

**ROYAL WESTERN INDIA TURF CLUB, LIMITED.**



**105<sup>TH</sup>  
ANNUAL  
REPORT**

**For The Year Ended March 31, 2020.**



# **ROYAL WESTERN INDIA TURF CLUB, LIMITED**

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## ROYAL WESTERN INDIA TURF CLUB, LTD.

### COMMITTEE

Z. S. Poonawalla (Chairman)  
Khushroo N. Dhunjibhoy  
Ms. Zinia Lawyer  
Milan A. Luthria  
Jaydev M. Mody  
Geoffrey B. Nagpal  
Surendra R. Sanas  
Vijay B. Shirke  
Dr. Ram H. Shroff

### Govt. Nominee (s):

Sanjay Kumar, IAS - Addl. Chief Secretary,  
Home.(up to 30<sup>th</sup> June 2020)  
Sitaram Kunte, I.A.S. - Addl. Chief Secretary,  
Home.(w.e.f.1st July 2020)  
Manu Kumar Srivastava. - Principal Secretary,  
Revenue.

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### SECRETARY & CEO

NHS Mani

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### PRINCIPAL BANKERS

Bank of India  
Central Bank of India  
ICICI Bank

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### AUDITORS

Walker Chandiok & Co LLP  
Chartered Accountants

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### ADVOCATES & SOLICITORS

ALMT Legal  
M Mulla Associates

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### PRACTICING COMPANY SECRETARY

Kaushik M. Jhaveri & Co.

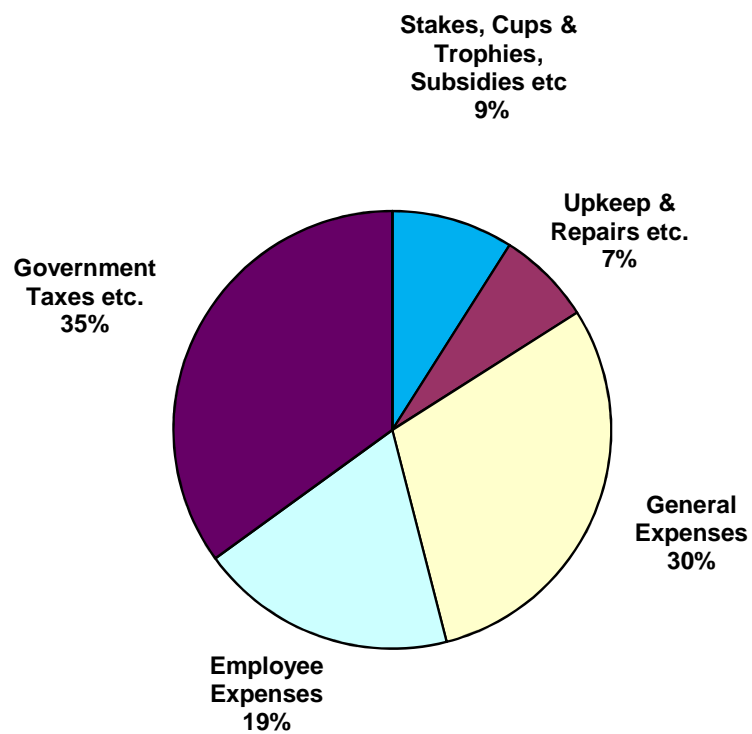
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### REGISTERED OFFICE IN THE STATE OF MAHARASHTRA CIN:

Race Course, Mahalakshmi  
Mumbai-400 034  
U1990MH1925PLC001182

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**ROYAL WESTERN INDIA TURF CLUB, LIMITED**  
**ANALYSIS OF EXPENDITURE \* 2019-2020**



\*Expenditure : Inclusive of Taxes not shown in Income & Expenditure Account.

# ROYAL WESTERN INDIA TURF CLUB, LTD.

## REPORT OF THE COMMITTEE

To the Members,  
For the year ended 31<sup>st</sup> March, 2020

Your Committee has pleasure in submitting its 105<sup>th</sup> Annual Report on the operations of the Club together with the Audited Accounts for the year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

### 1. Accounts:

(a) The Accounts for the year ended 31<sup>st</sup> March 2020, before considering depreciation shows a profit of Rs.13,40,59,832 /- (previous year profit of Rs.2,57,01,948/-). Depreciation for the year under review is Rs.6,14,99,943 /-(previous year Rs.6,81,81,376/-). Hence, the profit after considering depreciation is Rs.7,25,59,889 /-(previous year loss Rs.4,24,79,428/). Whilst this profit is after taking into account the decretal damages of Rs.10 crores received from M/s BJR's on account of the settlement approved at Extra Ordinary General Meeting on May 30,2019 the Committee has even otherwise done very well for keeping the losses to the minimum without taking into consideration the decretal damage of Rs.10 crores and in fact generated a cash profit of Rs.3,40,59,832/- this year (last year cash profit of Rs.2,57,01,948), despite loss of income from bookmakers at Mumbai throughout the year, Race days (both Club and Inter Venue) lost in the month of March 2020 due to Pandemic, as a result of tapping avenues of increasing income, settling long pending Royalty income matters with other Race Clubs and constant endeavor to keep costs under control.

(b) The Committee refers to item no. 3 of the Auditors Report and would like to inform that as stated in note no 38 of Notes forming part of the financial statements the Club is confident of receiving refund of the differential Goods and Service tax (GST) paid under protest and accordingly the said amount is included under "Long term Loans and Advances".

### 2. Directors' Responsibility Statement as per Section 134 (3) (c) of the Companies Act 2013:

Members of the Managing Committee hereby confirm:

(i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable.

(ii) The accounting policies have been selected and applied consistently and the Committee has made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Club at the end of the financial year and of the loss of the Club for that period.

(iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Club and for preventing and detecting fraud and other irregularities.

(iv) That the annual accounts are prepared on a going concern basis.

(v) That proper internal financial controls were laid down and such internal financial controls were adequate and were operating effectively; and

# ROYAL WESTERN INDIA TURF CLUB, LTD.

(vi) That proper systems were devised to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

## 3. **Efforts to improve finances of the Club:**

The Club continued its efforts to improve revenue, despite challenging circumstances, improved revenues at Turf Club House and banqueting and events at the Mahalaxmi Race Course. Maintaining tight control over costs remains a focus. The cash flows this year were boosted by decretal damages received from M/s. BJR's of Rs.10 crores, Income tax refunds pertaining to past periods received to the tune of Rs.9.86 crores (inclusive of interest of Rs.1.99 crores) and refund/adjustment of ESI deposits/interest of Rs.60 lakhs released by ESI courts to settle the ESI liability. These efforts to shore up cashflow have continued in 2020-21 to manage the unprecedented situation due to Covid-19.

## 4. **Efforts to improve operations / systems of the Club:**

Your Committee is happy to inform you that the Club has implemented during the year the state of the art North Alley's Totalisators System, which replaced the decades old Totalisators system. This has enabled the Club to introduce more pools for the benefit of the racing public. The Committee is confident that the Club will cater to increase in requirements of the racing public with the help of this automation / modernization. The Committee is also working on the Racing ERP. Whilst there is a delay due to the complexity in the system, efforts are underway to complete this project as soon as possible.

## 5. **Totalizators Turnover (including Fixed Odds Betting) :**

The total investment during the year under review (inclusive of charity days), was Rs.59.38 crores over 330 meetings of live racing and inter-venue betting (including Fixed Odds Betting over 239 meetings) as against Rs.75.50 crores in previous year over 360 meetings (including Fixed Odds Betting over 254 meetings ).

## 6. **Attendance:**

The total attendance during the year under review (for live and inter-venue days) was 9,26,874 for 330 meetings as against 11,24,242 for 360 meetings in the previous period. Betting taken on two racing centres on the same day, is counted as one day.

## 7. **State and Municipal Taxes / Fees:**

a. The total amount accruing to the government by way of Racing licence fee for the year under review was Rs.6.28 crores as against Rs.5.71 crores for the previous period.

b. In addition to the above, during the financial year under review, Rs.3.16crores (previous period Rs.3.50 crores) was paid/payable and provided for payment to the Municipal Corporation of Greater Mumbai by way of ground rent and other Municipal taxes.

## 8. **Sponsored Races:**

The Club is in talks with the United Breweries Ltd. for the continuation of the Indian Derby sponsorship. With the support of the sponsors, the Club was able to have an excellent Indian Derby weekend in February 2020.

# ROYAL WESTERN INDIA TURF CLUB, LTD.

The total sponsorship contribution for the Pune Meeting 2019 and truncated Mumbai Meeting 2019-20 were Rs.5.16 crores as compared to Rs.4.48 crores during the previous year.

## 9. **Stakemoney:**

The Club increased the stakemoney to 100% from January 2020 during the Mumbai season which was at 75% through the Pune Season 2019 and part of Mumbai season due to non-operation of bookmakers at the Mumbai Race Course and the resultant financial crisis.

## 10. **Licence to Race:**

The Club had applied for the Licence to Race for three years i.e. 2020-21, 2021-22 and 2022-23. However, the Club is yet to receive the Licence to Race for the year 2020-2021.

We have also applied for permissions for issuing licence to certain bookmakers to operate at the Mumbai and Pune Race Courses.

## 11. **Online Betting:**

Your Committee has already applied to the Government of Maharashtra for permission for online betting on its Totalisators wherein one could bet from outside without coming to the Race Course and seeing the races online through live streaming. Your Committee is making all efforts to obtain this clearance as soon as possible. In the meantime the Club has already signed an agreement with PayTm First Games Ltd. (PFG), subject to approval from Government, in this regard who would also introduce fantasy game on horse racing at the Mumbai and Pune Race Courses.

## 12. **Current situation vis-à-vis COVID-19 pandemic:**

Due to the outbreak of Covid-19 and the lockdown imposed by Government, the Club had to abruptly discontinue the Mumbai Racing Season 2019-20 on 15<sup>th</sup> March 2020. The Club normally starts the Pune Racing Season in end July every year whereas this year the Club was unable to start the Pune Racing Season 2020 on time owing to the pandemic situation. The Club has applied to the Government of Maharashtra for permission to conduct closed door racing and the clearance is awaited. As all are aware, the current Covid-19 pandemic continues to viciously engulf the world economy and has posed significant and crucial challenges to all establishments big and small, disrupting the existence of all business activities including horse racing and Restaurants/Events on which depends your Club's survival. Your Club's activities have also been adversely impacted due to lockdowns imposed, restrictions on commencement of activities involving Sports, Entertainment and leisure involving public participation. Your Committee is working on a continuous basis to ensure Club passes through these turbulent times with minimum impact.

## 13. **Indian Turf Invitation Cup Weekend to be held in 2021:**

The Chairmanship of the Turf Authorities of India for the year 2020-21 is with your Club. It is the turn of our Club to host the Indian Turf Invitation Cup in March 2021; we are hopeful of hosting this event which at present is clouded with uncertainty in view of Covid-19.

# ROYAL WESTERN INDIA TURF CLUB, LTD.

## 14. Social Responsibility:

The Club has raised funds for charities towards Armed Forces Flag Fund and Army Welfare Fund. The Club also held 15 race days during the financial year in aid of various charities.

We also wish to inform you that the Club offered part of its facilities to Government for a Covid-19 treatment centre at Mahalaxmi Race Course and stay arrangements for Health Care staff at Turf Club House, Pune.

## 15. Annual Sales 2020:

The Club successfully conducted the Annual Sale 2020 in February 2020 at the Mumbai Race Course, which was appreciated by racing fraternity with the participation of about 87 horses and with 34 horses going under the hammer at an average price of Rs.16,73,529/-.

