



Members of the Managing Committee

DIN

V. HARIMOHAN NAIDU (CHAIRMAN)	01866070
BHASKAR RAO	01683396
K. JAYARAM	07952908
KIRAN BASAPPA	02804321
S. KITTU RAGHUNANDAN	00969426
C.MAHESH MEDAPPA	02816016
I. S. N. PRASAD	01469651
Dr. C. A. PRASHANTH	08261237
T.H.R. RAJEEV	07952724
RAVISHANKER S. POLL	07981919
A.C. SATISH CHANDRA	00806395
SATHISH N GOWDA	08263059
K. UDAY ESWARAN	00046438

Company Secretary & Chief Financial Officer

Pradeep Kumar. G (ACS 24171)

Joint Statutory Auditors

R.Chandrashekar and Associates

Chartered Accountants Firm Reg No.006783S
No.311/312, Raheja Chambers
No 12, Museum Road, Bangalore-560 001

Dhariwal & Sreenivas

Chartered Accountants Firm Reg No.007197S
No 10, (Old No 144), South Park Road
Bangalore -560 020

Internal Auditors

MSSV & Co

Chartered Accountants Firm Reg No.001987S
2nd Floor, 63/2, Kumara Park West
Bangalore-560020

Legal Advisors

1) Just Law 2) Sundarswamy & Ramdas 3) K.G.Raghavan

Bankers

KOTAK MAHINDRA BANK LIMITED

Registered Office

52, RACE COURSE ROAD, BANGALORE - 560 001
Ph: 080-22262391-2-3-5, Fax: 080-22256995
E-Mail: secretary@btcraces.com, secbtc@yahoo.com

Website:

www.bangaloreraces.com

NOTICE

Notice is hereby given that the **FIFTY EIGHTH ANNUAL GENERAL MEETING** (AGM) of the Club Members of the Bangalore Turf Club Limited, under Section 96 of the Companies Act 2013, will be held at the Registered Office of the Club at 52, Race Course Road, Bangalore – 560001 on Monday, **23rd September 2019 at 4.00 P.M** to transact the following business

ORDINARY BUSINESS

1. To receive and adopt the Committee's Report, the Audited Balance Sheet as at 31st March, 2019 and the Audited Statement of Profit and Loss for the year ended on that date and the Auditor's Report there on.
2. (a) To elect a Steward in place of Sri. V. Harimohan Naidu, who is retiring by rotation. Sri. V. Harimohan Naidu, being eligible, offers himself for re-election.
(b) To elect a Steward in place of Sri. A. C. Satish Chandra, who is retiring by rotation. Sri. A. C. Satish Chandra, being eligible, offers himself for re-election.
(c) To elect as Steward in place of Sri. Mahendra Kugashankar, who would have ordinarily retired by rotation from the office of the Steward at the ensuing Annual General Meeting, who however resigned as a Steward with effect from 28th February 2019.
3. (a) To elect a Committee Member in place of Sri. K. Jayaram, who is retiring by rotation and he is not seeking for re-election.
(b) To elect a Committee Member in place of Sri. T. H. R. Rajeev, who is retiring by rotation. Sri. T. H. R. Rajeev, being eligible, offers himself for re-election.
4. To appoint Auditors and fix their remuneration. The retiring Joint Auditors M/s. Dhariwal & Sreenivas and M/s. R. Chandrashekar and Associates, Chartered Accountants, are eligible for re-appointment and to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.



“**RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Rules framed thereunder, as amended from time to time, the Joint Auditors viz. M/s. Dhariwal & Sreenivas (Firm Registration No.007197S) and M/s. R.Chandrashekar and Associates (Firm Registration No.006783S) Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifty Ninth AGM of the Company to be held in the year 2020, on a total remuneration of Rs.7.00 lakhs to be shared equally by the Joint Statutory Auditors plus out of pocket expenses that may be incurred by them for the purpose of the audit not exceeding Rs.5,000/- in respect of each firm of Statutory Auditors.”

Place: Bangalore
Date : 25th August, 2019

By Order of the Managing Committee,
For Bangalore Turf Club Limited

Registered Office :
52, Race Course Road,
Bangalore - 560 001.
CIN: U99999KA1962PLC001449

Pradeep Kumar. G
Company Secretary & CFO
(ACS 24171)

Notes :

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- (i) Every Club Member who is entitled to attend and vote at the General Meeting is entitled to appoint any person as his proxy to attend and vote and the proxy need not be a Member of the Club. The instrument appointing a proxy shall be deposited at the Registered Office of the Club not later than 48 hours before the time for holding the meeting, as required under Article 29 of the Articles of Association.
 - (ii) There shall be no voting by proxy in the matter of election of Committee Members & Stewards as stipulated in Article 33(d).
 - (iii) Members seeking election for the office of Steward or Committee Member should have a Director’s Identity Number (DIN), PAN and AADHAR details at the time of appointment. Please submit the self attested copies of those documents.

Calendar of Events :

1. Last date for filing of Nomination for election
as a Committee Member/Steward **Sunday, 8th September, 2019.**

 2. Last date to give Special Notice to move
Resolution by Club Members **Sunday, 8th September, 2019.**
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Notes :

1. Sunday, 8th September 2019 being a working day for the Club, the office will remain open from 10.00 a.m. to 6.00 p.m.
 2. Members wishing to seek clarifications, in connection with the accounts, are requested to forward all such queries to the Company Secretary & CFO on or before Sunday 8th September 2019, so as to enable the office to compile the information and furnish the same at the earliest.
 3. Pursuant to Provisions of Companies Act, and rules made there under and Circular issued by the Ministry of Corporate Affairs in support of Green Initiative, please note all future communication to Members would be sent in electronic form to those Members whose e-mail addresses are registered with the Company, unless a Member has requested for a physical copy of the same with the Club as required under Companies Act. The Members who have not registered their e-mail addresses are requested to register the same with the Club. We seek your co-operation in making Green Initiative, a success.
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Place: Bangalore
Date : 25th August, 2019

By Order of the Managing Committee,
For Bangalore Turf Club Limited

Registered Office :
52, Race Course Road,
Bangalore - 560 001.
CIN: U99999KA1962PLC001449

Pradeep Kumar. G
Company Secretary & CFO
(ACS 24171)

Dear Members,

The Committee has pleasure in presenting its **FIFTY EIGHTH ANNUAL REPORT** together with Audited Financial Statements for the year ended 31st March 2019.

1. SPONSORSHIP AND PRIZE MONEY:

(a) Added money for classic races during Summer Meeting 2018 is given below:

(Amount in Rs.)

Sl. No.	Classic Race	BSM 2017	BSM 2018
1.	The Kingfisher Ultra Derby Bangalore (Grade I)	1,50,00,000	1,50,00,000
2.	The Colts Championship Stakes (Grade I)	50,00,000	25,00,000
3.	The Fillies Championship Stakes (Grade I)	50,00,000	25,00,000
4.	The Tetrasoft Inc. Bangalore St. Leger (Grade II)	25,00,000	25,00,000

(b) Added Money for Classic Races during Bangalore Winter Meeting is given below:

(Amount in Rs.)

Sl. No.	Classic Race	2017-18	2018-19
1.	The Catalyst Properties Bangalore Derby (Grade I)	75,00,000	75,00,000
2.	The Bangalore Oaks (Grade II)	25,00,000	12,50,000
3.	The Shapoorji Pallonji Oil & Gas Bangalore 1000 Guineas (Grade II)	25,00,000	12,50,000
4.	The Shapoorji Pallonji Oil & Gas Bangalore 2000 Guineas (Grade II)	25,00,000	12,50,000

(c) An amount of Rs. 28.65 crores as prize money, including Rs. 54.34 lakhs towards incentives was paid by the Company for 378 races during the year as compared to Rs. 29.41 crores paid, including Rs. 2.31 crores towards incentives for 313 races during the previous year. In addition, an amount of Rs. 1.96 crores (Rs. 1.38 crores) was paid as subsidy.

(d) An expenditure of Rs.107.53 lakhs (Rs. 68.30 lakhs) was incurred for testing 935 samples (827 samples) for doping.

(e) Prize Money of Rs. 255.30 lakhs (Rs. 267.00 lakhs) was paid during July 2019 for THE KINGFISHER ULTRA DERBY BANGALORE (Grade I), including a contribution of Rs. 75.00 lakhs from M/s United Breweries Limited.

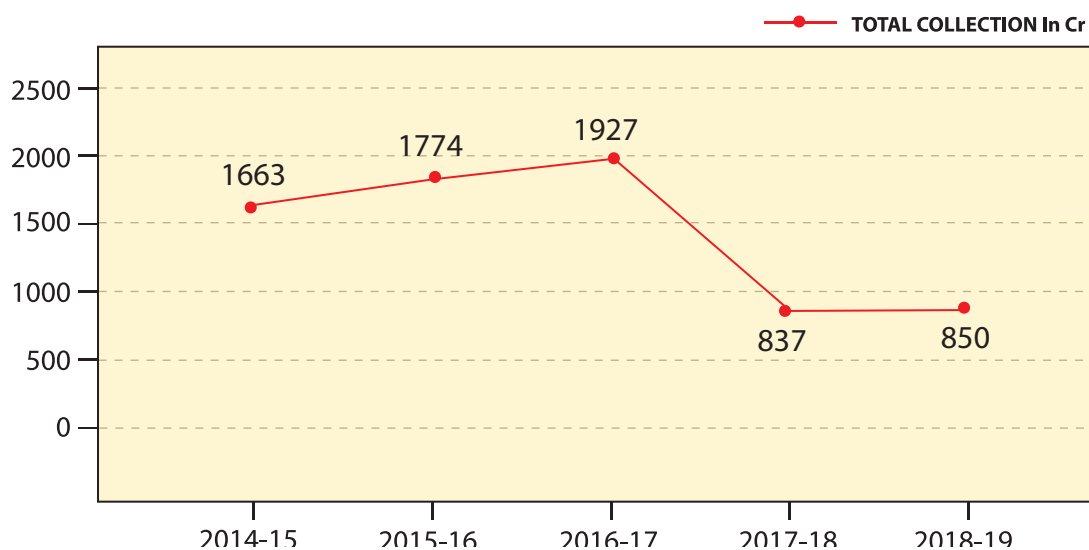
BANGALORE TURF CLUB LIMITED

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

- (f) Prize Money of Rs. 152.63 lakhs (Rs. 160.5 lakhs) was paid during January, 2019 for "THE CATALYST PROPERTIES BANGALORE DERBY (GRADE I) including a contribution of Rs 37.50 lakhs from M/s Catalyst Properties and the sponsors have agreed to sponsor the winter Derby for the next year.

2. FINANCIAL RESULTS:

- (a) Investment at the Totalisators was Rs 850.50 crores (Rs. 837.28 crores)



- (b) The following represents the significant changes during the year:

Income:

(Rs. in lakhs)

Sl. No.	Particulars	Increase	Decrease
1.	Net Commission on Totes	1,572	-
2.	Income from Bookmakers	1,722	-
3.	Mobile usage charges	55	-
4.	Interest on Fixed Deposits	727	-
5.	Gate Collections	373	-
6.	Share of income from other centers	-	134
7.	Entry Money	-	94
8.	Credits no longer Payable Written Back	-	76



Expenditure:		(Rs. in lakhs)	
Sl. No.	Particulars	Increase	Decrease
1.	GST provision with interest	15,673	-
2.	Employees Cost	670	-
3.	Course and Other Expenses on Races	154	-
4.	Provision for Income Tax	-	3,184
5.	Tote and Entertainment Tax	-	2,313
6.	Provision for Gratuity	-	831
7.	Share of Income Paid to Other Centers	-	101
8.	Legal and Professional Charges	-	91

- (c) Overall, the Company made a Loss of Rs.22.59 crores (Profit of Rs 37.80 crores), after providing for depreciation and taxation, as detailed under:

(Rs. in crores)			
Sl. No.	Particulars	31st March 2019	31st March 2018
1.	Total Income, including Taxes	229.51	185.87
2.	Profit/(Loss) before Taxes	(31.38)	60.85
3.	Taxes	(8.79)	23.05
4.	Profit / (Loss) after Taxes	(22.59)	37.80

- (d) The Company made Loss primarily on account of provision for GST with interest for the period 25.01.2018 to 31.03.2018 amounting to Rs. 30 crore.
- (e) 52 (41) race meetings and 299 days (147 days) of Intervene Betting were conducted on races held at various other centers during the year.
- (f) Intervene betting was conducted concurrently (dual) on two racing centers over 56 (21) days during the year.
- (g) The Club optimized the number of Off Course Betting Centers (OCBC) based on the turnover and the operational cost. Currently the Club has eight OCBCs.

BANGALORE TURF CLUB LIMITED

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

3. TOTALISATORS:

The following changes in the rate of commission were made for the below pools with effect from 24th July 2018

POOL	FROM (%)	TO (%)
Second Horse Pool	30.00	32.00
Forecast	30.00	32.00
Quinella	30.00	32.00
Trinella	30.00	32.00
Exacta	30.00	32.00
Third Horse Pool	30.00	32.00

4. BOOKMAKERS:

The Bookmakers resumed their operations w.e.f. 22nd June, 2018 with a financial commitment of Rs. 21.00 crores for a period of 12 months and further the license was renewed for a period of two years w.e.f. 1st July 2019 to 30th June 2021 with a financial commitment of Rs 24.50 crores for the period 1st July 2019 to 30th June 2020 and Rs 26.34 crores for 1st July 2020 to 30th June 2021. Further, the Bookmakers have agreed to pay a sum of Rs 25.00 lakhs towards sponsorship of races for the years 2019-2020 and 2020-2021 each.

5. AVERAGE ATTENDANCE AND NUMBER OF HORSES:

Particulars	2018-19	2017-18
Number of Racing Patrons:		
Summer Meeting	8931	10305
Winter Meeting	7915	7980
Horses participated:		
Summer Meeting	703	742
Winter Meeting	689	611



6. BANGALORE TURF CLUB CHARITABLE TRUST:

- (a) An interest of Rs. 27.41 lakhs (P.Y.Rs. 24.98 lakhs) was earned on deposits made by the Trust of which an amount of Rs 12.52 lakhs (P.Y.Rs.10.85 lakhs) was utilized for charitable activities.
- (b) During the year, the Trust extended financial assistance to poor patients afflicted with kidney and heart diseases. The assistance, covering 170 (P.Y.126) patients, involved an amount of Rs 8.15 lakhs (P.Y. Rs. 7.05 lakhs). This amount was paid directly to various hospitals, towards partly meeting medical expenses incurred for the treatment of such needy patients.
- (c) The Trust also extended financial assistance to 14 (P.Y. 6) institutions amounting to Rs. 1.40 lakh (P.Y. Rs 0.60 Lakhs) apart from providing scholarship amounting to Rs. 2.97 lakhs(P.Y.Rs 3.19 lakhs) in favour of 44 (P.Y. 48) needy and meritorious students.

7. RACING MONITORING COMMITTEE:

Pursuant to the directions of the Hon'ble High Court of Karnataka, on 4th January 2018, the Government of Karnataka vide its order no FD37 CRC 2017 constituted a Racing Monitoring Committee (RMC) to monitor the racing activities of Bangalore Turf Club Ltd.

The Racing Monitoring Committee demitted its office on 15th September 2018 and submitted its report to the Government of Karnataka on 29th March 2019.

8. INCOME TAX:

(A) As reported earlier:

- (a) Proceedings were initiated by the Income Tax Department requiring the Company to deduct tax at source on prize money paid to an Owner of a winning horse under Section 194B and a demand for Rs. 51.34 crores was raised against the Company in respect of financial years, covering the period between 1st April 2006 and 31st March 2011.
- (b) The Company had approached the Hon'ble High Court of Karnataka under a Writ Petition with a contention that the deduction u/s 194B is not applicable to the Company. During September year 2014, the Hon'ble High Court of Karnataka passed an order agreeing with the contentions of the Company and held that 'Stakes or Prize Money' paid by the Company to horse owners would not attract the provisions of Section 194B of Income Tax Act, 1961. It also directed the Department not to demand TDS from the Company and not to treat the Company as an 'assessee in default'. Thereafter, the Income Tax Department filed a Writ Appeal challenging the above order.
- (c) After hearing the appeal, the Hon'ble High Court of Karnataka vide its order dated 7th December 2016 directed the Company to deduct an amount equivalent to 30% of the Prize Money and to retain the said money in a separate account and also directed the Income Tax Authority to hear the matter de-novo and pass appropriate orders in the matter.

