P.N. BALASUBRAMANIAN B.Com., F.C.A. CHARTERED ACCOUNTANT Phone: 24981879

"Ananti Apartments"

Flat No. C-3,

New No. 2, Old No. 61 & 62,

Rakkiappa Street,

Mylapore, Chennai - 600 004.

## THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

## AUDIT REPORT

I have audited the annexed Balance Sheet as at 31<sup>st</sup> March 2013 and also the annexed Income and Expenditure Account for the year ended on that date of THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA. The management of the Federation is responsible for the preparation of the financial statements and my responsibility is to express an opinion on the financial statements based on my audit.

The audit was conducted in accordance with auditing standards generally accepted in India. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

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

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

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

In view of the fact that the Company is incorporated as a non profitable institution under section 25 of the Companies Act, 1956 The Companies (Auditor's Report ) Order, 2003 ( as amended made by the Central Government U/S 227 (4A) of the Companies Act, 1956 is not entirely applicable. Essential information had been furnished to the extent required and applicable.

All figures have been rounded off to the nearest rupee.

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

Depreciation has been provided under the written down value method as per the provisions of the Companies Act.

No employee had been paid salary, in excess of the limits specified under the Companies Act, 1956, either for a part or the whole year.

The Income tax Department had raised a demand of Rs 52,44,099 /- for the assessment year 2010 -2011 during the year and the same is disputed and the case is pending before the Appellate Authority. However as against this demand nearly half of the amount had also been paid as on the date of this Balance Sheet. The said liability had not been considered in the Income and Expenditure Statement and Balance Sheet of the year in view of the fact that the same is under dispute .

In my opinion and to the best of my information and explanations given to me the accounts together with the Notes there on give the information required by the Companies Act, 1956, and in the manner so required and give a true and fair view.

- (a) In the case of the Balance Sheet of the state of affairs of the company as on 31st March 2013, and
- (b) In the case of Income and Expenditure Account of the excess of income over expenditure for the year ended on that date. Poo Arota rootin

PLACE: CHENNAI

DATED: 2nd DEC 2013

CHARTERED ACCOUNTANT

# THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA SIGNIFICANT ACCOUNTING POLICIES:-

- 1. The method of Accounting is mercantile on accrual basis.
- A sum of Rs. 8, 82,697 representing irrecoverable subscriptions admitted as income in the earlier years under the mercantile system had been written off as Bad Debt.
- 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. Hence no provision had Been made for any Income tax liability for the current year.
- The Federation is a non profitable company involved in the promotion of Motor sports and there is no equity share, shareholder and no Distribution of Dividend.
- 5. Out of Rs. 1,00,00.000/- remaining as advance as on 1st April 2012 for the Indian National Rally Championship, only a sum of Rs 15, 00,000 /- had been admitted as income for the two events Conducted during the year. The balance of eight events towards which the advance Payments have been received had not taken place and hence the balance had been Considered as advance only and not considered as current years income.
- Out of the provision made for 2011 championship of prize distribution celebration
  Function in the accounts for the year ended 31.03.2012, sum of Rs. 8, 60,572 /Being the unspent amount had been considered as current year's income.
- Earnings in Foreign exchange are Rs. 22, 53, 795/ And the expenditure in Foreign exchange is Rs. 28,54,409

CHARTERED ACCOUNTANT

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P.N.BALASUBRAMANIAN

M. No. 003606

# THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA (INCORPORATED UNDER SECTION 25 OF THE COMPANIES ACT.)

## INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 st MARCH 2013

	NOTES	PREVIOUS YEAR 31.03.2012	31.03.2013
INCOME			
Revenue from Operations Motorsports Activity	1	14883497	16925499
Other Income	2	3149799	4447310
	Total	18033296	21372809
EXPENSES			
Employee Benefits		2078350	2628600
Finance Cost			
Depreciation		76,367	103,925
OTHER EXPENSES	3	9,005,248	10576412
	Total	11159965	13308937
Income before exceptional items		6,873,331	8,063,872
Company is seeking exemption under la hence no tax provision Net Income / Transfered to Reserve Earnings for Equity Shares		6,873,331 Not app	