## 16. Marketing Efforts:

The Marketing Working Group has taken various measures to promote Racing and improve footfalls. Promotional efforts for The Indian Derby weekend and The Poonawalla Breeders Million weekend especially using the BEST buses and Hoardings at prominent places helped greater visibility to the sport. Flea markets were organized by various sponsors during the weekend bringing in large number of people especially those who come for the first time.

## 17. Lease of the Mumbai Race Course

The lease in respect of the Mumbai Race Course expired on 31<sup>st</sup> May 2013 and the Club has applied for renewal which is under consideration.

## 18. Attendance of Committee Members for Committee Meetings:

From the date of the last Annual General Meeting of the Club held on 11<sup>th</sup> September 2019 till 23<sup>rd</sup> September 2020, the number of Committee Meetings held and the attendance of Committee Members is as under:-

(a)	Number of Scheduled Regular Committee Meetings	:	21
(b)	Number of Special / Emergency Committee Meetings	:	4
			---
	Total Number of Meetings	:	25
			==



# ROYAL WESTERN INDIA TURF CLUB, LTD.

	Number of Scheduled Regular Committee Meetings attended	Number of Emergency / Special Meeting attended	Total
Mr. Z. S. Poonawalla	21	4	25
Mr. Khushroo N. Dhunjibhoy	10	1	11
Ms. Zinia Lawyer	20	4	24
Mr. Milan A. Luthria	20	4	24
Mr. Jaydev M. Mody	7	0	7
Mr. Geoffrey B. Nagpal	21	3	24
Mr. Surendra R. Sanas	21	4	25
Mr. Vijay B. Shirke	14	1	15
Dr. Ram H. Shroff	16	3	19

**19. Comments on conservation of Energy and Technology Absorption pursuant to Sec 134(3)(m) of the Companies Act, 2013:**

Having regard to the nature of the business of the Club, the Committee does not have any comments to offer in regard to these matters.

**20. Comments on Foreign Exchange Earnings and Outgo:**

There are no foreign exchange earnings and outgo apart from those mentioned in Note 29 of the Notes forming part of the Accounts.

**21. Details of Loans, Guarantees or Investments under Section 186:**

The Club has not given any loan, guarantee or security to any person. The Club had invested surplus funds in bank deposits and with Mutual Funds. The Investments are within the limits prescribed as per Section 186 of the Companies Act, 2013.

**22. Related Party Transactions:**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, the Company is not required to report in the prescribed Form AOC-2 and does not form part of the Report.

**23. Particulars of Employees and related disclosures:**

In terms of the provisions of the Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014, none of the Club's employees fall under this category.

# ROYAL WESTERN INDIA TURF CLUB, LTD.

## 24. Extract of Annual Return:

Form MGT – 9 providing an extract of the Annual Return in terms of Section 92 of the Companies Act, 2013 and the rules made there under is annexed to this report.

## 25. Risk Management (As per Section 134 (3) (n)):

The Committee of the Club does not foresee any risk barring natural calamities and unforeseen circumstances during the period under review. Committee has assessed the risk arising out of the Covid-19 situation on Club's activities in the year 2020-21 and has taken adequate steps to minimize the same on its operations and finances.

## 26. Auditors:

M/s. Walker Chandio & Co. LLP has been appointed as Auditors of the Club from the conclusion of the 104<sup>th</sup> Annual General Meeting till the conclusion of the 109<sup>th</sup> Annual General Meeting.

## 27. Transfer to Reserve

In view of the accumulated losses, the Company did not transfer any amount to General Reserve during the period under review.

## 28. Cost Records pursuant sub section (1) of section 148 of the Companies Act, 2013:

The Provisions of maintenance of cost records and as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Club.

## 29. Disclosure under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

As per the Requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The Company takes all necessary measures to ensure a harassment free workplace. No complaints relating to sexual harassment were reported during the year.

## 30. Secretarial Standards issued by ICSI:

The Company has generally complied with the Secretarial Standard 1 (Board Meeting) and Secretarial Standard 2 (General meetings).

## 31. Management Committee Members:

Pursuant to Article 89, Article 91 & Article 93 of the Articles of Association of the Club, the following Committee Members are liable for retirement and being eligible to offer themselves for re-appointment:

# ROYAL WESTERN INDIA TURF CLUB, LTD.

1. Mr. Z. S. Poonawalla
2. Mr. Khushroo N. Dhunjibhoy
3. Ms. Zinia Lawyer
4. Mr. Milan A. Luthria
5. Mr. Jaydev M. Mody
6. Mr. Geoffrey B. Nagpal
7. Mr. Surendra R. Sanas
8. Mr. Vijay B. Shirke
9. Dr. Ram H. Shroff

**32. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concerns Status and Company's Operations in Future:**

NIL

**33. Disclosures:**

Your Directors state that no disclosure or reporting is required in respect of following items for reasons stated therein:

1. Corporate Social Responsibility under section 135 – Not applicable in view of loss.
2. Appointment of Independent Directors under Section 149 – Not applicable
3. Constitution of Nomination and Remuneration Committee and Stakeholders Relationship Committee under Section 178 – Not applicable
4. Public Deposits under Chapter V of Companies Act, 2013 – No such deposits accepted.
5. Section 204 relating to secretarial audit for bigger companies

**34. Obituary:**

Your Committee regrets to report the death of:

## CLUB MEMBERS

Bulchandani, Esq., Arjun  
Chattaram, Esq., Mohan  
Chhabria, Esq., Rajan C.  
Daga, Esq., Rajesh R.  
Ghadiali, Esq., Buder A.  
Hemrajani, Esq., Prakash  
Jeejeebhoy, Esq., Byram N.  
Jhaveri, Esq., Mandlik J.  
Kapoor, Esq., Rishi Raj  
Mittal, Esq., Sunil P.

Pardesi, Esq., Anil C.  
Patankar, Esq., Madhav G.  
Patel, Esq., Virendra K.  
Patel, Esq., Arun S.  
Poncha, Esq., Fali A.  
Poonawala, Esq., Mudrik T.  
Shah, Esq., Anand A.  
Shah, Esq., Hemendra M.  
Shah, Esq., Champaklal M.  
Thakker Esq., Mahesh N.

## LIFE MEMBERS

Balani, Esq., Ishwar D.  
Chhabria, Esq., Nandu  
Choksi, Esq. Shashikant S.

Misra, Capt., Kailash Nath  
Pawar, Esq., Rajendra S.  
Sathe, Dr., Madhukar D.

# ROYAL WESTERN INDIA TURF CLUB, LTD.

Ebrahim, Esq., Ahmed  
Goyal, Dr., Chaitanya K.

Shah, Mrs. Darshana C.

## STAND MEMBERS

Amersey, Esq., Purshottam Nandlal  
Ashar, Esq., Jaymankumar H.  
Chopra, Esq., Durga Dass  
Fatehi, Esq., Khizer R.  
Khiani, Esq., Metharam R.  
Makhija, Esq., Nandlal G.

Nangalia, Esq., Ramgopal  
Sanghvi, Esq. Chandrakant Phulchand  
Sethna, Esq., Homi Cawas  
Tulpule, Dr. Mahesh R.  
Velkar, Esq., Shripad M.

## LADY STAND MEMBERS

Anand, Mrs. Krishna  
Chothia, Mrs. Rodabeh B.  
Dossa, Mrs. Zarina S.  
Hoosein, Mrs. Katie  
Karanjia, Mrs. Gulnaar Kerman  
Mascarenhas, Mrs. Tressie

Mehta, Mrs. Dhun Keki  
Mukerjee, Mrs. Elsa  
Poonawalla, Mrs. Farhana M.  
Shermahomed, Mrs. Mumtaz  
Tyebjee Mrs. Sara H.

### 35. Acknowledgement:

The Management Committee wishes to place on record their appreciation for the co-operation received from the Club's Officials and staff during the year, particularly in view of the fact that your Club is a service company whose core strength lies in its personnel.

Z. S. POONAWALLA  
CHAIRMAN  
ROYAL WESTERN INDIA TURF CLUB, LTD.

Mumbai: 23<sup>rd</sup> September 2020

# ROYAL WESTERN INDIA TURF CLUB, LTD.

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U91990MH1925PLC001182
2.	Registration Date	01/04/1925
3.	Name of the Company	Royal Western India Turf Club Limited
4.	Class of Company	Public Company
5.	Company Category	Company Limited by Guarantee
6.	Company Sub-category	Indian Non – Government Company
7.	Address of the Registered office & contact details	Race Course, Mahalaxmi, Mumbai – 400034. 022-23071407/ 022-23071401 secretary@rwitc.com
8.	Whether listed company	No
9.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Horse Racing	9319	62%
2	Club Activities	9329 & 9499	38%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

<del>Sr. No.</del>	<del>Name and address of the company</del>	<del>CIN / GLN</del>	<del>Holding/ Subsidiary/ Associate</del>	<del>% of shares held</del>	<del>Applicable Section</del>

# ROYAL WESTERN INDIA TURF CLUB, LTD.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>									
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									

# ROYAL WESTERN INDIA TURF CLUB, LTD.

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>									

## (ii) SHAREHOLDING OF PROMOTERS

# ROYAL WESTERN INDIA TURF CLUB, LTD.

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1								
2								

## iii) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:(Other than Directors, Promoters and Holders of GDRS and ADRS):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

## (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company



# ROYAL WESTERN INDIA TURF CLUB, LTD.

	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

## V. INDEBTEDNESS - Indebtedness of the company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	--	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					

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2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

## B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	others, specify...		
5	Others, please specify		

# ROYAL WESTERN INDIA TURF CLUB, LTD.

	Total		
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## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding	Section 108	Compounding the offence of non-providing e-voting facility to Members as the same was not notified on the date of issue of Notice calling EOGM on 25 <sup>th</sup> April 2015	Application is in process	NCLT (erstwhile Company Law Board)	NA
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Z. S. POONAWALLA  
CHAIRMAN

ROYAL WESTERN INDIA TURF CLUB, LTD.

Mumbai : 23<sup>rd</sup> September 2020.

\*\*\*\*\*

## **Independent Auditor's Report**

### **To the Members of Royal Western India Turf Club, Limited**

#### **Report on the Audit of the Financial Statements**

##### **Qualified Opinion**

1. We have audited the accompanying financial statements of Royal Western India Turf Club, Limited ('the Club'), which comprise the Balance Sheet as at 31 March 2020, the Income and Expenditure Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Club as at 31 March 2020, and its surplus and its cash flows for the year ended on that date.

##### **Basis for Qualified Opinion**

3. As detailed in note 38 to the accompanying financial statements, the Club's long-term loans and advances as at 31 March 2020, includes amount paid under protest in relation to differential tax rate for the period 1 July 2017 to 22 January 2018 and aggregating Rs. 11,33,13,633/- on account of Goods and Service Tax (GST), which is under dispute and considered good and recoverable by the management. However, in the absence of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of such amounts paid under protest, we are unable to comment on the recoverability of the aforesaid amount paid under protest, which has been included under "Long term Loans and Advances" and the consequential impact, if any, on the accompanying financial statements.

The predecessor auditor's report on the financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 Club in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 qualified opinion.

##### **Emphasis of Matters**

##### **5. COVID-19 Impact**

We draw attention to Note 39 of the accompanying financial statements, which describes the uncertainties relating to the effects of the COVID-19 pandemic outbreak and the management's evaluation of its impact on the operations of the Club, the extent of which is dependent on future developments. Our opinion is not modified in respect of this matter.