- (d) On the matter being restored back to the Department, the Income Tax Authorities heard the contentions of the Company and thereafter, the Assessing Officer passed orders to the effect that the Company was liable to deduct TDS under section 194B and issued demand notices for the Assessment Years 2007-08 to 2012-13, involving a total liability of Rs 87.50 crores, including interest.
- (e) The Income Tax department issued notices of demand under section 201(1) and 201 (1A) of the Income Tax Act, 1961 for the assessment year 2013-14 to 2015-16 and passed an order dated 29th March 2016 demanding payment of Rs. 39.48 crores. The Company approached the Hon'ble High Court of Karnataka seeking relief and pending disposal, the demand has been stayed.
- (f) The Company has suitably amended its application before the Hon'ble High Court of Karnataka challenging the orders of the Assessing Officer and the appeal is pending disposal.
- (g) The Company with effect from December 2016 has started withholding from 'Prize Money', payable to Racehorse Owners, Trainers & Jockeys a sum equivalent to 30% as retention money on the directions of the Division Bench of the Hon'ble High Court of Karnataka.
- (h) The Company has also received a show cause notice dated 27th April 2016 for levy of penalty under section 271 C of the Income Tax Act, 1961 for the assessment years 2011-12 to 2015-16 in respect of non-deduction of tax on Prize Money the Company has challenged the same on the ground that there has been no concealment of income.
- (i) As per the said order of the Hon'ble High Court of Karnataka, the Company has also released such retention money to the owners, trainers and jockeys who have provided necessary undertaking of indemnification.
- (j) Pending further proceedings, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 127 crore for the period up to 31st March 2015. The Company is contingently liable for the same and any further demand which could be raised for subsequent periods together with interest, if any.

(B) As reported earlier:

- (a) The Income Tax Department has also raised demands under section 143(3) of the Income Tax Act, 1961 for a sum of Rs. 15,01,80,483/-, Rs. 15,65,63,241/- and Rs. 13,41,16,277/- by way of disallowances for the assessment years 2012-13, 2013-14 and 2014-15 respectively for non-deduction of tax at source in respect of Prize Money, capital and revenue expenditure.
- (b) The Company has filed an appeal before the Commissioner of Income Tax, Appeals-I disputing the demand. However, the Company has not made any provision for the demand raised and has contingent liability for the same together with interest, if any.
- (c) The Company has disputed the demands raised by filing of appeals against the orders for all the assessment years. Pending further proceedings, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 44,08,60,001/- and is contingently liable for the same.

**(C) As reported earlier:**

- (a) The Income Tax Department had issued a notice for short deduction of taxes U/s 194 BB of the Income Tax Act, 1961 by the Company on the dividends paid to winning individuals. The Company had represented that appropriate deductions have been made as per Income Tax guidelines and that all due efforts had been made towards deducting appropriate taxes wherever the payment exceeded Rs. 2,500/- per individual. However, the Department had raised an issue that tax is to be deducted wherever the payment is in excess of Rs. 2,500/- per person and has further contended that the Company is required to put in place precautionary measures to avoid aggregation of winning tickets by an individual.
- (b) The submissions made by the Company about the impracticability of aggregating all winning tickets of an individual to determine the criteria for tax deduction was not accepted by the Department and a show cause notice had been issued against the Company.
- (c) The Company had filed a writ petition in the Hon'ble High Court of Karnataka and the Hon'ble court had granted an interim stay in Writ Petition No. 14184/2013 and WP No 5670/2014, restraining the Department from any further proceedings in the matter.
- (d) Pending further proceedings and outcomes, the Company is contingently liable for any demand that may arise in this matter. A reliable estimate of the financial effect on this matter could not be made with any certainty at this point of time considering the nature of the issue and the period of applicability.
- (e) For the Assessment Year 2016-17, disallowance has also been made for non deduction of taxes at source on Basic Maintenance Charges (BMC) of horses on the contention that the expenses of BMC is a liability of the company and the company is responsible for tax deductions at source. Income tax demand disputed and to the extent not provided for is Rs 14,97,84,462/-.

9. SERVICE TAX:**As reported earlier:**

- (a) The Service Tax Department had raised a demand of Rs. 3,35,23,075/- on the Company towards Service Tax and has also levied a sum of Rs. 3,35,23,075/- as penalty. In addition a sum of Rs. 1,00,000/- each has also been levied as penalty on five office bearers aggregating to Rs. 5,00,000/-.
- (b) The demand has been raised for the financial years 2008-09 to June 30, 2012 on certain transactions holding the same to be liable for Service Tax. The Company had already started paying Service Tax on the said transactions from July 1, 2012 post the amendments to the Service Tax Act based on the negative list concept. Consequently, the Company is of the view that the said transactions do not come under the scope and purview of Service Tax for the period ending June 30, 2012.

BANGALORE TURF CLUB LIMITED

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

- (c) The Company has obtained legal advice and filed an appeal against the Order of the Commissioner of Service Tax with the 'Customs, Excise and Service Tax Appellate Tribunal' contesting the levy of Service Tax and penalty.
- (d) Pending further proceedings and outcome, the Company has not made any provision in the accounts for the total Service Tax demand of Rs. 6,75,56,150/- and has a contingent liability for the same.
- (e) The Company also received show cause notices dated 24th May 2015 from the Service Tax department raising a separate demand for payment of Service Tax of Rs.1.51 crore, for the period October 2009 to March 2014 and the Company has contested the demand raised by the department of Service Tax.
- (f) The Company also received a statement of demand dated 5th April 2016 for the period April 2014 to September 2015 for the same issues raised in the show cause notice dated 24th May 2015 for an amount of Rs.2.48 crore and the same is being contested by the Company.

10. SERVICE TAX ON NET TOTE COMMISSION:

- (a) The Company had been paying Service Tax "under protest" on net income earned on the collections at the Totalisators commencing from 1st July 2012.
- (b) As reported earlier, the matter was reviewed in March 2016 and in the absence of clarity on the applicability of Service Tax on net Tote Commission, a decision was taken to discontinue payment under this head with effect from 1st March 2016.
- (c) The arrangement was also communicated to the Service Tax Department and the Company simultaneously filed an application seeking refund of Service Tax paid on net Tote Commission for the period between July 2012 and June 2017.
- (d) However, towards ensuring compliance with the instructions of the authorities, the Company, as a measure of abundant caution and towards safeguarding the financial interest of the Company, remitted Service Tax in January 2017 (on net Tote Commission) under protest, covering the period between March 2016 and December 2016.
- (e) The applications of the Company seeking refund of amount paid under protest, amounting to Rs. 53.95 crore is pending disposal before the Service Tax Authorities.

11. VALUE ADDED TAXES:

- (a) On 23rd April 2018, The Commercial Tax Department has raised a demand of a sum of Rs. 34,36,802 towards VAT and has also levied a sum of Rs. 42,79,976/- as interest and penalty.
- (b) The demands have been raised for the financial year 2011-12 and 2012-13 by levying VAT on sale of medicines and feed supplements used in veterinary services/medical treatment provided to horses.
- (c) The Company has disputed the levy of VAT and has initiated appropriate legal remedies.
- (d) Pending further proceedings and outcomes, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 77,16,778/- and is contingently liable for the same

**12. PROPERTY TAX:**

- (a) During the year, the Revenue Authorities have determined the Property Tax under the Karnataka Municipal Corporation Act, 1976 for the past eleven years. Revenue Authorities have determined the annual property tax at Rs. 72,10,198/- for the years from 2008-09 to 2015-16 and at Rs. 1,13,70,745/- for the years from 2016-17 to 2018-19.
- (b) The Company has not accepted the property tax demand and has preferred an appeal against the order. The company is contingently liable for the disputed demand raised in the notice as arrears of tax of a sum of Rs. 3,96,17,863/-, a consequential penalty of Rs. 7,92,35,726/- and the demand of interest for the delayed payment.
- (c) The matter is pending before Joint Commissioner of B.B.M.P for further hearing as land survey report from Public Works Department is awaited to be submitted to Company by B.B.M.P.

13. GOODS AND SERVICES TAX:

- (a) The Company is covered by levy of tax under GST law from 1st July 2017 onwards. The taxes levied prior to the introduction of GST, namely the Tote tax, Entertainment Tax, VAT and Service Tax, have been subsumed in to GST. The Company, based on legal opinions obtained and as per the notification issued by Central Government under GST Act 2017, which states that "Services provided by a race club by way of totalisator or a license to bookmaker in such club is taxable @ 28%", has paid the GST on the Commission earned on Totalisators.
- (b) After the implementation of GST with effect from 1st July 2017 at 28% on Commission, there has been substantial reduction (more than 50%) in Tote turnover.
- (c) The Company has made several representations before State Government, Central Government and Finance Ministry on multiple occasions and hopeful of considering our plea positively by making suitable amendments to GST law.
- (d) The Company has approached the Hon'ble High Court of Karnataka vide Writ Petition No 11168/2018 challenging the applicability of GST on the face value of the bet. In the meanwhile, a notification issued by the Government of India has proposed that the GST is leviable on the face value of the bet.
- (e) The Company, based on the legal counsels of various experts on the subject, is confident of the stand taken by the Company that the levy of GST is applicable only on the Commission on inclusive basis and not on the face value of the bet.

- (f) In the event of the Company not succeeding in its interpretation of the law, the liability not provided for is estimated at Rs. 56.74 crores for the period 1st July 2017 to 24th January 2018 for which the company is contingently liable.
- (g) The Government has made an amendment to the GST law with effect from February 1, 2019 by amending the definition of 'Business' to include all activities of the race club and not the just services provided by the race club. Post the amendment, the company has collected and paid GST on the face value of the bet from February 1, 2019 onwards.
- (h) The GST liability from January 25, 2018 till January 31, 2019 before the amendment as above, has been paid on the commission earned on totalisators. If the company were to pay the liability on the face value of the bet for this period, the additional liability would amount to Rs. 1,42,46,35,179/-. The company, based on the legal counsels of various experts on the subject, is confident of the stand taken by the Company for this period that the levy of GST is applicable only on the Commission and not on the face value of the bet and has taken up the matter before the High Court.
- (i) However, based on the legal and experts opinion, the company has, without prejudice, made a provision for the probable liability of GST of a sum of Rs. 1,56,73,44,166/- inclusive interest computed till the year end. The same is charged as an exceptional item of expenditure in the Statement of Profit and Loss. The company also desires to make a contribution of the said tax as a precautionary measure and by way of abundant caution to avoid further accretion to the interest liability.
- (j) Company has further filed additional memo before Hon'ble High Court of Karnataka seeking order to pay above GST liability under protest and to allow for refund of the same if Company succeeds in its plea.
- (k) **Ever since the introduction of GST race clubs across the country have been adversely affected. In order to explain the rationale behind requesting to charge GST on amount retained by the Club and not on the entire bet value a White Paper was prepared clearly explaining not only the nuances of the racing industry but also the international practices where the GST is applicable only on the amount retained by the Club.**
- (l) **Company took the initiative and along with representatives of other Clubs have met and made representations (including the White Paper) to the officials in the Ministry of Finance, New Delhi. This group has met the Finance Ministers and GST Commissioners of all the racing states (Karnataka, Maharashtra, Tamilnadu, Telangana, and West Bengal) and also the Finance Minister of State of Punjab and GST Commissioner of Gujarat.**
- (m) **We have been able to convince all the above persons that GST should be applicable only on Commission retained by the Clubs and not on the full bet value. We are very hopeful that our efforts for rationalization of GST with reference to the horse racing industry will meet fair amount of success in the months to come.**



(n) Following is the chronology of developments on GST:

Sr	Legislative reference	Date	As goods	As services
1.	Notification No. 1/2017 (CT - Rate) - Rate of tax - Goods Notification No. 11/2017 (CT - Rate) - Rate of tax - Services	01.07.2017	Schedule III - residuary clause for rate of tax Entry 453 - Goods which are not specified in Schedule I, II, IV, V or VI	Entry 34 - 9996 - Recreational, cultural and sporting services (iv) Services provided by a race club by way of totalisator or a license to book maker in such club (14%) (v) Gambling (14%) (vi) Recreational, cultural and sporting services other than (i), (ii), (iii), (iiia), (iv) and (v) above (9%)
2.	Circular No. 27/01/2018 - GST	04.01.2018		Q Nos. 2 and 3 That betting and gambling is under 9996 as Services and is liable to tax @ 28%. That GST will be on the total face value of any or all bets.
3.	Rule 31A - inserted (Notification No. 3/2018 dated 23.10.2018)	23.01.2018	31A (3) - Value of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club shall be 100% of the face value of the bet or the amount paid into the totalisator	
4.	Notification No. 6/2018 dated 25.01.2018 Amendment to Notification No. 1/2017 (CT - Rate)	25.01.2018	Entry 229 inserted Actionable claim in the form of chance to win in betting, gambling, or horse racing in race club - 28%	
5.	Proposed Amendment to Section 2(17)(h) Proposed Amendment to Section 2(17)(h)	01.02.2019	Amendment to the meaning of the expression 'business' to include all activities of a Race Club ... instead of 'services provided by a race Club'	

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14. TAXES PAID TO THE GOVERNMENT OF KARNATAKA:

- (a) A total amount of Rs. 2.70 crores (P.Y.Rs. 24.85 crores) was paid to the Government of Karnataka for the year ended March 31, 2019.
- (b) Comparative figures of taxes paid to the Government of Karnataka are furnished below:

PARTICULARS	Year ended 2019	Year ended 2018	Year ended 2017
Totalisators Tax	-	2261	15414
Betting Tax	-	-	680
Entertainment Tax	-	51	360
License Fee	210	113	209
Lease Rent	60	60	60
Total	270	2485	16723

15. EMPLOYEES STATE INSURANCE:

As reported earlier:

- (a) Civil Appeal Nos. 2416/2003 and 49/2006 filed by the Bangalore Turf Club Ltd. and Royal Western India Turf Club Ltd. respectively against the Employees State Insurance Corporation were finally heard by a Three Member Special Bench, consisting of Hon'ble Mr. Justice H.L.Dattu, Hon'ble Mr. Justice R.K.Agrawal and Hon'ble Mr. Justice Arun Mishra.
- (b) After hearing the matter, the said Special Bench delivered a judgement on 31st July 2014 holding that the Bangalore Turf Club Ltd. and Royal Western India Turf Club Ltd. would fall within the meaning of the word 'shop' as mentioned in the notification issued under the ESI Act.
- (c) Pursuant to the orders, the Employees State Insurance Corporation, raised a demand for a sum of Rs. 15,38,07,855/- for the period from April 1985 till September 2014, based on the provisional data available with them.
- (d) The Company had made a total provision of a sum of Rs. 15,38,07,855/- in the accounts towards the ESI liability, including the earlier provision of Rs. 99.79 lakhs. Against this provision, an amount of Rs. 3.73 crore has already been deposited by the Company with the ESI Corporation for the period January 1985 to March 2009, pursuant to the orders of the ESI Court. Pending further hearing, the demand for the past liability, covering the period January 1985 and March 2009 has been stayed by the ESI Court.
- (e) Contribution between April 2009 and September 2014, involving an amount of Rs. 2.97 crore has since been remitted, as against the original demand for an amount of Rs. 4.01 crore for the said period.



- (f) The Company has started paying ESI for the subsequent periods on a monthly basis from September 2014 onwards.
- (g) The final orders of the ESI Authorities in respect of contribution, interest, damages etc. would depend on the records/data to be submitted by the Company and subject to due verification thereon by the Authorities.
- (h) The disputed amount of Rs. 8,78,56,950/ has been shown as a liability under 'Taxes and Contractual Liabilities'.
- (i) The Club has submitted the records as evidence before the Hon'ble ESI Court in respect of all 21 ESI cases.
- (j) The Hon'ble ESI Court instructed ESI authorities for reverification of records of all 21 ESI cases and furnish the report on or before 30th August 2019.

16. COMPUTERS:

- (a) Annual contracts executed separately for maintenance of the computerized betting system, betting terminals and computers and other allied equipment involved a payment of Rs.105.42 lakhs (P.Y.Rs. 88.02 lakhs).
- (b) The customized office automation system integrated with accounting and other application software with Tally ERP9 based solution, completed and implemented.
- (c) The implementation has helped in automating all racing related procedures and other functions of the office and is expected to serve as an effective aid in the Management Information System.
- (d) The Company has upgraded the website and provided web portals to Racehorse Owners, Jockeys and Trainers to enable them to independently view their respective racing and account information. Similar facility has been provided to Club Members to view their individual Club House account.
- (e) As mentioned in the last Annual Report an initiative to launch a mobile betting app the following progressive steps have been taken:

A proposal for approval for the app based betting has been presented to the Additional Chief Secretary, Finance Department, Government of Karnataka explaining the strategy keeping in mind both the advancement of technology and legal aspects that met with his general approval.