CHARTERED ACCOUNTANT

M.No. 003606

DATED: 2nd December 2013

## THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA ( INCORPORATED UNDER SECTION 25 OF THE COMPANIES ACT )

#### BALANCE SHEET AS AT 31st MARCH 2013

	NOTES	PREVIOUS YEAR 31.03.2012	CURRENT YEAR 31.03.2013
EQUITY AND LIABILITIES			
Share holder funds (i) Share Capital		776	
(ii) Reserve and Surplus	4	31335194	
(iii) Protest fund		183503	183503
NON-CURRENT LIABILITIES		NIL	NIL
CURRENT LIABILITIES			
Other Current Liabilities	5	36530458	13828919
TOTAL		68049155	53411488
ASSETS			
NON-CURRENT ASSETS	-		
Fixed Assets Tangible	6 7	582515 39484876	
NON-CURRENT INVESTMENTS	/	33404070	40074001
CURRENT ASSETS			
Other Current Assets		23418322	3458679
Cash & Cash Equivalent		2013688	819709
Accrued Bank interest Receivable	1	2549754	2,657,059
TOTAL		68049155	53,411,488
As per my report of even date		9000 F	darooth

PLACE: CHENNAI

CHARTERED ACCOUNTANT

M. No. 003606

DATED: 2nd December 2013

# THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA (INCORPORATED UNDER SECTION 25 OF THE COMPANIES ACT.)

# NOTES ON INCOME AND EXPENDITURE STATEMENT

The second secon	07	A A
Total	3,149,799.00	4,447,310.00
Foreign Exchange Gain	90,948.00	
Interest	3,058,851.00	
OTHER INCOME	2	
Total	14,883,497.00	16,925,499.00
Sundries	19,540.00	
Unspent amount from Prize Giving Ceremony	10.510.00	860,572.00
FIM MX/SX Riders Training		421,539.00
Track Inspection Fees		10,132.00
Sponsorship INRC Rally	2,500,000.00	1,500,000.00
Protest Fees		80,000.00
Permit Fees	6,684,610.00	5,047,809.00
Naming Rigts	1,132,000.00	2,718,000.00
Membership Subscription	180,000.00	1,330,000.00
NRC Registration		450,000.00
-lomologation Fees	132,914.00	60,635.00
ines	108,800.00	262,742.00
Intrace Fees	65,000.00	200,000.00
Competition License Fees	4,060,633.00	3,984,070.00
Motorsports Activity		
Revenue from Operations		
NOTES	1	
	31.03.2012	31.03.2013
NOTE	S PREVIOUS YEAR	CURRENT YEAR

PLACE: CHENNAI

DATED: 2 ND DEC 2013

CHARTERED ACCOUNTANT M.No. 003606

# THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA ( INCORPORATED UNDER SECTION 25 OF THE COMPANIES ACT )

# NOTES ON INCOME AND EXPENDITURE STATEMENT

NOTES	PREVIOUS YEAR	CURRENT YEAR
	31.03.2012	31.03.2013

OTHER EXPENSES

3

Postage & Telegrams	193,368.00	208,190.00
Affiliation & Inscription subscription		
Charges to FIA, FIM (Net)	621,237.00	1,428,735.00
Seminar Expenses/Council Meeting Exp	429,598.00	588,614.00
Travelling & Conveyance		
Local Travel & Conveyance	1,178,202.00	1,353,051.00
Foreign Travel Expenses	161,619.00	1,368,885.00
Legal & Professional Charges	65,826.00	238,799.00
Other Expenses	616,558.00	607,177.00
Insurance	330,900.00	674,160.00
Office Expenses	201,663.00	101,780.00
2011 Championship Expenses Provision	3,500,000.00	
Tyre / Transport Subsidy	384,883.00	
FIM WRC		359,668.00
INRC Prize Money		670,000.00
INRC Results / Expenses	800,283.00	150,000.00
INRC TV Productions		909,664.00
Media Expenses	416,605.00	504,000.00
UAM Riders Expenses	104,506.00	280,992.00
Timing Equipment Expenses	10.0	250,000.00
Bad Debts		882,697.00
grana personal		828