**6. On Renewal of land lease**

We draw attention to Note 34(b)(i) to the accompanying financial statements, which states that the lease of land at Mahalaxmi, Mumbai, has been renewed from time to time and was last renewed vide lease deed dated 07 April 2004, for the period of nineteen years from 01 June 1994 up to 31 May 2013. The management of the Club is confident that the lease will be renewed further from time to time, and, accordingly, the depreciation on buildings on leasehold land at Mahalaxmi, Mumbai, is provided over the useful lives referred to in Note 2A(i) to the accompanying financial statements and pending renewal of the lease, the ground rent and extra ground rent {including towards hire of lawn, helipad charges, commitment fees and royalty/panel fees, as applicable, from decorators and caterers} in respect of the aforesaid land has been provided by the Club for the year ended 31 March 2020, on the basis of lease deed dated 07 April, 2004, as referred above. Our opinion is not modified in respect of this matter.

**Information other than the Financial Statements and Auditor's Report thereon**

7. The Club's Board of Directors (the "Committee") is responsible for the other information. Other information obtained at the date of this auditor's report is information included in the committee 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

8. The accompanying financial statements have been approved by the Club's Committee. The Club's Committee is responsible for the matters stated in section 134(5) of the Act 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 Club in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Club 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Club'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 management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.
10. Such a Committee are also responsible for overseeing the Club's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

11. 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 of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is 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;
  - 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 Act, we are also responsible for expressing our opinion on whether the Club has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - 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 Club'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 Club to cease to continue as a going concern; and
  - 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.
13. 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.

### **Other Matter**

14. The financial statements of the Club for the year ended 31 March 2019 were audited by the predecessor auditor, Deloitte Haskins and Sells, who have expressed a qualified opinion on those financial statements, vide their audit report dated 08 August 2019.

## **Report on Other Legal and Regulatory Requirements**

15. Based on our audit, we report that the provisions of section 197, read with Schedule V to the Act, are not applicable to the Club since the Club is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Club so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) the matters described in Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Club;
  - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - g) the qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion section;
  - h) we have also audited the internal financial controls with reference to financial statements of the Club as on 31 March 2020, in conjunction with our audit of the financial statements of the Club for the year ended on that date, and our report dated 26 September 2020, as per Annexure B, expressed modified opinion; and
  - i) 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:
    - i. the Club, as detailed in note 25(A) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
    - ii. the Club did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Club during the year ended 31 March 2020; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423  
UDIN: 20042423AAAAHD7194

**Place:** Mumbai  
**Date:** 26 September 2020



**Annexure A to the Independent Auditor's Report of even date to the members of Royal Western India Turf Club, Limited, on the financial statements for the year ended 31 March 2020**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Club and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Club has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Club has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Club and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the lease deeds provided to us, we report that the immovable properties of lease hold land at Pune and buildings constructed thereon, are held in the name of the Club as at the balance sheet date. In respect of leasehold land at Mumbai and buildings constructed thereon, the lease deed was last renewed up to 31 May 2013 in respect of which the Club is confident that the lease will be renewed further. (Also refer Note 34(b)(i))
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Club has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Club has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Club has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Club's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Club is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, Cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

**Annexure A to the Independent Auditor's Report of even date to the members of Royal Western India Turf Club, Limited, on the financial statements for the year ended 31 March 2020**

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues:**

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount (Rs.)</b>	<b>Amount paid under Protest (Rs.)</b>
The Income Tax Act, 1961	Disallowance of Voluntary Contribution received from Members	Commissioner of Income Tax, Appeals	2011-12	68,14,995	-
	Disallowance of Entrance Fees and Infrastructure Contribution made by Members.	Income Tax Appellate Tribunal*	2012-13	5,05,47,212	-
	Disallowance of Entrance Fees and Annual Subscription Charges.	Hon'ble High Court of Bombay*	2008-2009, 2010-2011 and 2011-2012	15,83,75,132	-
	Non-deduction of TDS on Stake Money	Hon'ble High Court of Bombay*	2012-13	11,76,63,242	2,50,00,000
Maharashtra Entertainment Duty Act, 1923	Levy of entertainment tax and interest on mobile phone permit budges along with gate receipts.	Hon'ble High Court of Bombay	February 2002 to March 2005	64,34,449	33,00,000
The Finance Act, 1994 (Service Tax)	Applicability of Service Tax	Commissioner of Service Tax	April 2008 to June 2017	9,84,87,548	75,43,053
Maharashtra Value Added Tax Act, 2002	Levy of tax and interest	Assessing Authority	2013-2014	12,76,089	-
	Levy of tax and interest	Joint Commissioner	2008-2009	41,56,414	3,00,000

\*Income tax matters decided in favour of the Club where Department is in appeal.

- (viii) The Club has no loans or borrowings payable to a financial institution or a bank or government and has no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Club is a Company limited by Guarantee and has not raised moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) In our opinion, no fraud by the Club or on the Club by its officers or employees has been noticed or reported during the period covered by our audit.

**Annexure A to the Independent Auditor's Report of even date to the members of Royal Western India Turf Club, Limited, on the financial statements for the year ended 31 March 2020**

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act, are not applicable to the Club since the Club is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Club is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Club is not required to constitute an audit committee under Section 177 of the Act.
- (xiv) Having regard to the fact that the Club is a Company limited by Guarantee, reporting under clause (xiv) of the order relating to any preferential allotment or private placement of shares or fully or partly convertible debentures is not applicable.
- (xv) In our opinion, the Club has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Club is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423  
UDIN: 20042423AAAAHD7194

Place: Mumbai  
Date: 26 September 2020

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Royal Western India Turf Club, Limited ('the Club') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Club as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Club's Board of Directors (the "Committee") is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Club considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Club's business, including adherence to the Club's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Club's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Club's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A Club's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

**Annexure B to the Independent Auditor's Report of even date to the members of Royal Western India Turf Club, limited on the financial statements for the year ended 31 March 2020**

principles. A Club's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Club; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Club are being made only in accordance with authorisations of management and directors of the Club; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Club's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified opinion**

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Club's internal financial controls with reference to financial statements as at 31 March 2020:

The Company's internal financial control over financial reporting with respect to the assessment of recoverability of amount paid under protest for disputed case of Goods and Service Tax (GST) (as explained in note no 38 to the financial statements) as per the applicable accounting standards, were not operating effectively, which could potentially result in material misstatements in the carrying value of the loans and advances and the consequential impact, if any, on the accompanying financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Club's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Club has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Club, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Club's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

**Annexure B to the Independent Auditor's Report of even date to the members of Royal Western India Turf Club, limited on the financial statements for the year ended 31 March 2020**

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Club as at and for the year ended 31 March 2020, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a modified opinion on the financial statements.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423  
UDIN: 20042423AAAAHD7194

**Place:** Mumbai  
**Date:** 26 September 2020

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
(1) <b>Shareholders' funds</b>					
Reserves and surplus	3		94,31,36,563		84,01,16,674
(2) <b>Benevolent Fund</b>	4		-		-
(3) <b>Non-current liabilities</b>					
(a) Other Long term liabilities	5	2,02,95,814		1,67,95,814	
(b) Long-term provisions	6	3,03,30,406		2,86,70,423	
			5,06,26,220		4,54,66,237
(4) <b>Current liabilities</b>					
(a) Trade payables	7				
- total outstanding dues of Micro Enterprises and Small Enterprises		-		-	
- total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		34,74,71,975		27,93,13,436	
(b) Other current liabilities	8	28,46,68,402		31,09,71,972	
(c) Short-term provisions	9	1,25,57,068		1,24,69,069	
			64,46,97,445		60,27,54,477
<b>TOTAL</b>			<b>1,63,84,60,228</b>		<b>1,48,83,37,388</b>
<b>II. ASSETS</b>					
(1) <b>Non-current assets</b>					
(a) Property, plant and equipment	10 (i)	40,09,32,496		44,09,74,756	
(b) Intangible assets	10 (ii)	18,37,404		44,36,619	
(c) Capital work-in-progress		12,64,830		35,64,828	
(d) Intangible asset under development		23,20,000		23,20,000	
		40,63,54,730		45,12,96,203	
(e) Non-current investments	11	22,70,87,135		16,75,20,000	
(f) Long-term loans and advances	12	22,59,95,730		30,47,36,976	
(g) Other non-current assets	13	3,82,20,200		64,92,679	
			89,76,57,795		93,00,45,858
(2) <b>Current assets</b>					
(a) Current investments	14	10,00,00,000		14,50,00,000	
(b) Inventories	15	1,36,81,389		1,54,03,386	
(c) Trade receivables	16	18,27,30,050		8,41,23,693	
(d) Cash and bank balances	17	33,15,96,787		19,57,26,501	
(e) Short-term loans and advances	18	8,78,50,727		7,88,26,569	
(f) Other current assets	19	2,49,43,480		3,92,11,381	
			74,08,02,433		55,82,91,530
<b>TOTAL</b>			<b>1,63,84,60,228</b>		<b>1,48,83,37,388</b>
<b>Summary of significant accounting policies</b>	<b>1-2A</b>				
<b>The accompanying notes forming part of the financial statements</b>	<b>3-40</b>				

In terms of our report attached

**For Walker Chandiok & Co LLP**

Chartered Accountants

(Firm's Registration No. 001076N/N500013)

Z. S. Poonawalla  
Khushroo N. Dhunjibhoy  
Ms. Zinia Lawyer  
Milan A. Luthria  
Jaydev M. Mody  
Geoffrey B. Nagpal  
Surendra R. Sanas  
Vijay B. Shirke  
Dr. Ram H. Shroff

Chairman  
Member of the Committee  
" " "  
" " "  
" " "  
" " "  
" " "  
" " "  
" " "

**Khushroo B. Panthaky**

Partner

(Membership No.042423)

N. H. S. Mani

Secretary & CEO

Place : Mumbai

Date : 26th September 2020

Place : Mumbai

Date : 23rd September 2020

Income and Expenditure Account for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
		Rs.	Rs.
<b>I. Revenue</b>			
Revenue from operations	20	77,95,10,886	86,42,81,747
Other income	21	19,26,07,384	5,01,62,335
<b>Total Revenue (I)</b>		<b>97,21,18,270</b>	<b>91,44,44,082</b>
<b>II. Expenses</b>			
Employee benefits expense	22	22,21,18,791	23,32,90,196
Finance costs	23	13,22,560	1,60,14,534
Depreciation expense	10	6,14,99,943	6,81,81,376
Other expenses	24	61,46,17,087	63,94,37,404
<b>Total expenses (II)</b>		<b>89,95,58,381</b>	<b>95,69,23,510</b>
<b>III. Excess/(Deficit) of income over expenditure before tax (I)-(II)</b>		<b>7,25,59,889</b>	<b>(42,479,428)</b>
<b>IV. Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>V Surplus/(Deficit) for the year from continuing operations (III)-(IV)</b>		<b>7,25,59,889</b>	<b>(42,479,428)</b>
<b>Summary of significant accounting policies</b>	<b>1-2A</b>		
<b>The accompanying notes forming part of the financial statements</b>	<b>3-40</b>		

In terms of our report attached  
**For Walker Chandiok & Co LLP**  
Chartered Accountants  
(Firm's Registration No. 001076N/N500013)

Z. S. Poonawalla  
Khushroo N. Dhunjibhoy  
Ms. Zinia Lawyer  
Milan A. Luthria  
Jaydev M. Mody  
Geoffrey B. Nagpal  
Surendra R. Sanas  
Vijay B. Shirke  
Dr. Ram H. Shroff

Chairman  
Member of the Committee  
" " "  
" " "  
" " "  
" " "  
" " "  
" " "