Legal Opinions from experts such as Mr. Aryama Sundaram and M/s Just Law were obtained.

Pending approval of the Government of Karnataka, the Company placed an advertisement in a leading daily with a Request For Proposal for a 10-year Build Operate and Transfer (BOT) model on a revenue share model that would involve no expense to the Club. Respondents to the advertisement were considered and short listed based

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on key factors such as domain knowledge, marketing strength, existing proof of reach Pan-India and technical capabilities including app development and betting/tote software knowledge

These were followed up by intense technical and marketing capability interviews by the technical Sub-Committee. The order placement on the final shortlisted development partner is now pending and awaiting final approval from the Government of Karnataka

The Company believes that this initiative will culminate in significant increase in revenues to BTC and the government.

17. RACING:

A) HORSES:

(a) The number of horses stabled during the past three years were as under:

Year Ended	No. of two-year olds	No. of older Horses	Total No. of Horses
31st March, 2017	191	807	998
31st March, 2018	153	827	980
31st March, 2019	184	769	953

(b) Reallocation of stables to individual Trainers in composite block to facilitate effective stable management implemented during year has ensured adequate security to horses.

B) HORSE TO STAKE RATIO:

The Horse to stake ratio offered at the Bangalore Turf Club Limited is one of the highest in the country. During the BSM-2018 season, it was about Rs.2.15 lakhs per horse participating in the race and it was about Rs.2.17 lakhs per horse in the BWM 2018-19.

C) TRAINERS AND JOCKEYS:

- a) There were 35 'A' licensed Trainers and 15 "B" licensed Trainers at Bangalore Turf Club Limited.
- b) Around 120 Jockeys including 69 "A" licensees and 51 "B" licensees inclusive of 25 Apprentice Jockeys were licensed to ride at Bangalore.
- c) The average prize money of Trainers and Jockeys during the year 2018-19 for 9 months of racing was as follows:



(Rs. in lakhs)			
Category	Prize Money	Average per Year	Per Racing Month
Trainers	272.54	5.45	0.61
Jockeys	204.40	1.70	0.19

d) The total payout of Prize Money during the year was as under:

(Rs. in lakhs)						
Races	Days	Prize Money	Trainer	Jockey	Breeder	Total
BSM 18	25	1169.50	141.76	106.32	3.77	1421.35
BWM 18-19	27	1078.95	130.78	98.08	2.18	1309.99
Total	52	2248.45	272.54	204.40	5.95	2731.34

18. BANGALORE AMATEUR RIDERS INSTITUTE:

- (a) 19 horses were stabled at the Institute during the year.
- (b) As a result of increase in expenditure of Rs 9.86 lakhs towards employee cost and operational costs, the loss of BARI increased to Rs.37.73 lakhs (P.Y.Rs. 28.24 lakhs).

19. CLUB HOUSE:

- (a) Sales at the Club House were Rs. 37.36 lakhs (P.Y.Rs. 31.47 lakhs) including an amount of Rs 35.60 lakhs (P.Y.Rs. 29.88 lakhs) at the BAR.
- (b) With operations at the Club House being outsourced to a professional catering agency, expenditure on salaries was reduced to Rs. 10.00 lakhs (P.Y.Rs. 11.41 lakhs)

20. CATERING:

- (a) Catering expenses were Rs. 83.95 lakhs (P.Y.Rs. 18.00 lakhs) and royalty received from contract vendors was Rs.166.92 lakhs (P.Y.Rs. 88.41 lakhs).
- (b) Under a revised arrangement, catering services at the Club has been outsourced to a professional caterer, which has resulted in reduction of losses from Rs 2.83 lakhs to Rs 0.63 lakhs.

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COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

21. ADMINISTRATION AND ESTABLISHMENT:

- (a) As on 31st March 2019, 106 (P.Y 131) employees (including probationers) are employed on the permanent rolls of the Company, including 25 (P.Y.28) officials and an expenditure of Rs. 13.12 crore were incurred on salaries (P.Y.Rs. 14.43 crore).
- (b) An expenditure of Rs 20.34 crore (P.Y.Rs. 19.85 crore including first time recognition of Gratuity for Rs 7.23 crore treated as extraordinary item in 2017-18) was incurred towards payment of wages in respect of Race Day Staff working at the Company.
- (c) An expenditure of Rs. 5.60 crore (P.Y.Rs. 6.39 crore including first time recognition of Gratuity for Rs 1.08 crore treated as extraordinary item in 2017-18) was incurred towards payment of wages in respect of contractual employees working at the Company.
- (d) In all, the Company incurred an expenditure of Rs 39.06 Crore (P.Y.Rs 40.67 crore including first time recognition of Gratuity for Rs 8.31 crore treated as extraordinary item in 2017-18) towards employees benefits expenses a summary of which is given below.

Category	2018-19	2017-18	Increase/(Decrease)
Permanent	13.12	14.43	-1.31
Daily wage	20.34	19.85	0.49
Contract	5.60	6.39	-0.79
Total	39.06	40.67	-1.61

- (e) Continuous efforts have been made to prune down the number of employees, permanent, contractual and Race Day Staff.
- (f) The Club has implemented various measures to reduce the expenditure such as deployment of Race Day staff in batches and discontinuation of morning sales at OCBCs for Delhi, Kolkata, Madras and Ooty Races, reduction in Derby allowance, discontinuation of festival allowance, discontinuation of double wages, etc.
- (g) The Club has streamlined the deployment of Contractual staff which has resulted in substantial reduction of expenditure.
- (h) The Club has introduced Voluntary Retirement Scheme to the Permanent Employees which has resulted in optimizing the human resources for the Club.
- (i) The Company has under taken and completed the task of Organisation and Operation Study for a New Administration Structure and the same is under implementation.

- (j) Following initiatives and actions are taken by the Company for implementation of Organisation and Operation Study report.
1. Introduction of Batch system.
 2. Abolition of Double payment of Wages.
 3. No Cancellation of Race/Betting Tickets.
 4. Compulsory Login and Logout for all staff.
 5. Pruning of additional staff.
6. The drafting of New Service Rules for the employees. The existing service rule of 1981 has been updated with new Service Rule approved by Managing Committee covering following aspects.
- a) Classification of workmen.
 - b) Terms of employment.
 - c) Publication of working hours.
 - d) Overtime and shift working
 - e) Attendance and late punching.
 - f) Leave procedure.
 - g) Salary structure and increment policy.
 - h) Termination policy.
 - i) Misconduct and procedure for holding enquiry.
 - j) Other general conditions as applicable to the racing industry.
 - k) The Company has taken action of reducing pay scale from 28 to present 6.
 - l) Merging of departments.
 - m) Redefining Roles and responsibilities employee wise/department wise
 - n) Based on the above initiatives/ actions under taken by the Company, going forward the cost of permanent employees as on 31st March 2020 estimated to be Rs 9.28 crore from the present cost of Rs 13.12 crore which will result in further reduction of employees cost by Rs 3.84 crore.

22. FACILITIES/IMPROVEMENTS:

The following improvements were effected during the year:

- (a) Asphaltting of roads at low level stable area and other required areas in the premises at a cost of Rs 1.08 crore.
- (b) Installation of High volume low speed fans at Book makers ring area at a cost of Rs 8.73 lakh which has resulted maximum cooling benefit for the Racing patrons.

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- (c) Installation of 685 Turbo ventilators for low level stables at a cost of Rs 30.31 lakhs which resulted drastic reduction of respiratory issues for the horses.
- (d) Constructed Manure pits for smooth and effective disposal of garbage at low level stables.
- (e) Installation of lighting arrestors for the Towers and Club Buildings to safeguard the assets.
- (f) The Club commenced the betting operations at Kavoor, Mangalore.
- (g) Upgraded IP based surveillance cameras for few OCBCs has already been installed. Work is in progress for completing the same for remaining OCBCs.
- (h) Orders has been placed for Supply, Installation and Commissioning of Giant LED Screen near swimming pool for the benefit of Racing Patrons.
- (i) The Club implemented "No cancellation of betting tickets".

23. INVESTMENTS:

- (a) An amount of Rs.213.60 crore (P.Y.Rs.112.94 crore) stands deposited with Kotak Mahindra Bank (Principal bankers), Indus Bank, Yes Bank, State Bank of India and HDFC Bank.
- (b) The Company realized an interest of Rs. 12.03 crore (P.Y.Rs. 4.77 crore) on long term and short term deposits.

24. RACE COURSE PREMISES:

- (a) The Company had filed Special Leave Petitions (Civil) No. 18238-18239 of 2010 on 23rd July 2010, in the Hon'ble Supreme Court of India with a prayer to grant special leave to appeal against the order of the Division Bench of the Hon'ble High Court of Karnataka, apart from seeking interim relief from the order of the Division Bench of the Hon'ble High Court of Karnataka and to allow the Company to carry on racing activity at the present premises without any hindrance.
- (b) The Hon'ble Supreme Court of India after hearing the petitions has granted leave in the matter by its order dated 25th March 2015 and as a result the Special Leave Petition (Civil) No. 18238-18239 of 2010 filed by the Company on 23rd July 2010 now stands converted into a full-fledged Civil Appeal, numbered as 3263 of 2015.
- (c) The Company is hopeful that it would be able to secure necessary relief from the Hon'ble Supreme Court of India and the accompanying benefit of the extended tenure in respect of the existing Racecourse.
- (d) In this background, the Company does not envisage any difficulty in continuing with its racing activity and does not foresee any adverse situation that could materially affect the carrying value of assets and liabilities or its future earning capacity. The Company on this premise would qualify as an on-going concern.



25. LEGAL MATTERS:

- (a) The Company is promptly pursuing legal matters pending in various courts in respect of ESI, Labour, GST, Service Tax, and TDS on Prize Money etc.
- (b) The Company incurred a total expenditure of Rs. 54 lakhs (P.Y.Rs. 85 lakhs) towards ESI, Labour and miscellaneous legal matters.

26. LOOKING AHEAD:

The following would be the focus for future:

- (a) The Company is in the process of implementing alternate modes of betting at the totalisators to adequately address the financial impact on the collections at the Totalisators in the light reduction of turnover and business upon introduction of GST w.e.f 1st July, 2017. Extending the betting operations of totalisators by introducing betting kiosks in various commercial outlets in the City and in the State.
- (b) Exploring the possibility for wider coverage of totalisator betting by introducing mobile application for betting.
- (c) Introducing new betting pools for the benefit of Racing Patrons.
- (d) Enhancing the quality of telecasting by adopting state of the art technology and procuring high dimension cameras.
- (e) The Equine hospital within the premises is been upgraded to meet acceptable standards. Necessary equipments have been ordered out. It is expected that this up gradation process should be completed within the next 3 months.
- (f) The Irrigation system relating to the track was originally carried out in the year 2002. Since it is more than 17 years that this system was installed, the existing system has become costly and cumbersome to maintain. In order to ensure that the infrastructure relating to the irrigation system of the track area is updated to the latest technology, it has been decided to replace the water pipes adjoining the tracks along with the required supporting equipments to ensure proper maintenance of main track and adjoining two sand tracks. Towards this, it is estimated that the club will incur an expenditure of approximate Rs 150 lakhs. This will offset with the reduction of future expenditure on water, power and man-power.

27. MEMBERSHIP:

As on 31st March 2019, there were 343 Club Members and 186 Stand Members in the Club.

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COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

28. CONDOLENCES:

The Committee records with deep regret the sad demise of the following Members during the year:

Sl. No.	Name of the Member	Date of Demise
1.	Sri. Randhir Talwar	15-Jun-2018
2.	Sri. L.Braganca	16-Aug-2018
3.	Capt. Linagaraju B.L	05-Nov-2018
4.	Sri. M.H.Ambareesh	24-Nov-2018
5.	Sri. P.S.Ranganathan	07-Dec-2018
6.	Sri. K.C.Jayadev	06-Jan-2019
7.	Sri. J.M.S.Prasad	19-Jan-2019
8.	Sri. M.R.Shamasundar	21-Jan-2019
9.	Sri. H.B.Raviraj	20-Feb-2019
10.	Sri. C.Chowdaiah	23-Feb-2019
11.	Sri. S.Nasir Ahmed	14-Mar-2019
12.	Sri. S.G.Madhukar	24-Mar-2019

29. DIRECTORS AND KMP CHANGES:

The details of Directors and Transaction with related parties are disclosed as required by the Accounting Standard 18 issued by The Institute of Chartered Accountants of India. Provisions of KMP as required under section 203 of the Companies Act, 2013 are not applicable to club.

30. STEWARDS:

- (a) Sri. Mahendra Kugashankar tendered his resignation on 28th February, 2019.
- (b) Sri. V.Harimohan Naidu and Sri. A.C.Satish Chandra were elected as Stewards in AGM dated 25th September, 2017 and will hold office till the conclusion of AGM in the year 2019. They are eligible for re-appointment in terms of Article 33 (h) of Articles of Association .
- (c) Sri. Kiran Basappa, Sri. Kittu S Raghunandan and Sri. K Uday Eswaran will continue to hold office till the conclusion of AGM in the year 2020.



31. COMMITTEE MEMBERS:

- (a) Sri. K. Jayaram and Sri. T.H.R. Rajeev were elected as Committee Members in the AGM dated 25th September 2017 and will hold office till the conclusion of AGM in the year 2019 and they are eligible for re-appointment in terms of Article 33 (h) of Articles of Association.

Sri Mahesh Medappa and Sri. Ravishanker S. Poll will continue to hold office till the conclusion of AGM in the year 2020.

32. MEETINGS:

A) MANAGING COMMITTEE MEETINGS:

The number of Managing Committee meetings held between 26th September 2018 and 25th August, 2019 and the attendance of the Members of the Managing Committee during this period are detailed as under:

Sl. No.	Name of the Member of the Managing Committee	Number of Meetings held	Number of Meetings attended (to be updated based on last meeting)
1.	V.Harimohan Naidu	31	30
2.	K.Jayaram	31	30
3.	Kiran Basappa	31	30
4.	S.Kittu Raghunandan	31	29
5.	Mahendra Kugashankar	31	8
6.	C.Mahesh Medappa	31	28
7.	I.S.N.Prasad	31	1
8.	Dr. C.A.Prashanth	31	20
9.	T.H.R.Rajeev	31	31
10.	Ravishanker S. Poll	31	29
11.	A.C.Satish Chandra	31	30
12.	Sathish N. Gowda	31	23
13.	T.Suneel Kumar	31	1
14.	K.Uday Eswaran	31	28
15.	Alok Kumar	31	0
16.	Bhaskar Rao	31	2

B) GENERAL MEETINGS:

Three General Meetings were held during the financial year on 22nd September 2018, 19th November 2018 and on 20th November 2018

33. SUB-COMMITTEES:

The various Sub-Committees constituted as under assisted the Managing Committee in the discharge of its functions:

I. SUB-COMMITTEE (ESTABLISHMENT, ADMINISTRATION, & HUMAN RESOURCES)

1. Sri. K. Uday Eswaran (Chairman)
2. Sri. D.Anand Basappa (Special Invitee)
3. Sri. S. Chockalingam
4. Sri. Dayanand R Mandre (Special Invitee)
5. Sri. T. Jayaprakash
6. Sri. R.K. Nicky Sawhney
7. Dr. C A Prashanth (Government Nominee)
8. Sri. Sathish N Gowda(Government Nominee)
9. Sri. Sidney Moses
10. Sri. Unni Rajagopal

II. SUB-COMMITTEE (AUDIT, FINANCE, PURCHASE AND NEGOTIATIONS)

1. Sri. S. Kittu Raghunandan (Chairman)
2. Sri. N.V. Babu
3. Sri. S.K. Bhaskar Raju
4. Sri. A. S. Karthik Chandra
5. Sri. K.R. Prakash
6. Sri. Ravishanker S Poll
7. Dr. C.A.Prashanth (Government Nominee)
8. Sri. Sathish N Gowda(Government Nominee)
9. Sri. Sunil K Vasanth

