	6,29,523	16124	6,45,646	23,913	11,036
5	Equipments	92,01,817		92,01,817	45,98,337	1191841	57,90,178	34,11,639	46,03,480
6	Furniture-f	1,42,715		1,42,715	1,04,453	9906	1,14,359	28,356	38,262
7	Machinery and other equipments	4,86,268		4,86,268	3,49,001	24845	3,73,846	1,12,422	1,37,267
8	Motor Cars	10,39,176	33,93,430	44,32,606	6,59,571	1178319	18,37,890	25,94,716	3,79,605
	Total	2,71,98,044	34,22,430	3,06,20,474	77,02,913	24,34,981	1,01,37,894	2,04,82,580	1,94,95,131

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DIRECTORS

[Signature]

CHARTERED ACCOUNTANT

(P.N. BALASUBRAMANIAN)m.no:003606
MEM NO: 003606

[Signature]

G SUDHA & ASSOCIATES(F.NO:014677S)
CHARTERED ACCOUNTANTS
(G. SUDHA-MEM NO: 215533)



[Signature]

THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
(INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013)
NOTES TO BALANCE SHEET-31-03-2022

LIABILITIES	NOTES	Current Year 31-3-2022	Previous Year 31-03-2021
		(Amount in Rupees)	
<u>Loans and Advances (Current Assets)</u>	8		
<u>Deposits</u>			
Electricity deposit		10,650	10,650
Krishna Towers		470	470
Rental deposit		8,600	8,600
<u>Balances with revenue authorities</u>			
Tax deducted at source-old		4,57,560	4,57,560
Tax Deducted at source		1,07,51,822	96,97,546
 <u>Advances</u>			
Staff advance-vss		2,00,000	
Mahindra Thar LX- Adv			42,000
2021-FIA subscription-Adv		4,56,797	4,56,797
		1,18,85,899	1,06,73,623

P.N. Balasubramanian

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DIRECTORS

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

G. Sudha

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G SUDHA & ASSOCIATES
Firm Regn No:014677S
CHARTERED ACCOUNTANTS
(G. SUDHA-MEM NO: 215533)

** MHA*

** J. Sankar*



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 of Motor Sports Clubs of India is a not-for-profit company incorporated in 1976 as a company limited by guarantee and is registered under Section 8 of the Companies Act,2013. It is involved in the management, supervision and promotion of Motor sports in India. There is no equity share or shareholder and there is no distribution of dividend. The Federation is availing of the Exemption under The Income-tax Act as National Sports Federation recognised by the Ministry of Youth and Sports Affairs. Hence, no provision had been made for any Income tax liability for the current year.
4. The sum of accrued interest is as certified by the bank for the current year.
5. All figures have been rounded off to the nearest rupee.
6. Figures of the previous year have been regrouped wherever necessary to make them comparable with those of the current year.
7. A sum of Rs.10,00,654/- representing dues of membership fees (Invoiced and offered as income) from member clubs for old years is written off as bad debts. These dues remained uncollected after multiple reminders to the member clubs. The Council of Members in their meeting No. (159)-6/20-21 on 26th July 2021 considered the above issue. The council approved to write off the amount due and to remove the clubs' name from the register of members after due intimation.



8. A sum of Rs. 39,37,500 collected from member clubs for Circuit inspection charges for Federation Internationale De l ' Automobile, during the year and previous year was remitted after the balance sheet date after receipt of invoice from FIA.

9. 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 and has deleted most of the additions. The assessing officer filed appeal against the above said order before the Income Tax Appellate Tribunal and was dismissed by the Income Tax Appellate Tribunal for low tax effect on 28th October 2020. The proceedings for similar issues other years are in progress before appellate authorities. So, tax liability is not provided in the books of accounts.

Assessment year	Outstanding Demand as per	Present status
2009-10	784489	pending before CIT(A)
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]
2017-18	2001750	Pending before CIT[A]
2018-19	3326470	Pending before CIT[A]

The balance of tax demand had been stayed, pending disposal of appeal.



10. Transactions effected in foreign currencies are recorded at the rates prevailing on the dates and as recorded by the Bank. The Expenditure in Foreign Currencies are furnished as under: -

EXPENDITURE

The Outflow in Foreign exchange is (€6426)

Rs.3,19,755

(Included under various heads)

The Foreign Currency Expenditure mentioned above (Other than stay allowance for Travel) represents out flow of Foreign Currency for remittances of funds to the affiliated international motor sports association(FIA and FIM) for international motor sport related activities in Indian Motor Sports, as per rules framed there in by international and national sports federation and the amount is remitted out of funds collected from member clubs, except for membership subscription to the international clubs to which the organisation is affiliated, as per the conditions applicable to National Sports Federation, framed by Ministry of Youth and Sports Affairs (National Sports Development Code,2011). 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.

11. The figures are regrouped wherever necessary.

P.N. Balasubramanian

PLACE: Chennai
DATE: 27/08/2022
UDIN: 22003606ARGFZN5536

DIRECTORS

P.N. Balasubramanian
Chartered Accountant
Membership No. 003606

PLACE: Chennai
DATE: 27/08/2022
UDIN: 22215533ARGEYO8122

G. Sudha
for G. Sudha & Associates
Chartered Accountant [F. No:014677S]
G. Sudha [M. No:215533]

ATTH
G. Sudha



THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA
[INCORPORATED UNDER SECTION 8 OF THE COMPANIES ACT 2013]
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	for the year ended 31.3.22 Rs. In Lakhs	for the year ended 31.3.21 Rs. In lakhs
Cash flow from operating Activities		
Excess of income over expenditure	5.19	32.77
Adjustments		
Depreciation	24.35	18.67
Income tax	8.32	
Interest	-34.69	-37.63
operating profit before working capital changes	3.17	13.81
Increase in sundry debtors	6.72	-3.12
increase in current liabilities	46.46	-23.55
cash generated from operations	56.35	-12.86
income tax paid	-8.32	
Net cash from operating activities-a	48.03	-12.86
cash flow from investing activities		
purchase of fixed assets	-34.22	0.00
Interest received	34.69	37.63
Net cash from investing activities-b	0.47	37.63
cash flows from financing activities		
Increase in loans and advances[assets]	-7.09	21.72
Bid money received for future events		
Application of protest fund		
Decrease in deposits	-33.82	-32.54
Net cash from financing activities-c	-40.91	-10.82
Net increase in cash and cash equivalents[a+b+c]	7.58	13.95
Add:		
cash and cash equivalents at the beginning of the period-note 1	21.91	7.96
cash and cash equivalents at the end of the period-note 2	29.49	21.91
Note 1		
Cash and cash equivalents at the beginning of the period		
cash on hand	0.14	0.06
cash at bank	21.77	7.90
Total	21.91	7.96
Note 2		
cash on hand	0.14	0.14
cash at bank	29.36	21.77
Total	29.49	21.91

PLACE: CHENNAI
DATE: 27/08/2022
UDIN:22003606ARGFZN5536

DIRECTORS

PLACE: CHENNAI
Date:27/08/2022
UDIN:22215533ARGEYO8122

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

G SUDHA & ASSOCIATES(F.NO:014677S)
CHARTERED ACCOUNTANTS
(G. SUDHA-MEM NO: 215533)