**Khushroo B. Panthaky**  
Partner  
(Membership No.042423)

N. H. S. Mani

Secretary & CEO

Place : Mumbai  
Date : 26th September 2020

Place : Mumbai  
Date : 23rd September 2020



Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Excess/ (Deficit) of Income over Expenditure before tax		7,25,59,889		(4,24,79,428)
Adjustments for:				
Depreciation expense	6,14,99,943		6,81,81,376	
(Profit)/Loss on Property, plant and equipment sold/discarded (net)	(1,88,738)		(2,94,415)	
Finance costs	13,22,560		1,60,14,534	
Provision for trade and other receivables, loans and advances (net)	15,08,261		15,00,961	
Interest income	(3,95,51,446)		(92,25,434)	
Profit on sale/ redemption of investments in mutual funds	(1,73,57,999)		(44,88,393)	
Provision for ESIC Liability	-		66,52,000	
Provision for mutual fund investment	33,60,388		-	
		1,05,92,969		7,83,40,629
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		8,31,52,858		3,58,61,201
Adjustments for:				
(Increase)/Decrease in Inventories	17,21,998		(4,60,474)	
(Increase)/Decrease in Trade and other receivables	(11,62,80,978)		(5,48,78,799)	
Increase/(Decrease) in Trade and other payables /Provisions	4,71,02,951		3,29,49,351	
		(6,74,56,029)		(2,23,89,922)
<b>CASH GENERATED FROM /(USED IN) OPERATIONS</b>		1,56,96,829		1,34,71,279
Direct Taxes (Paid)/ Refund received (net)		7,09,58,592		(2,58,27,425)
Fund collected on behalf of and (paid)over to the Benevolent Fund (net)		(5,67,143)		72,692
<b>NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)</b>		8,60,88,278		(1,22,83,454)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on Property, plant and equipment (after adjustment of increase/ decrease in capital work-in-progress and advance for capital expenditure)	(1,57,75,123)		(3,01,50,109)	
Proceeds from sale of Property, plant and equipment	2,16,991		46,15,610	
Interest received	3,63,22,231		91,35,721	
Investment in Bank Fixed Deposit	(12,83,38,647)		(86,42,006)	
Purchase of investments in mutual funds	(23,00,00,000)		(9,00,00,000)	
Proceeds from sale/redemption of investments in mutual funds	22,94,30,476		12,44,88,393	
		(10,81,44,072)		94,47,609
<b>NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES (B)</b>		(10,81,44,072)		94,47,609
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Entrance fees received from Members	3,04,60,000		3,00,00,000	
Finance costs paid	(13,22,560)		(14,45,985)	
		2,91,37,440		2,85,54,015
<b>NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES ( C)</b>		2,91,37,440		2,85,54,015
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		70,81,646		2,57,18,170
Cash and cash equivalents at the beginning of the year		8,21,71,597		5,64,53,427
Cash and cash equivalents at the end of the year		8,92,53,243		8,21,71,597
<b>Cash and cash equivalents at the end of the year comprises:</b>		<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>
		<b>(Rs.)</b>		<b>(Rs.)</b>
(a) Balances with banks				
(i) In current accounts		5,80,28,840		4,99,73,839
(ii) In savings accounts		2,44,85,591		2,02,63,252
(b) Cheques on hand		-		81,218
(c) Cash on hand		67,38,812		1,18,53,288
<b>Cash and cash equivalents at the end of the year</b>		<b>8,92,53,243</b>		<b>8,21,71,597</b>

Cash Flow Statement for the year ended 31st March, 2020

<b>Footnotes:</b>	
(i) The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.	
(ii) Previous year figures have been regrouped to conform with those of the current year	
Summary of significant accounting policies	1-2A
The accompanying notes forming part of financial statements	3-40

In terms of our report attached.

For Walker Chandok & Co LLP

Chartered Accountants

(Firm's Registration No. 001076N/N500013)

Khushroo B. Panthaky

Partner

(Membership No.042423)

Place : Mumbai

Date : 26th September 2020

Z. S. Poonawalla

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N. H. S. Mani

Secretary & CEO

Place : Mumbai

Date : 23rd September 2020

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes forming part of the financial statements

### Significant Accounting Policies:

#### 1. Club Overview:

Royal Western India Turf Club, limited ('the Club'), one of the oldest and most well-known horse racing Club in the country, established in the year 1925 as Company limited by Guarantee. Club Conducting horse races in Mumbai and Pune location.

Every Member of the Club undertakes or guarantees to contribute to the assets of the Club, in the event of the same being wound up during the time that he is a member or within one year afterwards, for payment of the debts and liabilities of the Club contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding one Rupee. Every Club Member is entitled to one vote at the general meeting.

#### 2. Basis of Preparation:

##### (i) Basis of accounting and preparation of financial statements:

The financial statements of the Club have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

##### (ii) Functional and presentation currency:

These financial statements are presented in Indian rupee (INR), which is also Club's functional currency.

##### (iii) Use of estimates and judgements:

The preparation of financial statements, in conformity with Indian GAAP, requires the club's committee to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the committee's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### (iv) Current and non-current classification:

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

### 2A. Significant Accounting Policies:

#### (i) Property, plant and equipment including intangible assets:

Property, plant and equipment are stated at cost less accumulated depreciation. Cost comprises of purchase / acquisition price, non-refundable taxes and any directly attributed cost of bringing the asset to its working condition for its intended use.

Assessment of indication of impairment of an asset is made at the period-end and impairment loss, if any, is recognised.

Depreciation on property, plant and equipment's [including buildings on leasehold land at Mumbai referred to in Note 34(b)(i)] has been provided on the written down value method as per the useful lives prescribed in Schedule II to the 2013 Act, except in respect of semi permanent



# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes forming part of the financial statements

stables at Pune, which are depreciated over its estimated useful life of 20 years based on technical evaluation.

### (ii) Leases:

Assets acquired under lease where the Club has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Income and Expenditure Account over the lease period.

### (iii) Foreign Exchange Transaction:

Foreign currency transactions during the period are recorded at the rate of exchange prevailing at the date of transaction. All foreign currency monetary items outstanding at the period-end are translated at the period-end exchange rates. Exchange gains or losses realised and arising due to translation of monetary items outstanding as at the period-end are accounted for in the Income and Expenditure Account.

### (iv) Investments:

Long term investments are stated at cost. Provision for diminution is made to recognise as decline, other than temporary, in the value of investments. Current investments are stated at the lower of cost and fair value.

### (v) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of stores and provisions is ascertained on the weighted average method.

### (vi) Revenue recognition:

Revenue from horse race is recognised when the event takes place.

Income from services is recognised as and when services are rendered.

Conducting fee is recognised on accrual basis in accordance with the terms of the respective agreements.

Dividend income is accounted when right to receive dividend is established.

Interest income is recognised on time proportion basis.

Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

### (vii) Entrance fees recognition:

Entrance fees are fully accounted in the period in which the entrance fees or the proportionate part of the entrance fees as the case may be are received from the elected Members, and are credited to General Reserve.

### (viii) Charity meetings:

Certain expenses, computed on a pro-rata basis according to the number of days of racing which are considered as recoverable from charity meetings, are reduced from the corresponding figures in the Income and Expenditure Account. Such recoveries are however restricted to the surplus, if

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes forming part of the financial statements

any, on individual charity meetings' account. The deficit i.e. excess, if any, of direct expenditure over direct income pertaining to individual charity meetings' account is charged to the Income and Expenditure Account.

### (ix) Employee benefits:

#### (a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short - term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences etc. is recognized in the period in which the employee renders the related service.

#### (b) Long-term employee benefits:

##### *Defined contribution plan:*

The Club's contributions to the Provident Fund and the Superannuation Fund are charged to the Income and Expenditure Account.

##### *Defined benefit plans:*

The Club's liability towards gratuity and compensated absences is determined on the basis of actuarial valuation done by an independent actuary as at the period-end.

The actuarial gains or losses determined by the actuary are recognised in the Income and Expenditure Account as an income or expense.

### (x) Income tax:

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the period.

The tax effect of the timing differences between taxable income and accounting income which are capable of reversal in one or more subsequent periods is recorded as deferred tax asset subject to the consideration of prudence or deferred tax liability. They are measured using the enacted or substantively enacted tax rates and tax laws by the balance sheet date.

Deferred tax assets arising on account of unabsorbed depreciation and carry forward of losses are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. The carrying amount of deferred tax asset is reviewed at each balance sheet date.

Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Club will pay normal income tax during the specified period. The carrying amount of MAT credit asset is reviewed at each balance sheet date.

### (xi) Provisions and contingent liabilities:

Provision is recognised when the Club has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.



# **ROYAL WESTERN INDIA TURF CLUB, LIMITED**

## **Notes forming part of the financial statements**

### **(xii) Accounting of jointly controlled operations :**

In respect of its interests in jointly controlled operations, the Club recognises the assets that it controls and the liabilities that it incurs; and the expenses that it incurs and its share of the income that it earns from the joint venture.

### **(xiii) Cash and cash equivalents:**

Cash and cash equivalents comprise of Cash, balance with bank and short-term investments with an original maturity of three months or less.

### **(xiv) Finance Cost:**

Finance costs include interest and ancillary costs incurred in connection with the arrangement of borrowings.

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other finance costs are expensed in the period they occur.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

3 - Reserves and surplus		As at 31st March, 2020		As at 31st March, 2019	
		Rs.	Rs.	Rs.	Rs.
(a)	Capital Reserve :				
	Balance as per last Balance Sheet		12,02,75,000		12,02,75,000
			12,02,75,000		12,02,75,000
(b)	General Reserve :				
	Balance as per last Balance Sheet		1,44,42,64,385		1,41,42,64,385
	Add : Entrance Fees:				
	Life Members	3,01,00,000		2,98,00,000	
	Service Members	30,000		30,000	
	Local Members of the Turf Club House	3,30,000		1,70,000	
			3,04,60,000		3,00,00,000
			1,47,47,24,385		1,44,42,64,385
(c)	Surplus/(Deficit) in Income and Expenditure Account :				
	Balance as per last Balance Sheet		(724,422,711)		(681,943,283)
	Add: Surplus/(Deficit) for the year		7,25,59,889		(42,479,428)
			(651,862,822)		(724,422,711)
			94,31,36,563		84,01,16,674

## ROYAL WESTERN INDIA TURF CLUB, LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

<b>4 - Benevolent Fund</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(Refer Footnote and Note 26)	<b>Rs.</b>	<b>Rs.</b>
Balance as per last Balance Sheet	-	-
Add: Contributions from Owners and Jockeys, License Fees and Fines from Jockeys and Riding Boys, Interest, etc. *	30,80,558	18,22,947
Add: Contribution by the Club towards shortfall in the fund (Refer Note 24)	8,90,666	43,35,856
	39,71,224	61,58,804
Less: Grants, Medical and other expenses (Net of insurance claims)	39,71,224	61,58,804
	-	-

\* includes contribution from Trainers, License fees and fines from Trainers and visiting trainers

Footnote:

Benevolent Fund is formed under the Rules of Racing of the Club. The Stewards of the Club may make out of the Benevolent Fund (i) any payment to any Jockey, Apprentice Jockey or Riding Boy, who from accident, sickness or other cause is incapacitated from carrying on his profession and (ii) any payment in the event of death, or bodily injury to a Jockey, Apprentice Jockey or Riding Boy, caused by accident while carrying out his duties between the time of his weighing-out and weighing-in for a race or while riding work according to the instructions, on any race course under the control of the Stewards of the Club.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

5 - Other Long term liabilities	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Security deposits	1,87,95,814	1,52,95,814
Corpus fund for trophies on certain race days	15,00,000	15,00,000
	<u>2,02,95,814</u>	<u>1,67,95,814</u>
6 - Long-term provisions	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Provision for employee benefits - Compensated absences (Refer Note 30)	3,03,30,406	2,86,70,423
	<u>3,03,30,406</u>	<u>2,86,70,423</u>



**ROYAL WESTERN INDIA TURF CLUB, LIMITED**

**Notes to the financial statements for the year ended 31st March, 2020**

7 - Trade payables	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Trade payables		
- total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 27)	-	-
- total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	34,74,71,975	27,93,13,436
	<u>34,74,71,975</u>	<u>27,93,13,436</u>

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

8 - Other current liabilities	As at 31st March, 2020		As at 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
(a) Unearned revenue		1,36,32,518		95,97,866
(b) Advances from customers		96,73,588		45,23,477
(c) Other payables :				
- Current accounts with Owners, trainers, jockeys, studs, bookmakers, etc.	11,15,48,214		11,47,12,376	
- Deductions from stake money *	6,29,90,044		5,70,96,785	
- Statutory remittances (Goods and Services Tax, contribution to PF and ESIC, withholding tax, VAT & service tax etc.)	67,09,632		1,74,72,375	
- Security deposits	2,90,34,774		3,18,81,476	
- Sweepstakes received in advance	1,06,94,943		87,03,875	
- Payables for Property, plant and equipment	1,70,000		1,70,000	
- Accrual for expenses	3,29,39,887		3,27,57,838	
- Payable towards employee liability	72,74,802		3,40,55,904	
		26,13,62,296		29,68,50,629
		<b>28,46,68,402</b>		<b>31,09,71,972</b>

\* towards contingencies / infrastructure and/or towards charity and/or for corporate Social responsibility and /or Government statutory dues, if any.