III. SUB-COMMITTEE (BARI & HORTICULTURE)

1. Sri. Mahesh Medappa (Chairman)
2. Sri. Abhijit Nayak
3. Sri. D. Akhilesh Basappa
4. Sri. Amit Mandre
5. Sri. Anish B V Rasquinha
6. Sri. B.L. Balakrishna
7. Dr. C.A.Prashanth (Government Nominee)
8. Sri. Sathish N Gowda(Government Nominee)
9. Sri. D.Vishal Sivappa



IV. SUB-COMMITTEE (CATERING AND CLUB HOUSE, BETTING)

1. Sri. T.H.R. Rajeev (Chairman)
2. Sri. Ashwin D.K.
3. Sri. K. Harish Nayak
4. Sri. Prakaash Palaniswamy
5. Dr. C.A.Prashanth (Government Nominee)
6. Sri. A.A. Sanjai Poll
7. Sri. Sathish N Gowda(Government Nominee)

V. SUB-COMMITTEE (COMPUTERIZATION , AUTOMIZATION AND TOTALISATOR)

1. Sri. Ravishanker S.Poll (Chairman)
2. Sri. Chaitanya N. Sreenivas
3. Sri. Gangadhar N.
4. Sri. Nikhil Yathiraj
5. Dr. C.A.Prashanth (Government Nominee)
6. Sri. Sathish N Gowda(Government Nominee)

VI. SUB-COMMITTEE (CORPORATE SOCIAL RESPONSIBILITY)

1. Sri. S. Kittu Raghunandan (Chairman)
2. Dr. C.A.Prashanth (Government Nominee)
3. Sri. Ravishanker S.Poll
4. Sri. Sathish N Gowda(Government Nominee)

VII. SUB-COMMITTEE (LEGAL AND LIASIONING WITH GOVERNMENT AND SPONSORSHIP)

1. Sri. V. Harimohan Naidu (Chairman)
2. Dr. C.A.Prashanth (Government Nominee)
3. Sri. Sathish N Gowda(Government Nominee)
4. Sri. A C Satish Chandra

VIII. SUB-COMMITTEE (VETERINARY, MAINTENANCE OF ENCLOSURES & STABLES)

1. Sri. Kiran Basappa (Chairman)
2. Dr. N.M. Dinesh
3. Sri. Gautam Basappa
4. Dr. C.A.Prashanth (Government Nominee)
5. Sri. Sathish N Gowda(Government Nominee)
6. Sri. D Shailesh Shivaswamy

IX. SUB-COMMITTEE (PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE)

1. Sri. K.Uday Eswaran (Chairman)
2. Dr. C.A.Prashanth (Government Nominee)
3. Sri. Sathish N Gowda(Government Nominee)

X. SUB-COMMITTEE (RACING AND TRACK)

1. Sri. A.C. Satish Chandra (Chairman)
2. Sri. Abhijit Nayak
3. Sri. Naval R Narielwalla
4. Sri. D. Shailesh Shivaswamy
5. Dr. C.A.Prashanth (Government Nominee)
6. Sri. Sathish N Gowda(Government Nominee)
7. Sri. T.H.Ramamurthy (Special Invitee)
8. Sri. Zeyn Mirza

XI. SUB-COMMITTEE (SECURITY, TELECASTING, MEDIA AND, OCBC)

1. Sri. K. Jayaram (Chairman)
2. Sri. Dayanand R Mandre
3. Sri. Mayur Uppini
4. Sri. K R Prakash (Special Invitee)
5. Dr. C.A.Prashanth (Government Nominee)
6. Sri. Sathish N Gowda(Government Nominee)
7. Sri. Sidney Moses(Special Invitee)

XII. SUB-COMMITTEE (AMENDMENTS TO ARTICLES OF ASSOCIATION)

1. Sri. P.G Belliappa (Chairman)
2. Sri. M.Ashok Kumar Shetty
3. Sri. N. V. Babu
4. Sri. V. Harimohan Naidu
5. Sri. A.C.Satish Chandra
6. Sri. V.Vijayendra Velu

34. PARTICULARS OF EMPLOYEES:

The Company has no employee covered under Section 197 of the Companies Act, 2013

35. AUDITORS:

- (a) M/s. R.Chandrashekar and Associates (Registration No. 006783S) and M/s. Dhariwal & Sreenivas, (Registration No. 007197S) Chartered Accountants, who are the Joint Statutory Auditors of the Company will hold office till the conclusion of the ensuing Annual General Meeting.
- (b) M/s. R.Chandrashekar and Associates (Registration No. 006783S) and M/s. Dhariwal & Sreenivas, (Registration No. 007197S) Chartered Accountants are being eligible, offer themselves for re-appointment as Joint Statutory Auditors.
- (c) Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed under the Act, directors propose to appoint M/s. R.Chandrashekar and Associates (Registration No. 006783S) and M/s. Dhariwal & Sreenivas, (Registration No. 007197S) Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Body Meeting till the conclusion of the Fifty Ninth Annual General Meeting to be held in the year 2020.
- (d) The Company has received the certificates from The Joint Statutory Auditors under Section 141 of the Companies Act, 2013 and the Rules framed there under confirming that their re appointment as Statutory Auditors of the Company, if made, would be in compliance with the Provisions of the said section.
- (e) The Audit Report issued by the Statutory Auditors for the financial year ended March 31st 2019 forms part of this report.

36. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

- (a) Your company believes that internal financial control is a necessary concomitant of the principle of governance. The freedom of Management should be exercised within in the frame work of appropriate checks and balances. Your company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.
- (b) Pursuant to this objective, the services of M/s MSSV & Co, Chartered Accountants, Bangalore were utilized in assessing the risks associated with the existing controls.
- (c) The report was adopted by the Company and thereafter necessary action has been taken by the Company to further strength the control mechanisms.
- (d) Your company has a strong and effective internal audit carried out by an Independent firm of Chartered Accountants which review the operational systems and Management Procedures periodically and also the effectiveness and efficiency of the internal control systems and their adequacy to ensure that all the assets are protected and safeguarded against loss and that the financial operations and transactions are complete and accurate.

- (e) The internal audit functions cover the routine audit of all the departments at regular intervals depending on the nature of internal controls that are in place. This audit ensures promoting operational efficiencies and compliances with various legal and regulatory provisions. The Internal audit reports along with the actions taken/proposed to be taken by the Management are placed before the Finance and Audit Sub Committee for their review and suggestions for placing the same before the Managing Committee.

37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

- (i) As the Company is not carrying out any manufacturing activity or any operations, the particulars required under the provision of Section 134 (3)(m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules 2014 is not applicable.
- (ii) However to conserve and optimize the use of energy, the Company has installed energy efficient equipments and lighting systems.
- (iii) Modernized mechanical devices/systems are installed for optimum usage of power and strict controls are exercised for optimum usage of power, water, ventilation and fuel.

38. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134 (5) OF THE COMPANIES ACT, 2013:

Members of the Managing Committee hereby confirm that:

- (i) 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 directors had selected such accounting policies and applied them consistently and 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 Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors had prepared the annual accounts are prepared on a going concern basis.
- (v) The directors had devised proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

39. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 read with Schedule VII of Companies Act, 2013 on Corporate Social Responsibility and The Companies (Corporate Social Responsibility Policy) Rules, 2014 the constitution of CSR Committee is applicable to the Company. The report on CSR activities is annexed herewith as Annexure II and forms part of this report.



40. CHANGE IN THE NATURE OF BUSINESS:

There are no such changes which have occurred in the nature of business during the financial year under review.

41. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not entered into the any transactions falling under the provisions of Section 186 of the Companies Act, 2013 and rules made there under as such the relevant provision is not applicable.

42. RELATED PARTY TRANSACTIONS:

The disclosures relating to particulars of contract or arrangements with related parties referred to in Section 188(1) in Form No AOC-2 and pursuant to Section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable as the transactions entered during the financial year are at arm's length.

43. SUBSIDIARIES, JVS OR ASSOCIATE COMPANIES:

The Company does not have any subsidiary, JV or Associates Companies during the period.

44. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE:

There are no material events to be reported after Balance Sheet date.

45. TRANSFER TO RESERVE:

The Company transferred Rs (22.59) crore to the Reserves and Surplus in view of loss incurred during the year 2018-19. The Company holds Rs. 42.96 crore in Reserves and Surplus as on March 31st 2019 after the transfer of the above.

46. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The impact of Change in GST law on wagering in Horse Racing poses a severe financial challenge to the Racing Industry, both on a short term and long term basis, striking at the very viability of Racing.

47. RISK MANAGEMENT POLICY OF THE COMPANY:

The assets of the Company are adequately insured against loss due to fire, riot, earthquake, terrorism, statutory public liability insurance etc. and other risks considered necessary by the Management.

BANGALORE TURF CLUB LIMITED

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

48. MATERIAL ORDERS PASSED BY REGULATORS OR COURTS AFFECTING ON GOING CONCERN STATUS AND FUTURE OPERATIONS:

There is no such order passed by regulators or Courts which affect the On Going Concern Status and future operations of your Company.

However, under the current structure of taxation on wagering in horse racing, the provisions relating to the definition of "Business" under clause 17(h) of Section 2 of the Central Goods and Services Tax, 2017 have been recently amended and notified as detailed hereunder, effective from 1st February 2019:

Existing	Revised
Services provided by a Race Club by way of Totalisators or a license to bookmaker in such Club.	Activities of a Race Club including by way of Totalisators or a license to bookmaker or activities of a licensed bookmaker in such Club

49. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Many initiatives have been taken to support business through organizational efficiency, process change support, Organisation and Operation Study and various employee engagement programmes which have helped the Organization to achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet talent requirement for the future.

The Club continues to enjoy an extremely healthy and cordial relationship with its employees and continued to receive their unstinted support in all matters and affairs of the Company. The Company is in the process of executing fresh Memorandum of Settlement with the employees.

50. DISCLOSURE IF THE VOTING RIGHTS ARE NOT EXERCISED BY EMPLOYEES:

Bangalore Turf Club Limited is a Company limited by Guarantee and not having Share Capital, has not issued any Shares or Employee Stock Options to the new allottees/Employees hence the said clause is not applicable.

51. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has initiated action for prevention of Sexual Harassment of Women at workplace under Human Resources Policy. During the year under review, Company has not received any complaint of harassment.

**52. DEPOSITS:**

Your Company has not accepted any deposits from Public in terms of Section 73 of the Companies Act, 2013 during the year under review.

53. DIVIDEND:

Bangalore Turf Club Limited is a Company limited by Guarantee and not having Share Capital and hence the said clause is not applicable.

55. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shrinivas Devadiga, Company Secretary in Practice (Certificate of Practice No: 10372) to undertake the Secretarial Audit and the Secretarial Audit Report is annexed herewith as 'Annexure I', forming part of the Committee's Report.

56. EXTRACT OF ANNUAL RETURN:

As required under Section 92(3) of the Companies Act 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT 9 are annexed herewith as 'Annexure II', forming part of the Committee's Report.

57. COMMENTS ON AUDITOR'S REPORT IN RESPECT OF THE QUALIFICATIONS IN THE AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31st MARCH 2019:

- a) The Hon'ble Supreme Court of India after hearing the petitions has granted leave in the matter by its order dated 25th March 2015 and as a result the Special Leave Petitions (Civil) No. 18238-18239 of 2010 on 23rd July 2010 filed by the Company stand now converted into a full-fledged Civil Appeal, numbered as 3263 of 2015. The Company is hopeful that it would be able to secure necessary relief from the Hon'ble Supreme Court of India and the accompanying benefit of the extended tenure in respect of the existing Racecourse. In this background, the Company does not envisage any difficulty in continuing with its racing activity and does not foresee any adverse situation that could materially affect the carrying value of assets and liabilities or its future earning capacity. The Company on this premise would qualify as an on-going concern.
- b) The Company has been consistently following the straight line method of charging depreciation on the buildings located in the Racecourse, the possession of which is vested in the Club in terms of a conditional grant and would so remain, so long as racing activities are conducted at the existing Racecourse.

BANGALORE TURF CLUB LIMITED

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2019

58. ACKNOWLEDGEMENT:

The Committee is grateful to the Government of Karnataka, Government of India for the support extended by them to the Company in promoting and developing the sport.

The Committee is also grateful for the support extended by the United Breweries Group, Catalyst Properties, The Shapoorji Pallonji Oil & Gas and Tetrasoft Inc. for sponsoring various races and racing related events during the year.

The Committee wishes to place on record its appreciation of the valuable services rendered by Government Nominees, Sri. I.S.N.Prasad, Sri. T.Suneel Kumar, Sri. Alok Kumar and Sri. Bhaskar Rao, Dr. C. A. Prashanth and Sri. Sathish N Gowda and the retiring Stewards, Sri. V. Harimohan Naidu, Sri A C Satish Chandra and the retiring Committee Members, Sri. K. Jayaram and Sri. T. H. R. Rajeev.

The Committee also acknowledges with gratitude the support and cooperation extended by Members of the Club, Owners, Trainers, Jockeys, and other Professionals, the Press and Patrons in its endeavors.

The Committee would wish to place on record its appreciation of the cooperation extended by the Office Bearers of The Karnataka Racehorse Owners Association, The Karnataka Trainers Association, The Bangalore Animal Welfare Stable Employees Society and The Jockeys Association of India in facilitating the smooth conduct of racing during the year.

The Committee also wishes to place on record its appreciation of the devoted services rendered by the Officials and Members of the Staff and the cooperation extended by the legal counsel of the Club and Kotak Mahindra Bank Ltd. bankers to the Club.

1.	V HARIMOHAN NAIDU (CHAIRMAN)	01866070
2.	BHASKAR RAO	01683396
3.	K. JAYARAM	07952908
4.	KIRAN BASAPPA	02804321
5.	S. KITTU RAGHUNANDAN	00969426
6.	C.MAHESH MEDAPPA	02816016
7.	I S N PRASAD	01469651
8.	DR.C. A. PRASHANTH	08261237
9.	T.H.R. RAJEEV	07952724
10.	RAVISHANKER S. POLL	07981919
11.	A.C. SATISH CHANDRA	00806395
12.	SATHISH N GOWDA	08263059
13.	K. UDAY ESWARAN	00046438

Members of the Committee

Bangalore, 25th August 2019



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

To,
The Members,
BANGALORE TURF CLUB LIMITED.
Regd Office: RACE COURSE ROAD BANGALORE - 560 001
BANGALORE
Karnataka
560001
India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BANGALORE TURF CLUB LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the BANGALORE TURF CLUB LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



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Mob:+91-9611765369, 9844041800; E-mail: santhruptics@gmail.com

Bangalore

Mumbai



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

I have examined the books, papers, minute books, forms and returns filed and other records maintained by BANGALORE TURF CLUB LIMITED ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (II) Other laws applicable to the Company as per representation made by the Management.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same however stricter application of Secretarial Standard to be observed by the Company.

I further report that, provisions of following Acts, Rules and Regulation are not applicable to the Company during financial year:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



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Bangalore

Mumbai



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

During the period under review and as per the explanations and clarifications given to me and representations made by the Management, other applicable laws are generally complied.

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, during the previous year, there were *delayed filing of Statutory Returns (Goods and Service Tax)* by the Company in few instances.

I further report that

The Board of Directors (Managing Committee) of the Company is duly constituted. The changes in the composition of the Board of Directors (Managing Committee) that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings (Managing Committee), agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that as per explanation given to me and representation made by the management and relied upon by me As per the Accounting Standard 10 (AS 10) on depreciation accounting, and mandatory under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the buildings constructed on a leasehold land are expected to be depreciated fully over the period of lease

In the present case, the period of lease has expired. However, a sum of Rs 2,21,97,714 is carried as the written down value of buildings constructed on such lease hold land, as at March 31, 2019 and is being depreciated under the rates prescribed under the Companies Act, whereas the entire cost of buildings should have been charged off as depreciation by the end of the lease period. Due to this deviation, the value of the buildings is overstated by Rs. 2,21,97,714 (previous year Rs. 2,35,83,373) as at the

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Bangalore





CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

date of the balance sheet and a sum of Rs. 13,85,659 has been provided as depreciation for the year.

I further report that during the audit period there were no other specific events/ actions in pursuance to above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs.