Total

PLACE: CHENNAI

DATE: 2ND DEC 2013

9,005,248.00 10,576,412.00

CHARTERED ACCOUNTANT

M.NO.003606

### THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA (INCORPORATED UNDER SECTION 25 OF THE COMPANIES ACT)

### NOTES ON BALANCE SHEET

LIABILITIES	Notes	Previous Year 31.03.2012	Current Year 31.03.2013
Reserves & Surplus	4		
Opening Capital Fund		24,461,863.00	31,335,194.00
Net Profit for the year		6,873,331.00	8,063,872.00
	Total	31,335,194.00	39,399,066.00
	Notes	Previous Year 31.03.2012	Current Year 31.03.2013
Other Current Liabilities	5		
Sundry Creditors		5,000.00	55,250.00
Advance Received for INRC 2013-14		10,000,000.00	8,500,000.00
CIK FiA Prize Fund Payable			58,635.00
Competitors excess License Fee Payable			3,000.0
FiA Inscription Charges payable		20,253,298.00	1,054,383.00
FIA Subscription Payable		9	83,611.00
FIA Training Programme			3,095,824.00
FIM Officials License			120,554.00
Media Expenses Payable		0.770.460.00	126,000.00
Received in Advance		2,772,160.00	400,000.00 5,000.00
Service Charges 97-2000 PN Balasubramanian Telephone Charges Rajan Syal Payable			2,126.00
Timing Extrication Exp Payable IMG Sports			250,000.00
Travel & Conveyance Others Payable			74,536.00
Prize Giving Ceremony		3,500,000.00	14,000.00
The state of the s	Total	36,530,458.00	13,828,919.00

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Non Current Investments

6

Fixed Deposits in Bank of India, Adyar Branch

39,484,876.00

45,874,001.00

Total 39,484,876.00 45874001

PLACE : CHENNAI

DATED: 2 ND DEC 2013

CHARTERED ACCOUNTANT

M.No. 003606

NOTES: 4

## THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

FIXED ASSETS	S SCHEDULE 3	FOR THE Y	EAR ENDED 3	1 ST MARCH	12013		
			CIATION		Written Down Value		
S.NO Description	Cost as at 1.4.2012	Till 31.3.2012	Depn for The Year	Total	31.3,2013	31.3.2012	
1 Land	178700		MALLE		178700	17870	
2 Building	329960	261422	3427	264849			
3 Furniture	74315	72438	338	72776			
4 Cycle	1042	1032	. 2	1034	8		
5 Scrutinizing Tools	111455	95025	2284	97309	14146		
6 Electrical Fittings	20286	19111	163	19274	1012	117	
7 Cassette Tape Recorder	1266	1213	7	1220	46		
8 Office Equipments	34212	31892	322	32214	1998		
9 Computers ETC.,	216300	216149	60	216209	91	15	
10 Fax and Cell Phone	34500	29801	653	30454	4046	4699	
11 U P S and Scanner	41750	36276	2190	38466	3284	547	
12 Hard Disk	6900	5971	372	6343	557	929	
13 Lamination Machine	14415	9329	707	10036	4379	5086	
14 Timer Clocks, Printer	552278	471343	11250	482593	69685	8093	
15 Acer Scanner	4075	3327	299	3626	449	748	
16 Printer	3500	2809	276	3085	415	691	
17 Computer (2003)	15000	14899	40	14939	61	101	
18 Cannon Printer	3000	2220	312	2532	468	780	
19 Nokia 3310	8362	4574	527	5101	3261	3788	
20 Weighing Machine	7032	4910	295	5205	1827	2122	
21 Digital Copier	60000	48685	1573	50258	9742	11315	
22 Computers	104700	74974	11890	86864	17836	29726	
23 Airconditioners	36000	12701	3239	15940	20060	23299	
24 LapTop	43269	33923	3738	37661	5608	9346	
25 Panasonic Fax	7019	2540	623	3163	3856	4479	
26 Samsung Fridge	10250	3445	946	4391	5859	6805	
27 Scooty	39800	12692	7018	19710	20090	27108	
28 Ken Wood Base Stations	90000	30248	8306	38554	51446	59752	
29 HP Lazer Printer M1005	12000	556	4578	5134	6866	11444	
30 Lazer Printer LBP 2900	6600	229	2548	2777	3823	6371	
31 Samsung Laptop	27990	9727	7305	17032	10958	18263	
TOTAL	2095976	1513461	75288	1588749	507227	582515	
ADDITONS DURING THE YEAR							
32 Computer	31900		6380	6380	25520		
33 HP Colour Lazer jet M175A	35400		3540	3540	25520 31860		
34 UPS	56150		19717	10717	31000		

PLACE : CHENNAI DATE : 02-DEC-2013

GRAND TOTAL

34 UPS

DIRECTORS

56150

1513461

2219426

CHARTERED ACCOUNTANT M.NO.003606

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\* All ]

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NOTES: 4

## THE FEDERATION OF MOTOR SPORTS CLUBS OF INDIA

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24 LapTop	43269	33923	3738	37661	5608	9346	
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PLACE : CHENNAI DATE : 02-DEC-2013

GRAND TOTAL

34 UPS

DIRECTORS

56150

1513461

2219426

CHARTERED ACCOUNTANT M.NO.003606

18717

1617386

37433

582515

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\* All ]

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