9 - Short-term provisions	As at 31st March, 2020		As at 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits (Refer Note 30)				
- Compensated absences	66,72,705		70,75,267	
- Gratuity	58,84,363		53,93,802	
		1,25,57,068		1,24,69,069
		<b>1,25,57,068</b>		<b>1,24,69,069</b>

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

### 10 (i)- Property, plant and equipment

Description	Gross carrying amount				Depreciation				Net carrying amount
	As at 1st April, 2019	Additions	Deductions	As at 31st March, 2020	As at 1st April, 2019	For the year	Deductions	As at 31st March, 2020	As at 31st March, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible assets</b>									
(a) Buildings *	56,55,08,269 (55,71,56,748)	47,14,325 (83,51,521)	- -	57,02,22,594 (56,55,08,269)	29,27,89,573 (26,72,07,268)	2,27,41,955 (2,55,82,305)	- -	31,55,31,528 (29,27,89,573)	25,46,91,066 (27,27,18,696)
(b) Plant and Equipment *	51,26,67,135 (50,53,86,236)	63,26,482 (1,24,80,980)	(52,00,081)	51,89,93,617 (51,26,67,135)	36,13,29,591 (32,67,68,824)	2,91,05,283 (3,56,10,948)	(10,50,181)	39,04,34,874 (36,13,29,591)	12,85,58,743 (15,13,37,544)
(c) Furniture and Fixtures *	4,61,21,094 (4,48,41,598)	7,70,759 (12,79,496)	- -	4,68,91,853 (4,61,21,094)	3,87,37,103 (3,65,37,504)	18,15,210 (21,99,599)	- -	4,05,52,313 (3,87,37,103)	63,39,540 (73,83,991)
(d) Vehicles	2,78,46,789 (2,86,65,666)	6,96,901 (18,50,732)	13,15,962 (26,69,609)	2,72,27,728 (2,78,46,789)	2,34,74,809 (2,56,80,348)	17,80,559 (3,30,838)	12,87,709 (25,36,377)	2,39,67,659 (2,34,74,809)	32,60,069 (43,71,980)
(e) Office Equipment	1,25,42,753 (1,23,67,432)	96,347 (6,16,871)	85,800 (4,41,550)	1,25,53,300 (1,25,42,753)	1,15,56,104 (1,16,84,435)	3,46,040 (2,96,642)	85,800 (4,24,973)	1,18,16,344 (1,15,56,104)	7,36,956 (9,86,649)
(f) Computers	6,46,37,766 (6,41,17,544)	61,69,308 (13,93,282)	(8,73,060)	7,08,07,074 (6,46,37,766)	6,04,61,870 (5,91,18,656)	29,99,082 (21,94,787)	- (8,51,573)	6,34,60,952 (6,04,61,870)	73,46,122 (41,75,896)
<b>Total</b>	<b>122,93,23,806</b>	<b>1,87,74,122</b>	<b>14,01,762</b>	<b>124,66,96,166</b>	<b>78,83,49,050</b>	<b>5,87,88,129</b>	<b>13,73,509</b>	<b>84,57,63,670</b>	<b>40,09,32,496</b>
	(121,25,35,224)	(2,59,72,882)	(91,84,300)	(122,93,23,806)	(72,69,97,035)	(6,62,15,119)	(48,63,104)	(78,83,49,050)	(44,09,74,756)

### 10(ii) Intangible assets

Description	Gross carrying amount				Depreciation				Net carrying amount
	As at 1st April, 2019	Additions	Deductions	As at 31st March, 2020	As at 1st April, 2019	For the year	Deductions	As at 31st March, 2020	As at 31st March, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Software	99,91,607 (42,12,962)	1,12,599 (57,78,645)	- -	101,04,206 (99,91,607)	55,54,988 (35,88,731)	27,11,814 (19,66,257.00)	- -	82,66,802 (55,54,988)	18,37,404 (44,36,619)

\* For assets under operating lease refer Note 31(B)

The figures in brackets are corresponding amounts in respect of the previous year.

Notes to the financial statements for the year ended 31st March, 2020

11 - Non-current investments (At cost/ NRV whichever is less)		As at 31st March, 2020	As at 31st March, 2019
	Rs.	Rs.	Rs.
<b>Non-Trade-Unquoted:</b>			
Investments in Government Securities:			
- 6 Year National Savings Certificates		20,000	20,000
Investment in mutual funds			
(i) ICICI Prudential Mutual Fund -			
ICICI Prudential Credit Risk Fund - Growth			
NIL [2018-19: 16,69,337 units (and 757 fractions)] of Rs. 10 each		-	2,95,00,000
(ii) IDFC Mutual Fund -			
IDFC Corporate Bond Fund Regular Plan- Growth			
18,03,215 units (and 133 fractions) [2018-19: 18,03,215 units (and 133 fractions) of Rs. 10 each		2,00,00,000	2,00,00,000
IDFC Bond Fund Regular Plan- Growth			
2,57,502 units (and 300 fractions) [2018-19: NIL] of Rs. 10 each		1,00,00,000	-
IDFC Banking & PSU Fund Regular Plan- Growth			
28,89,104 units (and 609 fractions) [2018-19: NIL] of Rs. 10 each		5,00,00,000	-
(iii) L&T Mutual Fund			
L&T Low Duration Fund - Growth			
28,92,236 units (and 635 fractions) [2018-19: 28,92,236 units (and 635 fractions)] of Rs.10 each		5,05,00,000	5,05,00,000
(iv) Reliance Mutual Fund -			
Reliance Strategic Debt Fund- Growth Plan			
NIL [2018-19 : 10,86,492 units (and 007 fractions) of Rs.10 each		-	1,50,00,000
(v) Axis Mutual Fund -			
Axis Strategic Bond Fund -Regular Growth			
NIL [2018-19: 7,47,321 units ( and 599 fractions)] of Rs.10 each		-	1,25,00,000
(vi) DSP BlackRock Mutual Fund			
DSP Short Term Fund - Direct Plan- Growth			
3,27,166 units ( and 250 fractions) [2018-19 : 3,27,166 units ( and 250 fractions)] of Rs.10 each		1,00,00,000	1,00,00,000
(vii) Franklin Templeton Mutual Fund			
Franklin India Short Term Income Plan - Retail Plan- Growth			
NIL [2018-19 : 2,653 units ( and 442 fractions)] of Rs.10 each		-	1,00,00,000
(viii) UTI Mutual Fund			
UTI Credit Risk Fund -Regular Plan - Growth further segregated into two funds in FY 19-20			
12,41,048 units ( and 935 fractions) [2018-19 : 12,41,048 units ( and 935 fractions)]	1,99,27,523		
Less: Diminution in value of investments	33,60,388	165,67,135	2,00,00,000
(ix) HDFC Mutual Fund -			
HDFC Low Duration Fund - Growth			
12,11,721 units (and 711 fractions) [2018-19: NIL ] of Rs.10 each		5,00,00,000	-
HDFC Corporate Bond Fund- Growth			
9,36,053 units (and 505 fractions) [2018-19: NIL] of Rs.10 each		2,00,00,000	-
		<b>22,70,87,135</b>	<b>16,75,20,000</b>
(a) Aggregate amounts of quoted investments and market value thereof;		-	-
(b) Aggregate amounts of unquoted investments;		22,70,87,135	16,75,20,000
(c) Aggregate provision for diminution in value of investments.		33,60,388	-

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

12 - Long-term loans and advances	As at 31st March, 2020		As at 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
(a) Capital advances - Unsecured, considered good		-		8,11,600
(b) Security deposits - Unsecured, considered good		75,08,896		84,40,559
(c) Other loans and advances -				
(i) Unsecured, considered good				
- Current tax payments less provisions	9,24,56,236		16,34,14,827	
- ESIC/ Entertainment tax /Service tax /VAT/GST paid under protest ( Refer Note 38)	12,44,13,333		12,93,21,625	
- Loans to employees, etc.	16,17,265		27,48,365	
		21,84,86,834		29,54,84,817
(ii) Doubtful -				
- Advance to a vendor	11,66,400		11,66,400	
- Owners, etc.	1,32,20,670		1,19,01,951	
	1,43,87,070		1,30,68,351	
Less: Allowance for other long term loans and advances	1,43,87,070		1,30,68,351	
		-		-
		22,59,95,730		30,47,36,976

13 - Other non-current assets	As at 31st March, 2020		As at 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
(a) Long-term trade receivables - Unsecured				
(i) Considered good	61,86,177		61,86,177	
(ii) Doubtful	39,65,463		39,65,463	
	1,01,51,640		1,01,51,640	
Less: Allowance for doubtful long-term trade receivables	39,65,463		39,65,463	
		61,86,177		61,86,177
(b) Others:				
(i) Balances with banks held as security against guarantees which have a maturity period of more than 12 months from the Balance Sheet date		3,06,502		3,06,502
(ii) Balances with banks (other than above), which have a maturity period of more than 12 months from the Balance Sheet date		3,17,27,521		-
(iii) Doubtful				
- Sponsorship fee receivable	1,75,000		1,75,000	
Less: Allowance for doubtful other non-current assets	1,75,000		1,75,000	
		-		-
		3,82,20,200		64,92,679