Signature:
Shrinivas M Devadiga
Membership No. 22381
Company No.: 10372

Place: Bangalore
Date: 25/08/2019

*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

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Bangalore

Mumbai



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

'ANNEXURE A'

To,
The Members,
BANGALORE TURF CLUB LIMITED.
Regd Office : RACE COURSE ROAD BANGALORE - 560 001
BANGALORE
Karnataka
560001
India

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Signature:
Shrinivas M Devadiga
Membership No. 22381
C.P.N.S. 10372

Place: Bangalore
Date: 25/08/2019

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Bangalore

Mumbai

Annexure II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2019

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	U99999KA1962PLC001449
2	Registration Date	31-Mar-1962
3	Name of the Company	Bangalore Turf Club Limited
4	Category/Sub-category of the Company	Company Limited by Guarantee
5	Address of the Registered office & contact details	52, RACE COURSE ROAD, BANGALORE - 560 001.
6	Whether listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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.	Sport of Horses Racing and Betting on Horse Racing	9319	100

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Nil

IV SHAREHOLDING PATTERN (Not Applicable as the Club is limited by Guarantee).

(Equity share capital breakup as percentage of total equity)

- (i) Category-wise Share Holding- NOT APPLICABLE
- (ii) Shareholding of Promoter- NOT APPLICABLE
- (iii) Change in Promoters' Shareholding (please specify, if there is no change) – NOT APPLICABLE
- (iv) Shareholding Pattern of top ten Shareholders – NOT APPLICABLE
(Other than Directors, Promoters and Holders of GDRs and ADRs):
- (v) Shareholding of Directors and Key Managerial Personnel: NOT APPLICABLE

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment – Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

By the order of the Managing Committee

For Bangalore Turf Club Limited

V. Harimohan Naidu.

Chairman

DIN-01866070

Place: Bangalore

Date: 25th August 2019

Annexure III: CSR ACTIVITIES

1. A brief outline of the Company’s CSR activities:

Bangalore Turf Club Limited believes that in the strategic context of business, beyond financial goals, there is a need to actively contribute to the Health, Social, Education, Economic and Environmental Development of the Community in which the Company operates, as well as ensuring sustainable development and participation of the community and thereby creating value for the society at large to the extent possible.

2. The Composition of the CSR Committee:

The Managing Committee in the meeting held on 31st October 2018 constituted a Sub Committee for formulating the CSR policy of the Company (Club). The Composition of the CSR Sub Committee is:

Mr. S Kittu Raghunandan, (Chairman)

Mr. Ravishanker S Poll,

Dr. C A Prashanth,

Mr. Sathish N Gowda.

3. Average net profit of the Company for last three financial years: Rs. 2073 lakhs.

4. Prescribed CSR Expenditure: Rs.41.45 Lakhs.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs 41.45 Lakhs.

(b) Amount unspent, if any: Rs Nil.

(c) Manner in which the amount (in Lakhs) spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sl. no.	CSR Activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or program wise	Amount spent on the projects	Cumulative expenditure upto to the reporting period	Amount spent through implementing agency*
1	Contribution to Chief Minister Relief Fund	Flood Relief	Karnataka	13.40	13.40	13.40	Through Government of Karnataka.
2	Contribution to Charitable Institution	Medical, Educational support to public.	Karnataka	28.05	28.05	28.05	Through BTC Charitable Trust.

The CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.



INDEPENDENT AUDITORS' REPORT

To the Members of

BANGALORE TURF CLUB LIMITED

Report on the Audit of the Financial Statements

1. **Qualified Opinion**

We have audited the accompanying financial statements of BANGALORE TURF CLUB LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its loss and its cash flows for the year ended on that date.

2. **Basis for Qualified Opinion**

- (a) As stated in note no. 1.3 of the notes to financial statements in Significant Accounting Policies, depreciation on the buildings constructed on leasehold land has been provided on the straight line method based on the life of the assets prescribed under Schedule II to the Companies Act, 2013.

As per the Accounting Standard 10 (AS 10) on depreciation accounting, and mandatory under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the buildings constructed on a leasehold land are expected to be depreciated fully over the period of lease.

In the present case, the period of lease has expired. However, a sum of Rs 2,21,97,714 is carried as the written down value of buildings constructed on such lease hold land, as at March 31, 2019 and is being depreciated under the rates prescribed under the Companies Act, whereas the entire cost of buildings should have been charged off as depreciation by the end of the lease period. Due to this deviation, the value of the buildings is overstated by Rs. 2,21,97,714 (previous year Rs. 2,35,83,373) as at the date of the balance sheet and a sum of Rs. 13,85,659 has been provided as depreciation for the year.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Company 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

(b) Material Uncertainty Related to Going Concern

We draw attention to note no. 8.1 of the notes to financial statements regarding expiry of the lease of land and the consequent order of the High Court of Karnataka for vacation and handing over the premises to the State Government on or before 22.09.2010. The said order is before the Hon'ble Supreme Court of India on appeal and the outcome is awaited. Therefore, there is significant uncertainty whether the company will be able to continue as going concern and be in position to realize its assets and discharge the liabilities stated in the financial statements. Further, the financial statements do not disclose the adjustments resulting from the said uncertainty of recoverability and quantification of liabilities that may be necessary if the company is unable to continue as a going concern.

Under the circumstances, we are unable to express an opinion on the Company's going concern assumption and its impact on the financial statements.

3. Information Other than the Financial Statements and Auditors' Report thereon:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



4. Management's Responsibility for the Financial Statements

The Company's Board of Directors 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 the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditors' Responsibilities for the Audit of the Financial Statements

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 company has adequate internal financial controls system in place and the operating effectiveness of such controls, and for this purpose reliance has been placed by us on the detailed study conducted by an external firm of Chartered Accountants.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

6. Other Matters

We draw attention to

- (a) The provision made for Goods and Services Tax as noted in note no. 23.2 of the notes to financial statements and the contingent liability on account of Goods and Services Tax as noted in note no. 24.2 (a) of the notes to financial statements.
- (b) The contingent liability on account of tax deductions at source u/s 194B of the Income Tax Act on stakes money as noted in note no. 24.2(c) and 24.2(e) of the notes to financial statements.



- (c) The contingent liability on account of tax deductions u/s 194BB of the Income Tax Act as noted in note no. 24.2(d) of the notes to financial statements.
- (d) The contingent liability on account of Service Tax as noted in note no. 24.2(f) of the notes to financial statements.
- (e) The contingent liability on account of Value Added Tax as noted in note no. 24.2(g) of the notes to financial statements.
- (f) The contingent liability on account of Property Tax as noted in note no. 24.2(h) of the notes to financial statements.

Our opinion is not modified in respect of these matters.

7. Report on Other Legal and Regulatory Requirements

- (a) As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure , a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- (b) As required by section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except to the extent noted in note no. 2(a) above;
 - v. The material uncertainty relating to going concern described in note no. 2(b) above, in our opinion, may have an adverse effect on the functioning of the Company.
 - vi. On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

BANGALORE TURF CLUB LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE BANGALORE TURF CLUB LIMITED

- vii. On the basis of the information and explanations provided to us, in our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such controls were operating effectively as at March 31, 2019 and for this purpose reliance has been placed by us on the detailed study conducted by an external firm of Chartered Accountants while forming our opinion.
- viii. With respect of the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 8.1, 23.2 and 24.2 of the financial statements ;
- (b) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses : and
- (c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
-

For R.CHANDRASHEKAR AND ASSOCIATES

Chartered Accountants
Firm Registration No. 006783S

V.GANESH

Proprietor
Membership. No. 202995
No. 311 / 312, Raheja Chambers
No. 12, Museum Road
BANGALORE – 560 001
UDIN : 19202995AAAAAT7605

For DHARIWAL & SREENIVAS

Chartered Accountants
Firm Registration No. 007197S

SREENIVAS BABU PENUGONDA

Partner
Membership. No. 028804
No.10, (Old No.144), South Park Road
BANGALORE – 560 020
UDIN : 19028804AAAADH3163

Bangalore, 25 August, 2019

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 7 of the Independent Auditors' Report of even date]

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019, we report that

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the management once in a year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not own any immovable property other than the building constructed on leasehold land, the title deeds of which are not in the name of the Company.
2. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act; Consequently, the requirements of Clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and 186 of the Act respectively.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder.
6. As explained to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for the year under review.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, customs duty, cess and other material statutory dues as applicable with the appropriate authorities and no undisputed statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax and goods and services tax which have not been deposited on account of any dispute except those mentioned below:

BANGALORE TURF CLUB LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS OF THE BANGALORE TURF CLUB LIMITED**

Name of the Statue	Nature of the dues	Period	Amount in Rs.	Forum where dispute is pending
Employees' State Insurance Act	ESI	1985 to 2014	8,78,56,950	ESI Court
The Income Tax Act, 1961	Income Tax	2006-07 to 2011-12	87,50,24,202	Honourable High Court of Karnataka (Division Bench)
The Income Tax Act, 1961	Income Tax	2012-13 to 2014-15	39,48,98,732	Honourable High Court of Karnataka
The Income Tax Act, 1961	Income Tax	2012-13	14,87,57,072	Commissioner of Income Tax (Appeals), Bangalore
The Income Tax Act, 1961	Income Tax	2013-14	13,61,23,609	Commissioner of Income Tax (Appeals), Bangalore
The Income Tax Act, 1961	Income Tax	2014-15	13,41,16,277	Commissioner of Income Tax (Appeals), Bangalore
The Income Tax Act, 1961	Income Tax	2016-17	11,52,90,394	Commissioner of Income Tax (Appeals), Bangalore
The Finance Act, 1994	Service Tax	2008-09 to June 30, 2012	6,75,56,150	Customs, Excise and Service Tax Appellate Tribunal
The Karnataka Value Added Tax Act, 2003	VAT	2011-12 and 2012-13	77,16,778	Honourable High Court of Karnataka
Karnataka Municipal Corporations Act, 1976	Property Tax	2008-09 to 2018-19	11,88,53,589	Joint Commissioner, Bruhat Bangalore Mahanagara Palike

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowings from financial institution, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration during the year and accordingly Clause 3(xi) of the Order is not applicable.

12. In our opinion, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable
13. According to the information and explanations given to us and based on our examination of our records of the Company, transactions with the related parties are in compliance with Section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. Since the Company does not have a share capital, the provisions of Clause 3(xiv) of the Order are not applicable.
15. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For R.CHANDRASHEKAR AND ASSOCIATES

Chartered Accountants
Firm Registration No. 006783S

V.GANESH

Proprietor
Membership. No. 202995
No. 311 / 312, Raheja Chambers
No. 12, Museum Road
BANGALORE – 560 001
UDIN : 19202995AAAAAT7605

For DHARIWAL & SREENIVAS

Chartered Accountants
Firm Registration No. 007197S

SREENIVAS BABU PENUGONDA

Partner
Membership. No. 028804
No.10, (Old No.144), South Park Road
BANGALORE – 560 020
UDIN : 19028804AAAADH3163

Bangalore, 25 August, 2019

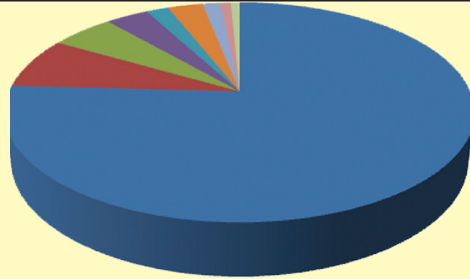
SUMMARY

1. INCREASE IN INCOME :		
Collection from Totalizators	1,572	
Interest on Fixed Deposit	727	
Share of Income from Bookmakers	1,722	
Mobile Phone Usage Charges	55	
Sponsorship Received for Stake Money and Cups	11	
Gate Collections	373	
Veterinary Hospital Receipts	7	
Club House Receipts	6	
Live Telecast Receipts	65	
Other Operating Income	129	
	<hr/>	(+) 4,667
2. DECREASE IN EXPENDITURE :		
Stake Money and Cups	76	
Rent	32	
Insurance	44	
Provision for Gratuity- Daily & Contract Staff	831	
Postage and Telephone/ Books & Periodicals	2	
Provision for Income Tax	3,184	
Tote tax and entertainment tax	2,313	
Depreciation	6	
Share of Income Paid to Other Centres	101	
Printing and Stationery	6	
Legal and Professional Charges	91	
Advertisement, Business Promotion and Publicity	1	
Bad Debts Written Off	4	
Rates and Taxes	7	
	<hr/>	(+) 6,700
3. DECREASE IN INCOME :		
Entry Money, Forfeit Money and Others	94	
Share of Income from Other Centres	134	
Credits no longer Payable Written Back	76	
	<hr/>	(-) 303
4. INCREASE IN EXPENDITURE :		
Licence Fee	98	
Course and Other Expenses on Races	154	
Subsidy to Owners and Trainers	57	
Club House Expenses	3	
Other Operating Expenses	33	
Employee Cost	670	
Lighting	14	
Water Charges	14	
Travelling and Conveyance	2	
Remuneration to Auditors	8	
Watch and Ward	15	
Provision for GST	15,673	
Repairs to Buildings	30	
Repairs to Other Assets	19	
Annual Maintenance - Computers	17	
Generator Maintenance	14	
Miscellaneous Expenses	240	
Donations / CSR	43	
	<hr/>	(-) 17,104
NET INCREASE IN EXPENDITURE*		<hr/>
		(-) 6,040

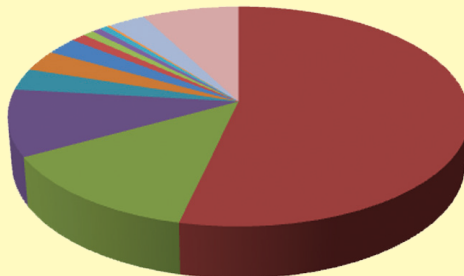
NET INCREASE IN EXPENDITURE*

*VARIATIONS OVER 2017-18

FINANCE



SOURCES OF FUNDS	Rs. in Lakhs	%
NETT COMMISSION ON TOTES	1,74,18.21	75.89
DAILY INCOME FROM BOOK MAKERS	17,21.75	7.50
INTEREST ON FD	1,203.91	5.25
NET GATE COLLECTIONS	809.92	3.53
VETERINARY HOSPITAL RECEIPTS	423.03	1.84
OTHER INCOME	668.93	2.91
ENTRY MONEY	338.16	1.47
LIVE TELECAST RECEIPTS	200.51	0.87
SHARE OF INCOME FROM OTHER CENTRES	166.94	0.73
	22,951.37	100.00



APPLICATIONS OF FUNDS	Rs. in Lakhs	%
PROVISION FOR GST	15,673.44	68.29
ESTABLISHMENT EXPENSES	3,906.74	17.02
STAKE MONEY AND CUPS	2,865.36	12.48
ADMINISTRATION EXPENSES	934.61	4.07
EXPENDITURE ON RACES	897.14	3.91
OTHER EXPENSES	735.04	3.20
SHARE OF INCOME PAID TO OTHER CLUBS	345.67	1.51
REPAIRS AND MAINTENANCE	255.72	1.11
LICENCE FEE	210.60	0.92
SUBSIDY TO OWNERS, TRAINERS,ETC	195.62	0.85
B.A.R.I AND CLUB HOUSE	69.38	0.30
PROVISION FOR TAXATION & DEFERRED TAX	(879.02)	(3.83)
SURPLUS	(2,258.93)	(9.84)
	22,951.37	100.00

BANGALORE TURF CLUB LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

CINumber: U99999KA1962PLC001449

		<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	Note No	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<u>EQUITY AND LIABILITIES</u>					
<u>Shareholders' Funds</u>					
Reserves and Surplus	2		43,32,22,544		65,91,15,276
<u>Non-Current Liabilities</u>					
Long Term Provisions	3	1,85,88,398		9,38,00,035	-
Other Long Term Liabilities	4	16,20,300		3,00,000	
			2,02,08,698		9,41,00,035
<u>Current Liabilities</u>					
Trade Payables	5	30,46,74,334		28,34,31,824	
Other Current Liabilities	6	24,88,35,683		19,26,50,864	
Short Term Provisions	7	1,58,04,57,953		16,93,88,295	
			2,13,39,67,970		64,54,70,983
Total			2,58,73,99,212		1,39,86,86,294
<u>ASSETS</u>					
<u>Non-Current Assets</u>					
<u>Property, Plant and Equipment</u>					
Tangible Assets	8	7,19,10,948		7,96,79,691	
Intangible Assets		66,45,708		7,59,344	
Capital Work in Progress		-		53,43,045	
			7,85,56,656		8,57,82,080
Deferred Tax Asset (Net)	9	11,11,64,675		2,32,04,993	
Long Term Loans and Advances	10	1,93,58,064		2,09,76,424	
Other Non-Current Assets	11	2,13,91,782		7,56,95,779	
			15,19,14,521		11,98,77,196
<u>Current Assets</u>					
Inventories	12	61,98,798		54,37,069	
Trade Receivables	13	5,38,52,264		4,59,84,823	
Cash and Bank Balances	14	2,13,29,61,118		1,06,46,86,142	
Short Term Loans and Advances	15	13,50,77,179		4,38,59,207	
Other Current Assets	16	2,88,38,676		3,30,59,777	
			2,35,69,28,035		1,19,30,27,018
Total			2,58,73,99,212		1,39,86,86,294
Significant Accounting Policies	1				
V. Harimohan Naidu	DIN: 01866070	K. Jayaram	DIN: 07952908	C. Mahesh Medappa	DIN: 02816016
A.C. Satish Chandra	DIN: 00806395	T. H. R. Rajeev	DIN: 07952724	Dr. C.A. Prashanth	DIN: 08261237
Kiran Basappa	DIN: 02804321	Ravishanker S. Poll	DIN: 07981919	Sathish N Gowda	DIN: 08263059
S. Kittu Raghunandan	DIN: 00969426	K. Uday Eswaran	DIN: 00046438		
		Members of the Managing Committee		Pradeep Kumar. G Secretary	
In terms of our report of even date					
For R.CHANDRASHEKAR AND ASSOCIATES					
Chartered Accountants					
Firm Registration No. 006783S					
V.GANESH					
Proprietor					
Membership. No. 202995					
UDIN: 19202995AAAAAT7605					
Bangalore, 25 August, 2019					
For DHARIWAL & SREENIVAS					
Chartered Accountants					
Firm Registration No. 007197S					
SREENIVAS BABU PENUGONDA					
Partner					
Membership. No. 028804					
UDIN: 19028804AAAADH3163					

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019



	Note No	2018- 2019		2017- 2018	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
INCOME					
Revenue from Operations	17	2,15,80,31,250		1,78,87,59,390	
Other Income	18	13,71,05,288		6,99,87,193	
			2,29,51,36,538		1,85,87,46,583
EXPENDITURE					
Operating Expenses	19	47,60,17,180		69,04,99,693	
Employee Benefits Expenses	20	39,06,73,648		32,36,53,024	
Finance Costs	21	48,632		38,249	
Depreciation and Amortization Expense	8	2,22,75,200		2,28,77,506	
Other Expenses	22	15,25,72,613		12,99,77,180	
			1,04,15,87,273		1,16,70,45,652
Profit / (Loss) before Exceptional Items			1,25,35,49,265		69,17,00,931
Exceptional Items	23		1,56,73,44,166		8,31,02,820
Profit / (Loss) before tax			(31,37,94,901)		60,85,98,111
Less: Tax Expense					
Current Tax		-		20,50,00,000	
Current Tax of Prior Years		57,513		-	
Deferred Tax		(8,79,59,682)		1,90,57,094	
MAT Credit Entitlement		-		64,84,511	
			(8,79,02,169)		23,05,41,605
Profit / (Loss) for the Year			(22,58,92,732)		37,80,56,506
Significant Accounting Policies	1				

V. Harimohan Naidu DIN: 01866070
A.C. Satish Chandra DIN: 00806395
Kiran Basappa DIN: 02804321
S. Kittu Raghunandan DIN: 00969426

K. Jayaram DIN: 07952908
T. H. R. Rajeev DIN: 07952724
Ravishanker S. Poll DIN: 07981919
K. Uday Eswaran DIN: 00046438

C. Mahesh Medappa DIN: 02816016
Dr. C.A. Prashanth DIN: 08261237
Sathish N Gowda DIN: 08263059

Members of the Managing Committee

In terms of our report of even date
For R.CHANDRASHEKAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 006783S
V.GANESH
Proprietor
Membership. No. 202995
UDIN: 19202995AAAAAT7605

Bangalore, 25 August, 2019

Pradeep Kumar. G
Secretary
For DHARIWAL & SREENIVAS
Chartered Accountants
Firm Registration No. 007197S
SREENIVAS BABU PENUGONDA
Partner
Membership. No. 028804
UDIN: 19028804AAAADH3163

BANGALORE TURF CLUB LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

CINumber: U99999KA1962PLC001449

	2018- 2019		2017- 2018	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit Before Tax		(31,37,94,901)		60,85,98,111
Depreciation	2,22,75,200		2,28,77,506	
Profit on Sale of Asset	(2,50,000)		-	
Interest Expense	48,632		38,249	
Interest Income	(12,03,91,190)		(4,77,18,415)	
		(9,83,17,358)		(2,48,02,660)
Operating Profit Before				
Working Capital Changes		(41,21,12,259)		58,37,95,451
Trade and Other Receivable	(78,67,441)		(1,09,02,995)	
Inventory	(7,61,729)		30,30,693	
Loan, Advances and				
Other Current Assets	(16,64,392)		(62,08,716)	
Trade and Other Payables	1,56,89,33,479		(1,92,42,159)	
		1,55,86,39,917		(3,33,23,177)
Cash Generated from Operation		1,14,65,27,658		55,04,72,274
Direct Taxes Paid (Net)		(24,23,96,069)		(53,75,732)
Net Cash from Operating Activities		90,41,31,589		54,50,96,542
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets and Capital Work in Progress		(1,47,74,776)		(71,29,700)
Sale Proceed of Asset		2,50,000		-
Interest Received		12,45,72,274		4,53,39,018
Investment in Bank Deposits (maturity of more than 3 months)		(1,94,69,18,295)		(1,40,42,65,160)
Maturity of Bank Deposits (maturity of more than 3 months)		1,12,11,98,880		78,56,97,717
Net Cash from/used in Investing Activities		(71,56,71,917)		(58,03,58,125)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest Paid		(48,632)		(38,249)
Net Cash from Financing Activities		(48,632)		(38,249)
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,84,11,040		(3,52,99,832)
Cash and cash equivalent at the Beginning		1,07,19,195		4,60,19,027
Cash and cash equivalent at the End		19,91,30,235		1,07,19,195

V. Harimohan Naidu DIN: 01866070
A.C. Satish Chandra DIN: 00806395
Kiran Basappa DIN: 02804321
S. Kittu Raghunandan DIN: 00969426

K. Jayaram DIN: 07952908
T. H. R. Rajeev DIN: 07952724
Ravishanker S. Poll DIN: 07981919
K. Uday Eswaran DIN: 00046438

C. Mahesh Medappa DIN: 02816016
Dr. C.A. Prashanth DIN: 08261237
Sathish N Gowda DIN: 08263059

Members of the Managing Committee

Pradeep Kumar. G
Secretary

In terms of our report of even date
For R.CHANDRASHEKAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 006783S
V.GANESH
Proprietor
Membership. No. 202995
UDIN: 19202995AAAAAT7605

Bangalore, 25 August, 2019

For DHARIWAL & SREENIVAS
Chartered Accountants
Firm Registration No. 007197S
SREENIVAS BABU PENUGONDA
Partner
Membership. No. 028804
UDIN: 19028804AAAADH3163

GENERAL

Bangalore Turf Club Limited is a Company incorporated under the Companies Act to carry on the business of the Race Club in all its branches and to carry on the other incidental business. Company does not have any Share Capital and the liability of the members, in the event of liquidation of the Company, is limited to Rs 20 each.

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Method of Accounting:

The financial statements are prepared under the historical cost convention on accrual basis and comply with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

1.2 Property, Plant and Equipment:

Property, Plant and Equipment are stated at the cost of acquisition including taxes, duties (to the extent an input credit has not been availed) and other identifiable direct expenses incurred to bring the assets to their present location and condition, less accumulated depreciation. Interest on borrowed funds attributable upto the period the asset is put to use is included in the cost of the assets.

1.3 Depreciation and Amortization:

Depreciation has been provided on a pro-rata basis on the straight line method based on the life of the assets with due considerations to the residual values as prescribed under Schedule II to the Companies Act, 2013 including on Buildings constructed on leasehold land, with the exception of the following:

Computers and Data Processing Units including Betting terminals are depreciated over a period of seven years and Office Equipments over a period of six years based on technical evaluation of the useful life done by the management.

Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Intangible Assets being computer software have been amortised over a period of seven years.

1.4 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Totalisators Collections-

The collections from 'Totalisators' net of dividends paid out on account of bets placed are recognised as income.

Interest -

Interest income is recognized on a time basis taking into account the principal outstanding and the applicable interest rate.

1.5 Inventories:

Stores and Spares are stated at the lower of cost and net realisable value.

Cost is ascertained on weighted average basis.

1.6 Employee Benefits:**a) Defined Contribution Plan****i) Provident Fund**

Contribution to Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss. The Company has no further obligations beyond its contributions.

ii) Superannuation

The Company makes fixed contributions as a percentage on salary to the Superannuation fund, which is managed by the Life Insurance Corporation of India (LIC). The above contributions are charged to the Statement of Profit and Loss.

b) Defined Benefit Plan**i) Gratuity**

The Company has made provision for gratuity liability on the basis of an actuarial valuation. The Present Value of the defined benefit obligation at the Balance Sheet date less the fair value of Plan Assets is recognised as an asset / liability in the Balance Sheet. The defined Benefit Obligation is calculated by using the Projected Unit Credit Method. Actuarial Gains and Losses are charged to or credited to the Statement of Profit and Loss in the year in which such gain or losses arise.

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC for certain employees.

ii) Leave Encashment

The Company makes an annual contribution to a Leave Encashment Fund managed by LIC. The Present Value of the defined benefit obligation at the Balance Sheet date less the fair value of Plan Assets is recognised as an asset / liability in the Balance Sheet. The defined Benefit Obligation is calculated by using the Projected Unit Credit Method. Actuarial Gains and Losses are charged to or credited to the Statement of Profit and Loss in the year in which such gains or losses arise.

1.7 Foreign Currency Transactions:

Income and Expenditure in Foreign Currency are converted into Indian Rupees at the rate of exchange prevailing on the date of transaction. Assets and Liabilities remaining unsettled at the end of the year are restated at the rate of exchange prevailing at the year end. Exchange differences arising on settlement of monetary items between transaction date / year end date and the date of settlement are recognized in the Statement of Profit and Loss in the year of settlement.

1.8 Accounting for Taxes on Income:

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized if such recoverable amount of the asset is less than its carrying amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

1.10 Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

1.11 Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses it's existence in the financial statements.

As at March 31, 2019

As at March 31, 2018

**Details
Rs.**

**Amount
Rs.**

**Details
Rs.**

**Amount
Rs.**

NOTE - 2

RESERVES AND SURPLUS

Retired Race Horse Welfare Reserve

Balance as at the beginning of the year	36,22,724		28,52,710	
Add : Transfer from Surplus (Refer note no. 2.1)	-		7,70,014	
	<hr/>	36,22,724	<hr/>	36,22,724
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	65,54,92,552		27,82,06,060	
Add: Profit / (Loss) for the Year	(22,58,92,732)		37,80,56,506	
	<hr/>		<hr/>	
	42,95,99,820		65,62,62,566	
Less: Transfer to Retired Race Horse Welfare Reserve	-		7,70,014	
	<hr/>	42,95,99,820	<hr/>	65,54,92,552
Total		<hr/> 43,32,22,544 <hr/>		<hr/> 65,91,15,276 <hr/>

- 2.1 The Company had decided to setup a house for retired race horses on the outskirts of Bangalore and is in the process of identifying a suitable land for the same. In order to augment resources for this purpose, a reserve had been created by recovering half a percent of the Stake money till March 31, 2018 and the same had been appropriated to a 'Retired Race Horse Welfare Reserve', to be used for the specified purpose.

	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
	Rs.	Rs.
NOTE - 3		
<u>LONG TERM PROVISIONS</u>		
Provision for Employee Benefits - Gratuity	1,85,88,398	9,09,87,807
Provision for Employee Benefits - Leave Salary	-	28,12,228
Total	1,85,88,398	9,38,00,035
NOTE - 4		
<u>OTHER LONG TERM LIABILITIES</u>		
Deposits	16,20,300	3,00,000
NOTE - 5		
<u>TRADE PAYABLES</u>		
Trade Payables	30,46,74,334	28,34,31,824
NOTE - 6		
<u>OTHER CURRENT LIABILITIES</u>		
Current Liabilities - Owners and Others	55,36,681	2,75,22,097
Income Received in Advance	1,16,58,750	88,48,750
Taxes and Contractual Liabilities	22,31,18,100	15,06,80,296
Others	85,22,152	55,99,721
Total	24,88,35,683	19,26,50,864
NOTE - 7		
<u>SHORT TERM PROVISIONS</u>		
Provision for Employee Benefits - Gratuity	1,31,13,787	1,35,43,031
Provision for Employee Benefits - Leave Salary	-	15,17,435
Provision for Taxation (Net)	-	15,43,27,829
Provision for Goods and Services Tax	1,56,73,44,166	-
Total	1,58,04,57,953	16,93,88,295

NOTE - 8
PROPERTY, PLANT AND EQUIPMENT

Particulars	COST			DEPRECIATION			BOOK VALUE			
	As at	Additions	Deletions /	As at	Upto	For the	Withdrawal	Up to	As at	As at
	01.04.2018	Rs.	Rs.	31.03.2019	01-04-2018	Year	on Deletions	31-3-2019	31-03-2019	31-03-2018
Tangible Assets										
Building*	4,40,84,623	-	-	4,40,84,623	2,05,01,250	13,85,659	-	2,18,86,909	2,21,97,714	2,35,83,373
Plant and Equipment										
Equipment	10,75,39,230	77,89,902	-	11,53,29,132	8,49,89,535	78,14,758	-	9,28,04,293	2,25,24,839	2,25,49,695
Electrical Installations	43,65,312	1,06,050	-	44,71,362	34,05,626	1,70,112	-	35,75,738	8,95,624	9,59,686
Office Equipment	41,58,690	31,779	-	41,90,469	35,98,301	2,70,863	-	38,69,164	3,21,305	5,60,389
Computers and Peripherals	11,67,26,426	20,62,547	-	11,87,88,973	9,25,15,005	98,35,036	-	10,23,50,041	1,64,38,932	2,42,11,421
Furniture and Fixtures	1,65,12,425	15,24,550	-	1,80,36,975	1,20,85,219	6,87,737	-	1,27,72,956	52,64,019	44,27,206
Vehicles	1,03,45,901	25,54,640	9,42,627	1,19,57,914	69,57,980	16,74,046	9,42,627	76,89,399	42,68,515	33,87,921
Total	30,37,32,607	1,40,69,468	9,42,627	31,68,59,448	22,40,52,916	2,18,38,211	9,42,627	24,49,48,500	7,19,10,948	7,96,79,691
Intangible Assets										
Computer Software	15,74,505	63,23,353	-	78,97,858	8,15,161	4,36,989	-	12,52,150	66,45,708	7,59,344
As at 31-3-2019	30,53,07,112	2,03,92,821	9,42,627	32,47,57,306	22,48,68,077	2,22,75,200	9,42,627	24,62,00,650	7,85,56,656	8,04,39,035
As at 31-3-2018	30,10,64,741	42,42,371	-	30,53,07,112	20,19,90,571	2,28,77,506	-	22,48,68,077	8,04,39,035	9,90,74,170

* On Lands held on 'Security of Tenure'

8.1 Tenure of Race Course

Under a lease agreement dated 21st December 1983, the tenure of the lease of the race course was defined for a period of 30 years commencing from 1st January 1981 to 31st December 2010. The lease was terminated at the end of August 1989. Subsequently, while no formal lease agreement was in force with Government of Karnataka in respect of land in use for racing, the company was however remitting lease rent in terms of order dated 5th September 2000 issued by the Public Works Department, Government of Karnataka superseding all other earlier orders.

The Government was granting license to conduct regular and off-course betting races on day to day basis. However, on 26th July 2008, the Company entered into a supplementary lease agreement with the Government of Karnataka which expired on December 31st, 2009.

The Company had received several notices from the Government of Karnataka informing the Company that as per the Lease Agreement, the possession of the existing race course has to be handed over to the Government on or before 31st December 2009, following expiry of the lease on the said date.