14 - Current investments	As at 31st March, 2020		As at 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
<b>Non-Trade-Unquoted (At cost):</b>				
Investment in mutual funds				
(i) Reliance Mutual Fund -*				
Reliance Fixed Horizon Fund -XXX - Series 11 - Direct Growth Plan NIL [2018-19: 15,00,000 units] of Rs.10 each	-			1,50,00,000
(ii) HDFC Mutual Fund -*				
HDFC Short Term Debt Fund - Direct Plan - Growth 12,93,768 units (and 177 fractions)[2018-19: 12,93,768 units (and 177 fractions) ] of Rs.10 each	2,50,00,000		2,50,00,000	
HDFC Credit Risk Debt Fund- Direct Plan- Growth 14,55,561 units (and 701fractions) [2018-19: 14,55,561 units (and 701fractions)] of Rs.10 each	2,00,00,000		2,00,00,000	
		4,50,00,000		4,50,00,000
(iii) DSP BlackRock Mutual Fund				
DSP Liquidity Fund - Direct Plan - Growth 21,728 units (and 951 fractions) [2018-19: 21,728 units (and 951 fractions) ] of Rs.10 each	5,50,00,000		5,50,00,000	
DSP Credit Risk Fund- Direct Plan- Growth NIL [2018-19: 3,66,831 units ( and 129 fractions)] of Rs.10 each	-		1,00,00,000	
		5,50,00,000		6,50,00,000
(iv) Birla Sun Life Mutual Fund				
Aditya Birla Sun Life Credit Risk Fund - Regular Plan- Growth NIL [2018-19: 15,10,471 units ( and 343 fractions)] of Rs.10 each		-		2,00,00,000
		<b>10,00,00,000</b>		<b>14,50,00,000</b>
(a) Aggregate amounts of quoted investments and market value thereof;		-		-
(b) Aggregate amounts of unquoted investments;		10,00,00,000		14,50,00,000
(c) Aggregate provision for diminution in value of investments.		-		-

\*kept as lien against overdraft facility from a bank. The amount of overdraft outstanding as at 31st March, 2020 Rs. Nil (31st March, 2019 Rs. Nil)

**ROYAL WESTERN INDIA TURF CLUB, LIMITED****Notes to the financial statements for the year ended 31st March, 2020**

<b>15 - Inventories (At lower of cost and net realisable value)</b>	<b>As at 31st March, 2020 Rs.</b>	<b>As at 31st March, 2019 Rs.</b>
Stores and provisions	13,681,389	1,54,03,386
	<u>1,36,81,389</u>	<u>1,54,03,386</u>

<b>16 - Trade receivables</b>	<b>As at 31st March, 2020 Rs.</b>	<b>As at 31st March, 2019 Rs.</b>
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	64,208,142	11,676,631
(b) Other trade receivables - Unsecured, considered good	118,521,908	7,24,47,062
	<u>18,27,30,050</u>	<u>8,41,23,693</u>

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes to the financial statements for the year ended 31st March, 2020

17 - Cash and bank balances		As at 31st March, 2020	As at 31st March, 2019
		Rs.	Rs.
(A)	Cash & cash equivalents		
(a)	Balances with banks		
	(i) In current accounts	5,80,28,840	4,99,73,839
	(ii) In savings accounts	2,44,85,591	2,02,63,252
(b)	Cheques on hand	-	81,218
(c)	Cash on hand	67,38,812	1,18,53,288
		8,92,53,243	8,21,71,597
(B)	Other bank balances		
	(i) In deposit accounts	13,69,80,653	86,42,006
	(ii) In earmarked accounts		
	-Balances held as margin money or security against borrowings and guarantees	10,43,00,000	10,43,00,000
	-Other earmarked account (Benevolent Fund)	10,62,891	6,12,898
		24,23,43,544	11,35,54,904
		33,15,96,787	19,57,26,501



# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

18 - Short-term loans and advances	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Others - Unsecured, considered good		
- Current accounts with Owners, trainers, jockeys, studs, bookmakers, etc.	5,89,11,963	4,79,19,896
- Prepaid expenses	2,18,18,653	2,20,12,634
- Loans and advances to employees	5,43,800	3,52,001
- Advances to suppliers / vendors	65,76,311	85,42,038
	<u>8,78,50,727</u>	<u>7,88,26,569</u>

19 - Other current assets	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Interest accrued on investments and bank deposits	36,65,492	4,36,277
Expenses reimbursable / recoverable from conductors and other race clubs, etc.	1,51,21,552	1,55,69,998
Recoverable from sponsors towards sponsorship, etc.	18,30,594	2,09,95,124
Others	43,25,842	22,09,982
	<u>2,49,43,480</u>	<u>3,92,11,381</u>

## Notes to the financial statements for the year ended 31st March, 2020

20 - Revenue from operations	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
<b>(a) Horse racing</b>				
Tote commission		4,28,61,521		5,59,89,116
Income from Tote Fixed Odds Betting		1,79,96,484		2,51,15,211
Bookmakers Stall fees		8,70,28,278		15,85,17,539
Royalty on live telecast of horse races at other centres		23,40,000		29,25,000
Income from live streaming of races		1,43,03,515		1,48,70,900
Royalty on betting at other centres		8,15,89,420		4,12,86,408
Rights fee for telecast of horse races		62,16,189		78,13,666
Gate receipts		3,93,88,122		5,12,72,469
Private boxes (including Air-conditioned boxes) rental [including service charges ]]		1,02,91,913		78,27,504
Mobile phone permit charges		6,70,55,783		12,61,42,857
Entries of horses		67,66,768		1,01,10,869
One Time Levy on horses racing in Western India		48,87,000		52,24,000
Registration of horses, etc.		96,93,030		1,06,80,461
Income from auction sale of horses		27,35,220		27,73,000
Equine Hospital revenue		6,59,83,121		5,08,15,215
DNA/ E.I.A., Glanders test charges		1,30,01,490		1,49,12,416
Others		76,71,608		67,57,658
		<u>47,98,09,462</u>		<u>59,30,34,289</u>
<b>(b) Other Club activities</b>				
Turf Club House :				
- Boarding, lodging and dining room	6,46,38,168		5,86,92,589	
- Lawn hire charges	1,34,71,161		1,04,13,067	
- Subscriptions	14,34,400		13,56,900	
- Guest fee charges and other recoveries	<u>70,44,170</u>		<u>86,58,009</u>	
		8,65,87,899		7,91,20,565
Mini Club House :				
- Guest fee charges and other recoveries	<u>53,05,253</u>		<u>64,71,081</u>	
		53,05,253		64,71,081
Members subscription		23,30,300		9,09,101
Voluntary Contribution from Members		-		11,000
Conducting fees/Compensation for catering		6,04,12,667		7,14,10,750
Health Club subscription and other recoveries		30,70,033		27,65,166
Lawn hire and Helipad charges		5,42,89,272		4,73,99,669
Right fee charges for Catering/Decoration		2,00,00,000		-
Commitment fee from Decorators and Caterers on the panel		-		46,25,000
Service charges and other recoveries related to use of the Club's facilities (Net of Facilitation charges)		6,61,47,060		5,65,05,395
Others		15,58,940		20,29,731
		<u>29,97,01,424</u>		<u>27,12,47,458</u>
		<u>77,95,10,886</u>		<u>86,42,81,747</u>

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

21 - Other income	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
(a) Interest income				
- Interest on ESIC deposit / Excess provision written back	60,98,230		-	
- On deposit accounts, etc. with banks	1,33,21,518		89,43,279	
- On refund of income tax (net)	1,99,73,085		-	
- On employee loans, other loans and advances, etc.	1,58,613		2,82,155	
		3,95,51,446		92,25,434
(b) Profit on sale/ redemption of Mutual Fund investments		1,73,57,999		44,88,393
(c) Other non-operating income :				
- Miscellaneous income		3,56,97,939		3,64,48,508
- Decretal Dameges (Refer Note 37)		10,00,00,000		-
		<b>19,26,07,384</b>		<b>5,01,62,335</b>

## ROYAL WESTERN INDIA TURF CLUB, LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

22 - Employee benefits expense	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Rs.	Rs.
Salaries and wages	18,76,04,374	19,00,87,410
Gratuity & Leave encashment (Refer Note 30)	71,41,784	76,64,593
Contribution to provident and other funds	1,68,97,267	1,70,89,510
Staff welfare expenses *	1,04,75,366	1,84,48,683
	<b>22,21,18,791</b>	<b>23,32,90,196</b>

\* Previous year includes Rs. 66,52,000 being provision for contribution to ESIC.

23 - Finance costs	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Rs.	Rs.
(a) Interest expenses		
- borrowings	12,383	5,55,606
- others *	13,10,177	1,54,58,928
	<b>13,22,560</b>	<b>1,60,14,534</b>

\* Previous year includes Rs. 1,44,42,000 being provision for interest on contribution to ESIC.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31st March, 2020

24 - Other expenses	For the year ended 31st March, 2020			For the year ended 31st March, 2019		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stakes (Gross)		195,575,203			23,99,22,980	
Less:- (i) Contribution from sponsors	4,90,50,000			4,39,80,000		
(ii) Sweepstakes	<u>4,47,27,600</u>			<u>4,47,82,906</u>		
		<u>9,37,77,600</u>			<u>8,87,62,906</u>	
Stakes (net)			10,17,97,603			15,11,60,074
Cups and trophies			73,64,719			58,60,452
Subsidy to Owners / Western India Trainers Association Ltd.			5,10,000			2,25,000
Contribution to Professional Jockeys Trust of India			13,39,273			12,32,679
Contribution by the Club towards shortfall in the fund (Refer Note 4)			8,90,666			43,35,856
Royalty for live telecast of horse races at other centres			19,27,500			22,30,455
Royalty for betting on races at other centres			2,81,20,676			99,65,176
Loss on charity races			1,53,04,129			92,23,763
Rent			3,83,62,746			3,62,74,214
Insurance			40,29,679			36,44,529
Rates and taxes, excluding taxes on income			7,90,23,082			7,09,13,168
Water charges (net)			1,79,87,870			1,78,26,341
Power and fuel (net)			2,84,89,162			2,60,31,698
Repairs and maintenance:						
- Buildings		1,40,51,082			2,26,85,703	
- Machinery		1,25,90,612			1,56,61,954	
- Tracks		1,76,81,119			1,85,41,959	
- Others		<u>3,04,93,058</u>			<u>4,01,99,418</u>	
			7,48,15,871			9,70,89,034
Payments to statutory auditors (net of GST credit, where applicable)						
- as auditors - statutory audit		19,50,000			21,47,453	
- for taxation matters		<u>3,00,000</u>			<u>10,00,000</u>	
			22,50,000			31,47,453
Legal and professional fees			7,35,03,642			7,60,21,230
Consumption of stores and provisions			5,76,57,011			5,09,07,835
Contract labour charges			2,40,41,247			1,89,18,339
Postage, telephone and internet charges			49,95,857			57,35,293
Printing and stationery			38,00,292			36,80,941
Travelling and conveyance			58,09,666			73,19,295
Security charges			1,46,06,098			1,36,33,099
Advertisement, publicity and sales promotions (net of sponsorship)			5,54,971			22,05,677
Donations			1,50,000			1,50,000
Provision for trade and other receivables, loans and advances (net)			15,08,261			15,00,961
Provision for diminution in value of investments			33,60,388			-
Miscellaneous expenses			<u>2,24,16,678</u>			<u>2,02,04,842</u>
			<b><u>61,46,17,087</u></b>			<b><u>63,94,37,404</u></b>

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 25. Contingent liabilities and commitments (to the extent not provided for):

#### (A) Contingent liabilities:

Claims against the Club not acknowledged as debt in respect of:

- (a) Demand levied by the entertainment tax department along with interest on entertainment tax including surcharge on mobile phone permit badges and on gate receipts on off course races on non-live telecast race days etc. of Rs 64,34,449 (2018-2019 Rs. 31,34,449) . The Club's appeal filed in 2002 is pending with the High Court in respect of applicability of entertainment tax on mobile phone permit badges, etc.
- (b) Income tax matters
  - (i) In respect of certain matters e.g. short deduction of tax on stake money, disallowance of entrance fees etc., decided in favour of the Club, where the Department's appeals are pending with Hon'ble High Court of Bombay/ITAT of Rs. 32,65,85,587/- (2018-2019 Rs.17,13,41,632).
  - (ii) In respect of certain matters e.g. disallowance of entrance fees, voluntary contribution received from member etc. where the Club's appeals are pending with Commissioner of Income Tax, Appeals of Rs. 68,14,995/- (2018-2019 Rs. NIL).
- (c) Service Tax Matters :

In respect of demand order / show cause notices cum demand for service tax Rs. 9,84,87,548 including interest and penalty for which the Club has given its submissions to the Commissioner of Service Tax (2018-2019 Rs. 8,20,74,916 excluding interest and penalty).
- (d) Sales tax matters :

In respect of demand orders for sales tax (including interest and penalty) Rs. 54,32,503 (2018-2019 Rs. 64,72,225/-) for which the Club's appeals are pending with the Deputy / Joint Commissioner of Sales Tax (Appeals).
- (e) In respect of order from the II Labour Court, Pune to pay jointly with The Western India Trainers Association Ltd. the difference of minimum wages for 10 years prior to 1<sup>st</sup> January, 2000 to 159 syces (i.e. stable workers engaged by trainers, who are employees of trainers) against which the writ petitions filed are pending with the High Court, Mumbai --Rs. 2,06,70,000 (2018-2019 Rs. 2,06,70,000).
- (f) In respect of writ petition filed by the Regional Provident Fund Commissioner, Pune (the RPFC) in the High Court, Mumbai against the order of the Employees Provident Fund Appellate Tribunal which set aside the order of the RPFC that stable workers engaged by the trainers, who are employees of trainers, are entitled for the Provident Fund benefits for the period 30<sup>th</sup> November, 1974 to 28<sup>th</sup> February, 1994 – Amount not quantified : (2018-2019 Amount not quantified).
- (g) In respect of writ petition filed by the Union representing the syce workers engaged by the trainers in the High Court, Mumbai against the order of the Industrial Tribunal, Pune which answered in negative the reference to the Tribunal made by the Union against the Club and The Western India Trainers Association demanding revision in wages from 1987, permanency, bonus, uniform, etc.- Amount not quantified (2018-2019 Amount not quantified).

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

(h) Matters relating to ex-employees pending in labour courts / industrial courts / industrial Tribunal / civil courts/ High Court for reinstatement of services, recovery of back wages, etc. - Amount not quantified (2018-2019: Amount not quantified).

(i) Other matters Rs. 95,000 (2018-2019: Rs.95, 000/-).

### Footnote to Note 25 (A) :

Future ultimate outflow of resources embodying economic benefits in respect of matters stated under Note 25 (A) depends on the final outcome of judgements / decisions on the matters involved.

### (B) Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):

	As at 31 <sup>st</sup> March, 2020 Rs.	As at 31 <sup>st</sup> March, 2019 Rs.
Tangible assets	7,14,000	11,29,888
Intangible assets	36,00,000	36,00,000

26. The details of assets of earmarked fund viz. Benevolent Fund included under the various heads of assets are as under:

Particulars	As at 31 <sup>st</sup> March, 2020 Rs.	As at 31 <sup>st</sup> March, 2019 Rs.
Balances with banks in earmarked accounts {included under Cash and bank balances (Refer Note 17)}	10,62,891	6,12,897
Prepaid expenses {included in Short-term loans and advances (Refer Note 18)}	14,75,351	13,37,630
Interest accrued on bank deposits {included in Other current assets (Refer Note 19)}	721	721
Other current assets – others {included in Other current assets (Refer Note 19)}	5,18,163	5,38,734
Current Account with Royal Western India Turf Club, Limited	(30,57,126)	(24,89,982)
Total	-	-

27. Based on the information available with the management, none of the Club's suppliers are registered as micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

28. The Club has not taken any derivative instrument during the period and there is no derivative instrument outstanding as at year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:-

Particulars	Amount in Foreign Currency	Equivalent Amount in Indian currency (Rs.)
Payable	USD (\$) 35,000	26,36,378
	(23,412)	(16,45,973)
	EURO 12,207	10,12,986
	(6,025)	(4,74,508)
Receivable	USD (\$) 1,69,367	1,27,67,919
	(48,164)	(33,34,160)

Figures in brackets represent previous year figures.

29. Value of imports calculated on C.I.F basis:

	2019-2020	2018-2019
	Rs.	Rs.
(i) Capital goods & Stock in trade	13,78,408	9,83,578
(ii) Expenditure in foreign currency:		
(a) Professional fees	99,16,406	70,36,775
(b) Foreign travel	5,40,067	14,59,158
(c) Conference fees	8,40,529	2,92,180
(d) Website usage/maintenance charges	2,91,765	3,03,279
(e) Others (subscription, etc.)	1,29,024	27,478
(iii) Earnings in foreign exchange:		
(a) Sponsorship for stakes, etc.	10,67,755	5,36,854
(b) Right fee for telecast of horse race	-	1,02,65,341



# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

30. Details of employee benefits as required by the Accounting Standard-15 "Employee Benefits" are as follows:

1 **Compensated absences**

Compensated absences recognized in statement of Income and Expenditure Account Rs. 12,57,421

Particulars	2019-2020	2018-2019
	Rs.	Rs.
<b>2 <u>Defined contribution plans</u></b>		
The Club has recognised the following amounts in the Income and Expenditure Account :		
-Contribution to provident fund and family pension fund	1,30,00,913	1,29,98,551
-Contribution to superannuation fund (net)	8,99,905	9,82,043

The above amounts are included in 'Employee benefits expense' in Note 22.

3 **Defined benefit plans**

**Gratuity (funded)**

a. A general description of the employees benefit plans:

The Club has an obligation towards gratuity (funded during the year), funded defined benefit plans covering eligible employees. The plans provide for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / 7 days salary payable for each completed year of service or part thereof in excess of six months in the case of gratuity. Vesting occurs upon completion of five years of service.

b. Details of defined benefit plan – As per actuarial valuation are as follows :

I	Components of employer expense	2019-2020 Rs.	2018-2019 Rs.
1	Current service cost	43,75,324	43,37,725
2	Interest cost	51,84,426	50,44,080
3	Expected return on plan assets	(47,58,526)	(42,64,063)
4	Actuarial losses / (gains)	10,83,139	2,76,060
5	Total expense recognised in the Income and Expenditure Account (included in 'Employee benefits expense' in Note 22)	58,84,363	53,93,802

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

<b>II</b>	<b>Actual contribution and benefits payments for the year</b>	<b>2019-2020 Rs.</b>	<b>2018-2019 Rs.</b>
1	Actual benefits payments	(66,14,733)	(56,08,438)
2	Actual contributions	53,93,802	101,77,583
<b>III</b>	<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>2019-2020 Rs.</b>	<b>2018-2019 Rs.</b>
1	Present value of defined benefit obligation	7,37,94,655	7,03,65,646
2	Fair value of plan assets	6,79,10,292	6,49,71,844
3	Funded status [(Deficit)]	(58,84,363)	(53,93,802)
4	Net (liability))recognized in the Balance Sheet	(58,84,363)	(53,93,802)
<b>IV</b>	<b>Change in Defined Benefit Obligation during the year</b>	<b>2019-2020 Rs.</b>	<b>2018-2019 Rs.</b>
1	Present value of defined benefit obligation as at the beginning of the year	7,03,65,646	6,63,03,301
2	Current service cost	43,75,324	43,37,725
3	Interest cost	51,84,426	50,44,080
4	Actuarial losses/(gains)	4,83,992	2,88,978
5	Benefits paid	(66,14,733)	(56,08,438)
6	Present value of defined benefit obligations as at the end of the period	7,37,94,655	7,03,65,646
<b>V</b>	<b>Change in fair value of plan assets during the year</b>	<b>2019-2020 Rs.</b>	<b>2018-2019 Rs.</b>
1	Plan assets as at the beginning of the year	6,49,71,844	5,61,25,718
2	Expected return on plan assets	47,58,526	42,64,063
3	Actuarial gains/(losses)	(5,99,147)	12,918
4	Actual club's contributions	53,93,802	1,01,77,583
5	Benefits paid	(66,14,733)	(56,08,438)
6	Plan assets as at the end of the year	6,79,10,292	6,49,71,844
<b>VI</b>	The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is Rs. 41,59,379 (2018-2019: Rs. 42,76,981)		

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

- VII** The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

<b>VIII The major categories of plan assets as a percentage of total plan assets</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
— Insurer managed funds (Refer footnote below)	73%	79%
— Others	27%	21%

Footnote: The details of investments made by the Insurer are not readily available with the Club.

<b>IX Actuarial assumptions</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
1 Discount rate	6.40%	7.60%
2 Expected return on plan assets	7.00%	7.50%
3 Salary escalation rate	0.00% for year1 then7%	7 %

			As at		
<b>X Experience adjustments</b>	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
1 Present value of defined benefit obligation as at the end of the year	7,37,94,655	7,03,65,646	6,63,03,301	5,89,13,668	6,66,33,050
2 Fair value of plan assets as at the end of the year	6,79,10,292	6,49,71,844	5,61,25,718	5,34,11,571	4,82,14,174
3 Funded status [Surplus/(Deficit)]	(58,84,363)	(53,93,802)	(101,77,583)	( 55,02,097)	(1,84,18,876)
4 Experience adjustment on plan liabilities [(gains) / losses]	(8,18,740)	2,96,187	88,56,015	(38,55,136)	1,37,72,055
5 Experience adjustment on plan assets [gains/(losses)]	(5,99,147)	12,918	(3,77,049)	67,637	1,66,097

- XI** Contribution expected to be paid to the plan during the year ending 31<sup>st</sup> March, 2021 - Rs.1,00,00,000

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

31. (A) The Club has taken on operating lease which are cancellable in nature, CCTV's, Giant Electronic LED Screen, stables, premises and in certain cases, furniture and fittings therein. The particulars in respect of these operating leases are as follows:

(a) Lease payments recognised in the Income and Expenditure Account for the period – Rs. 55,51,743  
(2018-2019:Rs.65,25,721)

(b) (i) The Agreements do not provide for increase in rent during the tenure of the agreement.

(ii)The agreements provide for early termination by either party with a notice period ranging from one month to six months.

- (B) The Club has given private boxes (including air-conditioned boxes) on operating lease. Further, the Club has entered into conducting agreements with certain parties to provide catering facilities at the areas permitted under the respective agreements. The particulars in respect of above operating leases are as follows:

Description of Assets	Gross carrying amount as at the period-end  Rs.	Accumulated depreciation as at the period-end  Rs.	Depreciation for the proportionate period during which the assets were given under operating lease  Rs.
Buildings	7,25,33,450 (7,25,33,450)	2,33,68,517 (2,19,86,759)	13,81,938 (23,27,272)
Plant and Equipment	1,52,10,293 (1,52,10,293)	94,88,568 (88,03,139)	6,85,429 (8,22,119)
Furniture & Fixtures	61,24,759 (61,24,759)	35,69,103 (30,99,787)	4,69,316 (5,78,457)

Figures in brackets represent previous period's figures.

32. In the absence of reasonable certainty regarding availability of sufficient future taxable income, Deferred tax assets has not been recognized.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

33. Disclosure in respect of joint ventures (i.e. jointly controlled operations) under the Accounting Standard 27- “Financial Reporting of Interests in Joint Ventures” :

Sr. No.	List of jointly controlled operations	Club's share of interest	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i)	The Club and Delhi Race Club (1940) Ltd.	50%	50%
(ii)	The Club, M/s Anantrai Shah and Delhi Race Club (1940) Ltd. – For Fixed Odds Betting	41%	41%
(iii)	The Club, Bangalore Turf Club Ltd., Mysore Race Club Ltd. And Hyderabad Race Club (the Off Venue Centres) and Meerut Race Club	i) Share in 80% in proportion, which investments collected at Meerut for the Club's races bears to the total investments collected at Meerut for horse races of all Off Venue Centres. (ii) Share in 80% of the bookmakers stall fees collected at Meerut for the Club's races.	i) Share in 80% in proportion, which investments collected at Meerut for the Club's races bears to the total investments collected at Meerut for horse races of all Off Venue Centres. (ii) Share in 80% of the bookmakers stall fees collected at Meerut for the Club's races.
(iv)	The Club, M/s Anantrai Shah and Meerut Race Club – For Fixed Odds Betting	61%	61%
(v)	The Club and Lucknow Race Fund & Genesis Club Limited	80%	80%

Note : The above agreements are under process of renewal.