The Company filed a Writ Petition No. 30663 / 2009 in the Hon'ble High Court of Karnataka with the prayer that the Hon'ble High Court of Karnataka may issue a Writ declaring that the grant vide Government Order 9748-51-11 dated 7th May 1915 is a grant under the relevant law relating to grants in the year 1863 and that all legal consequences shall flow therefrom and that the lease deeds dated 21st December 1983 and 26th July 2008 are of no legal effect. The Company also sought a Writ Petition in the nature of mandamus or any other direction to quash the notices directing the Company to hand over possession of the existing race course to the Government. The Company also sought a Writ that the respondents shall continue to make available all licenses, services, facilities and concessions, as done and being done hitherto at present and not to take any coercive steps to make the use of the land futile or defeat the objects of the grant in favour of the petitioner.

The writ filed by the Company was heard conjointly with Writ Petition No. 31200/2009 filed by environmentalists challenging the allotment of land at Chikkajalla / Doddajalla in favour of the Company along with writ petition No. 30767 / 2009 filed by the Bangalore Turf Club Staff Association seeking relief and writ petition No. 22747 / 2009 filed by the People for Animals Group seeking alternate suitable facilities to horses when shifted from the existing premises.

The Division Bench of the Hon'ble High Court of Karnataka after hearing the matter vide its order dated 22nd March 2010, allowed the petition filed by the environmentalists and quashed the allotment of land at Chikkajalla / Doddajalla in favour of the Company. All other petitions including that filed by the Company were however dismissed by the Division Bench of the Hon'ble High Court of Karnataka. The Company was however granted six months time to vacate and deliver vacant possession of the existing race course, subject to the condition that the company shall pay Rs. 5.00 lakhs per month to the State Government from the date of expiry of lease till date of delivery of the premises. The Division Bench of the Hon'ble High Court of Karnataka also directed the company to hand over the premises to the State Government on or before 22nd September 2010 and not to carry on any construction or any other activity prejudicial to maintaining ecology and environment in the area.

Under order dated 22nd March 2010 of the Division Bench of the Hon'ble High Court of Karnataka, the State Government has been directed to preserve, protect and develop the Doddajalla Amanikere and to develop the entire area presently housing the racecourse into a mini forest and theme park.

The Company has filed a Special Leave Petition (Civil) 18238-18239 of 2010 in the Hon'ble Supreme Court of India with a prayer to grant special leave to appeal against the order of the Division Bench of the Hon'ble High Court of Karnataka in writ petitions bearing No. 30663 / 2009 and 31200 / 2009, with a prayer for interim relief to pass ad interim ex-parte order of stay of the order of the Division Bench of the Hon'ble High Court of Karnataka and pass an ad interim ex-parte order allowing the Company to carry on racing activity at the present premises without any hindrance

The Company has corresponded with the Government in regard to relocating the race course at Sonnenahalli. After inspection of the land certain facts were ascertained, and the same were brought to the notice of the Hon'ble Chief Minister of Karnataka that the land situated at Survey No.78, Sonnenahalli, Hessarghatta Hobli, Yelahanka, Bangalore North was not suitable, in view of its topography and considering the presence of a temple on the hill lock. In view of this, the matter was not further pursued by the Company.

During the course of the hearing in the Hon'ble Supreme Court of India, the Advocate General, Government of Karnataka submitted that till the hearing of this matter was concluded, the parties shall maintain status quo. Subsequently, re-joinders were filed on behalf of the Company to the objections filed by the Government of Karnataka. The matter was originally listed on 19th July 2011 and was last heard on 25th March 2015.

After hearing on various dates, the Hon'ble Supreme Court of India has granted leave in the matter by its order dated 25th March 2015 and as a result the Special Leave Petition No. 18238-18239 of 2010 filed by the Company has been converted into a full fledged civil appeal, numbered as 3263 of 2015. Further proceedings are awaited.

The Company is hopeful that it would be able to secure necessary relief from the Hon'ble Supreme Court of India and the accompanying benefit of the extended tenure in respect of the existing race course. In this background, the Company therefore does not envisage any difficulty in continuing with its racing activity and does not foresee any adverse situation that could materially affect the carrying value of assets and liabilities or its future earning capacity.

	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 9				
<u>DEFERRED TAX ASSET</u>				
9.1 The deferred tax asset has arisen out of timing differences on account of the following:				
<u>Deferred tax Asset</u>				
Unabsorbed Depreciation		32,34,150		-
Unabsorbed Business Loss		8,52,25,700		-
Employees State Insurance Liability		2,55,83,944		3,04,05,533
		<u>11,40,43,794</u>		<u>3,04,05,533</u>
<u>Deferred tax Liability</u>				
Depreciation		28,79,119		72,00,540
Deferred Tax Asset (Net)		<u>11,11,64,675</u>		<u>2,32,04,993</u>
9.2 The difference between the balance as on April 1, 2018 and March 31, 2019 of a sum of Rs. 8,79,59,682 has been credited to the Statement of Profit and Loss.				
NOTE - 10				
<u>LONG TERM LOANS AND ADVANCES</u>				
Capital Advances		-		2,75,000
Security and Other Deposits		1,93,58,064		2,07,01,424
Total		<u>1,93,58,064</u>		<u>2,09,76,424</u>
NOTE - 11				
<u>OTHER NON-CURRENT ASSETS</u>				
Balances with Banks in Deposit Accounts (maturing beyond 12 months)		2,13,00,479		7,54,45,000
Interest Accrued		91,303		2,50,779
Total		<u>2,13,91,782</u>		<u>7,56,95,779</u>

11.1 Deposits to the extent of Rs. 1,90,00,000 (Previous year Rs. 1,61,50,000) have been provided as a Security for the sanctioned overdraft facility with the Bank.



NOTES TO FINANCIAL STATEMENTS

Details	As at March 31, 2019		As at March 31, 2018	
	Amount		Details Amount	
	Rs.	Rs.	Rs.	Rs.
NOTE - 12				
<u>INVENTORIES</u>				
Stores and Spares - At Lower of Cost and Net Realisable Value		61,98,798		54,37,069
		<hr/>		<hr/>
NOTE - 13				
<u>TRADE RECEIVABLES</u>				
(Unsecured, Considered Good)				
Outstanding for a period exceeding six months		1,28,28,153		52,68,312
Other debts		4,10,24,111		4,07,16,511
		<hr/>		<hr/>
Total		5,38,52,264		4,59,84,823
		<hr/>		<hr/>
NOTE - 14				
<u>CASH AND BANK BALANCES</u>				
<u>Cash and Cash Equivalents</u>				
Cash on hand	1,20,39,224		48,65,587	
<u>With Scheduled Banks</u>				
In Current Accounts	61,91,011		58,53,608	
In Deposit Accounts (with less than 3 months maturity)	18,09,00,000		-	
		<hr/>	<hr/>	
		19,91,30,235		1,07,19,195
<u>Other Bank Balances</u>				
In Deposit Accounts (Maturing within 12 months)		1,93,38,30,883		1,05,39,66,947
		<hr/>		<hr/>
Total		2,13,29,61,118		1,06,46,86,142
		<hr/>		<hr/>

	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>Details</u>	<u>Amount</u>	<u>Details</u>	<u>Amount</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
NOTE - 15				
<u>SHORT TERM LOANS AND ADVANCES</u>				
<u>Unsecured</u>				
Advances recoverable in cash or in kind or value to be received Considered Good	4,70,66,452		4,38,59,207	
Advance Taxes net of Provision	8,80,10,727		-	
		<hr/>		<hr/>
Total		13,50,77,179		4,38,59,207
		<hr/>		<hr/>
NOTE - 16				
<u>OTHER CURRENT ASSETS</u>				
Interest Accrued	2,37,16,241		2,77,37,849	
Prepaid Expenses	44,39,675		53,21,928	
Leave Salary funded net of Provisions	6,82,760		-	
		<hr/>		<hr/>
Total		2,88,38,676		3,30,59,777
		<hr/>		<hr/>

	<u>2018-19</u> Amount Rs.	<u>2017-18</u> Amount Rs.
NOTE - 17		
Collections from Totalisators (Net)	1,74,18,20,728	1,58,45,75,847
Entry Money, Forfeit Money and Others	3,38,16,499	4,31,90,663
Sponsorship Received for Stake Money and Cups	1,59,70,000	1,48,70,000
Gate Collections	8,09,92,020	4,36,45,110
Daily Income from Bookmakers	17,21,75,360	-
Mobile Phone Usage Charges	55,05,360	-
Share of Income from Other Centres	1,66,93,633	3,00,56,115
Veterinary Hospital Receipts	4,23,03,219	4,16,25,054
Club House Receipts	37,74,572	31,85,496
Subscription from Members	1,07,450	1,08,850
Entrance Fee from Members	17,500	21,000
Live Telecast Receipts	2,00,50,611	1,35,80,837
Other Operating Income	2,48,04,298	1,39,00,418
Total	2,15,80,31,250	1,78,87,59,390
NOTE - 18		
<u>OTHER INCOME</u>		
Interest	12,03,91,190	4,77,18,415
Credits no longer payable, written back	1,25,15,094	2,00,90,924
Exchange Fluctuation Gain	2,98,027	-
Profit on Sale of Asset	2,50,000	-
Others	36,50,977	21,77,854
Total	13,71,05,288	6,99,87,193
NOTE - 19		
<u>OPERATING EXPENSES</u>		
Stake Money and Cups	28,65,36,333	29,41,11,136
Licence Fee	2,10,60,000	1,12,80,000
Course and Other Expenses on Races	5,37,22,041	3,83,14,607
Share of Income Paid to Other Centres	3,45,66,724	4,46,85,534
Tote Tax	-	22,61,80,024
Entertainment Tax	-	51,41,269
Veterinary Hospital Expenses	3,59,91,623	3,59,46,210
Subsidy to Owners and Trainers	1,95,62,032	1,38,39,785
Club House Expenses	36,36,242	33,74,716
Other Operating Expenses	2,09,42,185	1,76,26,412
Total	47,60,17,180	69,04,99,693

	<u>2018 - 2019</u>	<u>2017 - 2018</u>
Details Rs.	Amount Rs.	Amount Rs.
NOTE - 20		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, Wages and Bonus	31,01,50,737	26,06,63,886
Staff Welfare	78,23,782	72,08,973
Contribution to Provident and Other Funds	7,26,99,129	5,57,80,165
Total	<u>39,06,73,648</u>	<u>32,36,53,024</u>
NOTE - 21		
<u>FINANCE COSTS</u>		
Interest	48,632	38,249
NOTE - 22		
<u>OTHER EXPENSES</u>		
User Fee Paid to Govt.of Karnataka	60,00,000	60,00,000
Rent	1,90,90,815	2,23,31,393
Rates & Taxes	71,85,655	79,35,205
Lighting	1,27,08,885	1,12,84,118
Water Charges	33,28,953	19,38,077
Insurance	36,81,243	81,29,335
Postage and Telephone	18,73,799	20,40,925
Printing and Stationery	13,87,646	19,83,697
Travelling and Conveyance	40,07,411	38,36,012
Legal and Professional Charges	1,01,16,403	1,92,39,545
Remuneration to Auditors	14,37,500	6,70,000
Books, Periodicals & Subscription	83,249	1,72,294
Watch and Ward	1,14,30,291	99,53,969
Hospital Maintenance	50,017	88,241
Repairs to Buildings	83,57,885	53,29,250
Repairs to Other Assets	36,93,765	18,14,310
Annual Maintenance - Computers	1,05,42,278	88,02,077
Generator Maintenance	29,78,341	15,77,676
Advertisement, Business Promotion and Publicity	6,24,426	7,61,510
Miscellaneous Expenses	3,94,03,380	1,53,79,663
Exchange Fluctuation Loss	-	35,495
Bad Debts Written off	2,85,019	6,74,388
Corporate Social Responsibility		
Contribution to BTC Charitable Trust	28,05,652	-
Contribution to Chief Minister's Relief Fund	15,00,000	-
Total	<u>15,25,72,613</u>	<u>12,99,77,180</u>

NOTES TO FINANCIAL STATEMENTS

- 22.1 Travelling Expenses include Rs. 7,57,298 (previous year Rs. 2,49,270) incurred for Committee Members.
- 22.2 Rates and Taxes include Rs. 53,87,700 (previous year Rs. 53,87,700) incurred towards Property Tax.
- 22.3 The future minimum lease rental payments in respect of the premises taken under operating lease (other than rent to Govt. of Karnataka) as required to be disclosed under AS-19 are as below:

	Rs.	Rs.
(i) Payable Not Later than one year	1,75,18,807	1,48,17,041
(ii) Payable Later than one year and not later than five years	3,21,24,881	4,18,82,895
(iii) Payable Later than five years	69,18,600	1,10,69,760

NOTE - 23

EXCEPTIONAL ITEMS

Provision for Gratuity for Casual Daily Wage

Staff and Others (Refer Note no. 23.1)	-	8,31,02,820
Provision for Goods and Services Tax (Refer Note no. 23.2)	1,56,73,44,166	-
Total	1,56,73,44,166	8,31,02,820

- 23.1 During the previous year, the Company had made a provision for gratuity for the 'Casual Daily Wage Staff and Others' for the first time. Consequently, the liability upto the end of the preceding previous year amounting to Rs. 8,31,02,820 had been provided during the previous year as an exceptional item of expenditure.
- 23.2 i) The Company was covered by levy of tax under GST law from July 1, 2017 onwards. The Company, based on legal counsels obtained, had paid the GST on the Commission earned on Totalisators. In the meanwhile, a notification was issued by the Government of India in the month of January 2018 proposing that the GST is leviable on the face value of the bet as an actionable claim. The Company has approached the Hon'ble High Court of Karnataka with a Writ Petition challenging the applicability of the said notification to them.
- ii) The Government has made an amendment to the GST law with effect from February 1, 2019 by amending the definition of 'Business' to include all activities of the race club and not the just services provided by the race club. Post the amendment, the company has collected and paid GST on the face value of the bet from February 1, 2019 onwards.

- iii) The GST liability from January 25, 2018 till January 31, 2019 before the amendment as above, has been paid on the commission earned on totalisators. If the company were to pay the liability on the face value of the bet for this period, the additional liability would amount to Rs. 1,42,46,35,179. The company, based on the legal counsels of various experts on the subject, is confident of the stand taken by the Company for this period that the levy of GST is applicable only on the Commission and not on the face value of the bet and has taken up the matter before the High Court.
- iv) However, the company has, without prejudice, made a provision for the probable liability of GST of a sum of Rs. 1,56,73,44,166 inclusive interest computed till the year end. The same is charged as an exceptional item of expenditure in the Statement of Profit and Loss. The company also desires to make a contribution of the said tax as a precautionary measure and by way of abundant caution to avoid further accretion to the interest liability.
- v) The company has not made any provision as above for the period from July 1, 2017 till January 24, 2018 as it is confident of its stand on the issue based on legal counsels obtained for the said period.

NOTE - 24**OTHER NOTES AND DISCLOSURES**

24.1 During the previous year, the racing operations of the Company were suspended from September 1, 2017 to January 4, 2018, as the license for the conduct of races were not issued by the Government of Karnataka. The races were resumed later as per the interim orders and directions of the Hon'ble High Court of Karnataka.

The Company is covered by levy of tax under GST law from July 1, 2017 onwards. The taxes levied prior to the introduction of GST, namely the Tote tax, Entertainment Tax, VAT and Service Tax, have been subsumed in to GST. The revenue from operations post the introduction of GST are stated net of GST collections. The revenue from operations prior to that date are net of Service Tax and VAT. However, the Tote Tax and Entertainment Tax levied on the company were treated as an expenditure and are not reduced from the revenue from operations.

For the reasons stated above, the financial performance of the Company for the current year are not directly comparable to those of the previous year.

24.2 Contingent Liabilities

- a) As referred in note no. 23.2 (v), the GST liability for the period from July 1, 2017 till January 24, 2018 has not been provided for and is estimated at Rs. 56.74 Cr., The company is contingently liable for any liability that may arise on this account.
- b) Contingent liability exists in respect of claims by three 'Casual Daily Wage Staff' against the Company for reinstatement as a permanent employee, back wages and compensation. As per the legal counsel obtained, the Company is on a firm legal footing and does not expect any adverse finding against the Company. As of date, the matter is pending before the Labour Commissioner.