34. (a) The Club has applied for renewal of the license for the racing season 2020-21 (i.e. up to 30th June 2021).
- (b)(i) The lease of land at Mahalaxmi, Mumbai from Municipal Corporation of Greater Mumbai (MCGM) has been renewed from time to time viz. from 31<sup>st</sup> May, 1914 for the period of thirty years up to 31<sup>st</sup> May, 1944 and thereafter for further thirty years and twenty years up to 31<sup>st</sup> May, 1994. The latest renewal was for the period of nineteen years from 1st June, 1994 up to 31st May, 2013 vide lease deed dated 7th April, 2004.

The Club vide its letter dated 18th March, 2013 has requested MCGM to extend the lease for a further period of thirty years with effect from 1st June, 2013. Further, vide letter dated 12th August, 2013 the Club has requested MCGM to expedite the renewal. The Club has received letter dated 28th October, 2013 from MCGM wherein it is stated that as the land under reference belongs to the State Government, a detailed report is already submitted to the State Government by MCGM for their orders and on receipt of which the Club will be informed accordingly. Subsequent thereto the Club has been following up the matter with the State Government. The Club is confident that the aforesaid lease will be renewed further from time to time. Accordingly depreciation on buildings on leasehold land at Mahalaxmi, Mumbai is provided over the useful lives referred to in Note 2A(i). Further, pending renewal of the lease, the Club has provided for ground rent and extra ground rent {including towards hire of lawn, helipad charges, commitment fees and royalty / panel fees, as applicable, from decorators and caterers} for the aforesaid land on the basis of lease deed dated 7th April, 2004 referred to above.

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

(ii) The Club received notice dated 6<sup>th</sup> May, 2010, to be read with notice dated 20<sup>th</sup> July, 2010, from MCGM whereby lease of land at Mahalaxmi, Mumbai was terminated for the alleged creation of sub-lease and unauthorised construction in violation of the lease deed dated 7<sup>th</sup> April, 2004 referred to in Note 34(b)(i). The Club was called upon to quit, vacate and deliver the peaceful and vacant possession of the said land to MCGM within thirty days from the date of receipt of the notice. Further, vide notice dated 23<sup>rd</sup> August, 2010, the Enquiry Officer appointed by the Municipal Commissioner issued proposed order to the Club to vacate the aforesaid land and called upon the Club to tender an explanation and produce evidence, if any, and show cause as to why the proposed order should not be made. The Club submitted its reply dated 27<sup>th</sup> September, 2010 to the notice of the Enquiry Officer and submitted, inter alia, that it has not committed any breach of the terms and conditions of lease deed and that the notice of termination of the lease of the Club dated 6<sup>th</sup> May, 2010 and the eviction proceedings are bad in law, baseless and untenable and therefore no order for eviction ought to be made and the termination notice dated 6<sup>th</sup> May, 2010 and the notice dated 23<sup>rd</sup> August, 2010 deserve to be and ought to be withdrawn.

Further, the Club vide its application dated 14<sup>th</sup> May, 2013 has requested for stay/ suspension of the enquiry proceedings during the pendency and final disposal of the arbitration proceedings between the Club and the Conductor referred to in Note 37. The Enquiry Officer vide order dated 28<sup>th</sup> May, 2013 stayed the enquiry proceedings till the next date with liberty to re-open as and when asked for.

The said arbitration between the Club and the Conductor have been concluded. In view of the consent terms filed in Honorable High Court, Mumbai wherein the conductor has withdrawn all its claims of tenancy, the club is confident that it has good chances of success in enquiry, if and when it re-commences.

35. The Club has two business segments namely 'Horse racing' and 'Other Club activities'. 'Horse racing' segment is mainly involved in conducting horse races, betting on horse races, registration of horses and medical treatment of horses, etc.

'Other Club activities' segment is mainly involved in providing hospitality services to members and their guests, health club, lawn hire and helipad facilities.

Amount in Rupees			
	Horse racing	Other Club activities	Total
Segment Revenue	47,98,09,462 (59,30,34,289)	29,97,01,424 (27,12,47,458)	77,95,10,886 (86,42,81,747)

Figures in brackets represent previous year figures.

Having regard to the nature of the Club's operations, the Club does not have more than one geographical segment.

36. The Company has not entered into any related party transactions which are covered under Accounting Standard 18 "Related Party Disclosures".

# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

37. Protracted Litigation, lasting about 10 years between the Club and a conductor in respect of catering in Members' Enclosure, arising out of failure of the conductor to pay the conducting fees and also breaches of several clauses of agreement dated 1st July 2008 that led to termination of the agreement by the Club. The Same ended with filing of consent terms dated 24th April 2019 by the Club and Conductor under the aegis of the Hon'ble Bombay High Court, Mumbai and later approved by the Members of the Club in the Extra - Ordinary General Meeting on 30th May 2019. The said Consent Term included, inter alia, withdrawal of all court cases (including withdrawal of claims of tenancy by Conductor) by Conductor and Club, award of Decretal damages, conducting fees payable to the Club one year after the effective date (30th May 2019) for Conducting as Agent of the Court Receiver. Consequently the Conductor withdrew all cases. As per the Consent Term during the year Club has received Decretal damages of Rs.10,00,00,000 and the same has been included in other income.

38. Goods and Services Tax Act 2017 (GST) was introduced by the Government of India with effect from 1st July 2017 by subsuming various indirect taxes and local levies including, inter-alia, certain taxes impacting the Club's activities such as Service Tax, Maharashtra Betting tax, Entertainment tax, etc.

As per the extant Notification No. 11/2017 dated 28<sup>th</sup> June, 2017 issued by the Government of India under the Central Goods and Services Tax Act, 2016, a CGST rate of 14% has been imposed on services provided by a race club by way of a totalisator or a license to a bookmaker in race clubs. Similar notifications have been issued by the Maharashtra state government under their respective SGST Acts making the total rate of GST imposed on betting on horse racing at 28% (14% CGST+14% SGST).

Club conducts Betting on horse races, inter alia, through totalisator system subject to rules specified by the Club and as per License granted by the Government of Maharashtra. The Services rendered by the Club are in the nature of organizing the betting where the club is entitled to earn a commission on account of totalizer's betting.

The Club has been advised that the amount of bet placed by a person cannot be treated as price payable for betting services since the Club is liable to return the winnings out of such amount. Value of supply for the services rendered by the club through the Totalisator system is the margin, commission, facilitation fees, income from Fixed Odd Betting, retained by it out of the value of bets accepted and not the face value of the bets. Accordingly Club had been discharging the GST on such value of supply for the services rendered and has filed the monthly Returns under GST in accordance with this stand.

By way of Circular No. 27/01/2018-GST dated 4<sup>th</sup> January, 2018 issued by the Government of India, it has been clarified that GST of 28% would be leviable on the entire bet value of any or all bets paid into the totalisator or placed with licensed bookmakers.

In view of the above circular, the Club decided, out of abundant caution, to make the payment of the differential tax under protest (for the period 1<sup>st</sup> July 2017 to 22<sup>nd</sup> January 2018) explaining the above stand in detail to the jurisdictional authorities; without admittance of the liability and reserving its right to claim the refund of the said differential tax paid.

In the backdrop of the circular referred above, the amendments were notified under GST and new entry of taxation @ 28% for Actionable claim in the form of chance to win in betting, gambling, or horse racing in race club is imposed. A separate valuation rule number 31A has also been provided for such activity and the tax is sought to be imposed on the gross value of the bet placed. These have come in to force with effect from 23<sup>rd</sup> January 2018 and have not been given retrospective effect.

The total differential tax paid, for the period 1<sup>st</sup> July, 2017 to 23<sup>rd</sup> January 2018 under protest as above as on 31<sup>st</sup> March 2020 is Rs 11,33,13,633/- which has been shown included as recoverable under the head Long Term loans and advances (see Note 12 (c)(i)).

# **ROYAL WESTERN INDIA TURF CLUB, LIMITED**

## **Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020**

The Club filed refund application for these differential tax payment which were rejected by the State GST Authorities against which Club has filed an appeal with SGST Appeals which is pending.

The Club has been advised that the amendment made w.e.f. 23<sup>rd</sup> January, 2018 strengthens the stand of the Club since it proves that the GST Law prior to 23<sup>rd</sup> January, 2018 did not require levy of GST on gross value of the bet and in any case these amendments do not have a retrospective effect. In view of this refund of such differential tax paid under protest is admissible and the Club is confident of receiving this refund and therefore the refund shown as receivable as above is considered by the management as good of recovery.

39. On 11<sup>th</sup> March 2020 WHO declared COVID-19 as global pandemic. Spread of the pandemic has adversely affected the economic activity across the Globe including India. Due to COVID-19 pandemic and the consequent lock down announced by the Government of India, the Racing and other operations of the Club were suspended since the third week of March 2020 except equine hospital services in Mumbai/Pune. Also in the month of May 2020, Government Maharashtra utilized/converted part of the Club property located at Mumbai as a temporary COVID-19 Center. Though the Government has announced phased lifting of lock down (“Unlock 1” from 1<sup>st</sup> June 2020, “Unlock 2” from 1<sup>st</sup> July 2020, “Unlock 3” from 1<sup>st</sup> August 2020 and “Unlock 4” from 1<sup>st</sup> September 2020), the Club’s racing and other operations referred above have not resumed till date except take away services/lodging started from Turf Club House Pune since 15<sup>th</sup> July 2020/1<sup>st</sup> August 2020 respectively due to guidelines issued by Ministry of Home Affairs and State Government. The extent to which the COVID-19 pandemic will impact the Club activities will depend on the future developments, which are highly uncertain. Club is making all efforts to commence Racing (including closed door racing and On-line betting), subject to Government approval, at the Pune Race course. The Club has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19 and revised its operations plan, estimates and expected cash flow accordingly. The total current assets of the Club have significant headroom over the total current liabilities and hence the Club believes that there is no impact on its ability to continue as going concern and the Club will be able to meet its liabilities as and when they fall due.



# ROYAL WESTERN INDIA TURF CLUB, LIMITED

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020

40. The figures for the previous year have been regrouped / restated where necessary to conform to the current year's classification.

<b>Summary of significant accounting policies</b>	<b>1-2A</b>
<b>The accompanying notes forming part of the financial statement</b>	<b>3-40</b>

### **For Walker Chandiok & Co LLP**

Chartered Accountants

(Firm's Registration No. 001076N/N500013)

Z. S. Poonawalla

Khushroo N. Dhunjibhoy

Ms. Zinia Lawyer

Milan A. Luthria

Jaydev M. Mody

Geoffrey B. Nagpal

Surendra R. Sanas

Vijay B. Shirke

Dr. Ram H. Shroff

Chairman

Member of the Committee

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### **Khushroo B. Panthaky**

Partner

(Membership No.042423)

N. H. S. Mani

Secretary & CEO

Place : Mumbai

Date : 26<sup>th</sup> September 2020

Place : Mumbai

Date : 23<sup>rd</sup> September 2020