- c) i) The Income Tax Department has raised various demands on the Company on the contention that the stake money paid to the owners of winning horses attract tax deductions at source u/s 194B of the Income Tax Act and the same has not been deducted by the Company. The demands raised for various years are as below:

<u>Assessment Year</u>	<u>Shortfall of TDS</u>	<u>Interest</u>	<u>Total</u>
	<u>u/s 201 (1)</u> Rs.	<u>u/s 201(1A)</u> Rs.	
2007-08	6,45,60,260	8,13,37,009	14,58,97,269
2008-09	6,86,58,907	7,84,66,827	14,71,25,734
2009-10	7,90,74,008	8,07,24,223	15,97,98,231
2010-11	7,65,77,416	6,90,35,924	14,56,13,340
2011-12	7,10,82,895	5,54,44,937	12,65,27,832
2012-13	9,04,24,205	5,96,37,591	15,00,61,796
	<u>45,03,77,691</u>	<u>42,46,46,511</u>	<u>87,50,24,202</u>
2013-14	10,16,13,518	4,87,74,489	15,03,88,007
2014-15	8,72,83,287	3,14,21,983	11,87,05,270
2015-16	10,14,56,012	2,43,49,443	12,58,05,455
	<u>29,03,52,817</u>	<u>10,45,45,915</u>	<u>39,48,98,732</u>
Total	<u>74,07,30,508</u>	<u>52,91,92,426</u>	<u>1,26,99,22,934</u>

- ii) During the earlier year, the Hon'ble High Court of Karnataka passed an order agreeing with the contentions of the Company and held that 'Stake Money' or 'Prize Money' paid by the race clubs to horse owners would not attract the provisions of section 194B of Income Tax Act, 1961. It also directed the department not to demand TDS from the Company and not to treat the Company as an 'assessee in default'. However, the matter is presently pending before the division bench of the Hon'ble High Court of Karnataka on an appeal by the Income Tax Department.
- iii) The demands for the assessment years 2007-08 to 2012-13 amounting to Rs. 87,50,24,202 are presently pending for adjudication before the division bench of the Hon'ble High Court of Karnataka. The demands for the assessment years 2013-14 to 2015-16 amounting to Rs. 39,48,98,732 are pending before the Hon'ble High Court of Karnataka and the matter will be taken up after the disposal of the case pending before the division bench for the earlier years.

- iv) The Company has also started withholding a sum equivalent to the tax deductible at source as a retention money from 'Stake Money' paid to the owners on the directions of the division bench of the Hon'ble High Court of Karnataka from Nov 2016. As per the said order, the Company has also released such retention money to the owners, who have provided necessary undertaking of indemnification.
- v) Pending further proceedings, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 1,26,99,22,934 for the period upto March 31, 2015. The Company is contingently liable for the same and any further demand which could be raised for subsequent periods together with interest, if any.
- d) i) During the earlier year, the Income Tax Department had raised an issue of short deduction of taxes u/s 194BB of the Income Tax Act by the Company on the dividends paid to winning punters. The Company had been deducting appropriate taxes wherever the payment exceeded Rs. 2,500 per person and the details were available and in other cases where a winning ticket exceeded a sum of Rs. 2,500 as mandated then u/s 194BB. However, the department had raised an issue that the taxes are to be deducted wherever the payment made exceeded Rs. 2,500 per person and the same is to be determined by aggregation of all winning tickets by a person.
- ii) The submissions made by the Company about the impracticability of aggregating all winning tickets of a single person to determine the criteria for tax deduction was not accepted by the department and a show cause notice had been issued against the Company.
- iii) The Company had approached the Hon'ble High Court of Karnataka with a Writ Petition and the court had passed an interim stay restraining the department from any further proceedings in the matter.
- iv) Pending further proceedings and outcomes, the Company is contingently liable for any demand that may arise on this matter. A reliable estimate of the financial effect on this matter could not be made with any certainty at this point of time considering the nature of the issue and the period of applicability.
- e) i) The Income Tax Department has raised income tax demands while completing the scrutiny assessments. The demands have been raised primarily by making disallowances for the non-deduction of taxes at source on the stake money paid during the respective years. In one of the years (Assessment Year 2016-17), disallowance has also been made for non deduction of taxes at source on Basic Maintenance Charges (BMC) of horses on



NOTES TO FINANCIAL STATEMENTS

the contention that the expenses of BMC is a liability of the company and the company is responsible for tax deductions at source. Income tax demand disputed and to the extent not provided for are as below:

<u>Assessment Year</u>	<u>Amount</u>
	Rs.
2012-13	15,01,80,483
2013-14	15,65,63,241
2014-15	13,41,16,277
2016-17	14,97,84,462
	<hr/>
Total	59,06,44,463
	<hr/>

- ii) The Company has disputed the demands raised by filing of appeals against the orders for all the assessment years. Pending further proceedings, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 59,06,44,463 and is contingently liable for the same.
- f) i) The Service Tax Department has raised a demand of a sum of Rs. 3,35,23,075 on the Company towards service tax and has also levied a sum of Rs. 3,35,33,075 as penalty. In addition a sum of Rs. One lakh each has been levied as penalty on five office bearers aggregating to Rs. 5 lakh.
- ii) The demand has been raised for the period from financial year 2008-09 till June 30, 2012 on certain receipts holding the same to be taxable for service tax. The Company had already started paying service tax on the same receipts from July 1, 2012 post the amendments to the levy of service tax based on a negative list concept. However, the Company holds the view that the specified receipts were not taxable upto the period ending June 30, 2012.
- iii) The Company has filed an appeal against the Order of the Commissioner of Service Tax with the Customs, Excise and Service Tax Appellate Tribunal' contesting the levy of service tax and penalty.
- iv) Pending further proceedings and outcomes, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 6,75,56,150 and is contingently liable for the same.
- g) i) The Commercial Tax Department has raised a demand of a sum of Rs. 34,36,802 towards VAT and has also levied a sum of Rs. 42,79,976 as interest and penalty.
- ii) The demands have been raised for the financial year 2011-12 and 2012-13 by levying VAT on sale of medicines and feed supplements used in veterinary services/medical treatment provided to horses.
- iii) The Company has disputed the levy of VAT and has initiated appropriate legal remedies.
- iv) Pending further proceedings and outcomes, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 77,16,778 and is contingently liable for the same.

- h) i) During the year, the Revenue Authorities have determined the Property Tax under the Karnataka Municipal Corporation Act, 1976 for the past eleven years. Revenue Authorities have determined the annual property tax at Rs. 72,10,198 for the years from 2008-09 to 2015-16 and at Rs. 1,13,70,745 for the years from 2016-17 to 2018-19.
- ii) The company has not accepted the property tax demand and has preferred an appeal against the order. The company is contingently liable for the disputed demand raised in the notice as arrears of tax of a sum of Rs. 3,96,17,863, a consequential penalty of Rs. 7,92,35,726 and the demand of interest for the delayed payment.

	<u>2018 - 2019</u>	<u>2017 - 2018</u>
	Rs.	Rs.
23.3 <u>Remuneration to Auditors</u>		
For Statutory Audit	7,00,000	6,00,000
For Tax Matters	7,27,500	60,000
For Others	10,000	10,000
	<hr/>	<hr/>
Total	14,37,500	6,70,000
	<hr/>	<hr/>

23.4 Earnings / Expenditure in Foreign Currency / Exchange

	Rs.	Rs
Earnings		
Live streaming Charges Earned	1,33,83,396	87,06,302
Expenditure		
Dope Sample Testing Expenses	51,90,762	1,97,275
Import of Urine Sample Kits	12,41,117	11,19,896
Purchase of Fixed Assets	-	11,65,387
Live Streaming charges	18,46,984	18,09,900

- 24.5** In the absence of any information on requests to the vendors with regard to their registration (filing of Memorandum) under "The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)" and in view of the terms of payments not exceeding 45 days, no liability exists at the close of the year and hence no disclosures have been made in this regard.

24.6 Segment Reporting

The Company is engaged in the business of a race course which as per AS-17 is considered the only reportable business segment. The geographical segmentation is not relevant as the company operates in a single identifiable area.

24.7 Capital Commitment

Estimated amount of Contracts remaining to be executed on Capital Account and not provided for Rs. Nil (Previous year Rs. 25,73,622)

2018-19

2017-18

24.8 Disclosure Pursuant to Accounting Standard (AS) 15 Revised:

	<u>Gratuity</u>	<u>Leave Salary</u>	<u>Gratuity</u>	<u>Leave Salary</u>
The Principal assumptions used in determining Gratuity and Leave Obligations for the Company are as follows				
a) Interest Rate	8.00%	8.00%	7.54%	7.54%
b) Discount Rate	8.00%	8.00%	7.54%	7.54%
c) Estimated Rate of Return on Plan Assets	7.8% / 7.59%	6.98%	8.25%	8.50%
d) Salary Increase	7.00%	7.00%	7.00%	7.00%
e) Attrition Rate	1.00%	1.00%	1.00%	1.00%
f) Retirement Age	60	60	60	60

Changes in the Present Value of Obligation

a) Present Value of Obligation as on 01-04-18	18,48,87,448	29,622,113	8,43,05,117	2,70,76,861
b) Present Value of Obligation for Casual Daily Wage staff and others (Refer Note no 23.1)	-	-	8,31,02,820	-
c) Interest Cost	1,32,98,699	20,10,323	1,20,75,756	19,08,323
d) Current Service Cost	1,50,53,162	24,76,416	1,36,67,700	27,68,435
e) Benefits Paid	(3,78,24,967)	(89,86,154)	(1,45,04,060)	(35,35,084)
f) Actuarial (Gain) / Loss	1,07,61,783	(35,84,731)	62,40,115	14,03,578
g) Present Value of Obligation as on 31-03-19	18,61,76,125	2,15,37,967	18,48,87,448	2,96,22,113

Changes in the Fair Value of Plan Assets

a) Fair Value of Plan Assets as on 01-04-18	8,03,56,610	2,52,92,450	7,10,52,003	2,17,52,330
b) Expected Return on Plan Assets	74,11,459	15,85,534	59,40,262	17,48,673
c) Contributions	10,45,30,838	43,28,897	1,78,68,405	53,26,531
d) Benefits Paid	(3,78,24,967)	(89,86,154)	(1,45,04,060)	(35,35,084)
e) Fair Value of Plan Assets as on 31-03-19	15,44,73,940	2,22,20,727	8,03,56,610	2,52,92,450

Amount Recognised in the Balance Sheet

a) Present Value of Obligations as at the Year End	18,61,76,125	2,15,37,967	18,48,87,448	2,96,22,113
b) Less: Fair Value of Plan Assets as at the Year End	15,44,73,940	2,22,20,727	8,03,56,610	2,52,92,450
c) Liability / (Asset) recognised in the Balance Sheet	3,17,02,185	(6,82,760)	10,45,30,838	43,29,663

	<u>Gratuity</u>	<u>Leave Salary</u>	<u>Gratuity</u>	<u>Leave Salary</u>
<u>Expenses recognised in the Statement of Profit and Loss</u>				
a) Current Service Cost	1,50,53,162	24,76,416	1,36,67,700	27,68,435
b) Interest Cost on Benefit Obligation	1,32,98,699	20,10,323	1,20,75,756	19,08,323
c) Expected return on Plan Assets	(74,11,459)	(15,85,534)	(59,40,262)	(17,48,673)
d) Net Actuarial (Gain)/Loss	1,07,61,783	(35,84,731)	62,40,115	14,03,578
e) Total Expenses/(Income) Recognised	3,17,02,185	(6,83,526)	2,60,43,309	43,31,663

24.9 Related Party Disclosures

As required by the Accounting Standard 18 issued by The Institute of Chartered Accountants of India, the Company's related parties with whom transactions have taken place during the year are as below :

Key Management Personnel

(i)	Mr.V.Harimohan Naidu	(from 25-09-2018)
(ii)	Mr.A.C.Satish Chandra	(from 25-09-2018)
(iii)	Mr.Mahendra Kugashankar	(from 25-09-2018 to 28-02-2019)
(iv)	Mr.T.H.R.Rajeev	(from 25-09-2018)
(v)	Mr.K.Jayaram	(from 25-09-2018)
(vi)	Mr.K.Uday Eswaran	(from 25-09-2018)
(vii)	Mr.Kiran Basappa	(from 25-09-2018)
(viii)	Mr.S.Kittu Raghunandan	(from 25-09-2018)
(ix)	Mr.Ravishankar S.Poll	(from 25-09-2018)
(x)	Mr.U.B.Venkatesh	(Upto 24-09-2018)
(xi)	Mr. L. Vivekananda	(Upto 24-09-2018)
(xii)	Mr. Mahesh Medappa	(from 25-09-2018)
(xiii)	Mr. Satish N Gowda	(from 25-09-2018)
(xiv)	Dr. C.A. Prashanth	(from 25-09-2018)



NOTES TO FINANCIAL STATEMENTS

The Company's transactions with the above related parties are summarised as below :

			Rs.
(a)	Subscription Received	Income	3,500
(b)	Sale of Services - Club house and Reservations	Income	849,910
(c)	Recovery of Expenses on maintenance of Horses and Entry Money	Income	299,033
(d)	Stake Money and Incentives Paid	Expense	227,927

The balances with the above related parties as at March 31st, 2019 are as below:

Trade Receivable from Owners of Horses	54,604
Trade Payable to Owners of Horses	3,949
Other Receivable as Members and for Club House	166,214
Other Payable as Members and for Club House	5,569

24.10 Previous Year's figures have been regrouped / reclassified wherever necessary to conform to those of the current year.

V. Harimohan Naidu	DIN: 01866070	K. Jayaram	DIN: 07952908	C. Mahesh Medappa	DIN: 02816016
A.C. Satish Chandra	DIN: 00806395	T. H. R. Rajeev	DIN: 07952724	Dr. C.A. Prashanth	DIN: 08261237
Kiran Basappa	DIN: 02804321	Ravishanker S. Poll	DIN: 07981919	Sathish N Gowda	DIN: 08263059
S. Kittu Raghunandan	DIN: 00969426	K. Uday Eswaran	DIN: 00046438		
Members of the Managing Committee				Pradeep Kumar. G Secretary	
In terms of our report of even date				For DHARIWAL & SREENIVAS	
For R.CHANDRASHEKAR AND ASSOCIATES				Chartered Accountants	
Chartered Accountants				Firm Registration No. 007197S	
Firm Registration No. 006783S				SREENIVAS BABU PENUGONDA	
V.GANESH				Partner	
Proprietor				Membership. No. 028804	
Membership. No. 202995				UDIN: 19028804AAAADH3163	
UDIN: 19202995AAAAAT7605					
Bangalore, 25 August, 2019					

INDEPENDENT AUDITORS' REPORT

To the Members of

BANGALORE TURF CLUB CHARITABLE TRUST

Report on the Financial Statements

Opinion

1. We have audited the accompanying financial statements of BANGALORE TURF CLUB CHARITABLE TRUST, which comprise the Balance Sheet as at 31st March, 2019 and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements read with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Trust as at March 31, 2019, and its excess of Income over Expenditure for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Trust in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust. This responsibility includes the design, implementation and maintenance of internal control 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.

In preparing the financial statements, management is responsible for assessing the Trusts 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 Trust or to cease operations, or has no realistic alternative but to do so.

Those Board of Trustees are also responsible for overseeing the Trusts financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

4. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal financial control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the 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 Trust'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 Trust to cease to continue as a going concern.

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

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

For R.CHANDRASHEKAR AND ASSOCIATES

Chartered Accountants

Firm Registration No. 006783S

V.GANESH

Proprietor

Membership. No. 202995

UDIN : 19202995AAAAAU8382

Bangalore, 25 August, 2019

BANGALORE TURF CLUB - CHARITABLE TRUST

BALANCE SHEET AS AT MARCH 31, 2019

	2018-2019 Rs.	Rs.	2017-2018 Rs.	Rs.
SOURCES OF FUNDS				
TRUST FUND (CORPUS)				
AS ON 01-04-2018	2,57,00,000		2,57,00,000	
Add : Addition during the Year	28,05,652		-	
	<u>2,85,05,652</u>	2,85,05,652	<u>-</u>	2,57,00,000
SURPLUS				
Per last Balance Sheet	95,49,677		80,71,019	
Add : Excess of Income over Expenditure	15,44,280		14,78,658	
	<u>1,10,93,957</u>	1,10,93,957	<u>14,78,658</u>	95,49,677
Total	<u>3,95,99,609</u>	3,95,99,609	<u>3,52,49,677</u>	3,52,49,677
APPLICATIONS OF FUNDS				
FIXED ASSETS				
Ambulances				
Gross Block (Sold during the year)	-		8,87,905	
Less : Depreciation				
Up to 01-04-2018	8,72,000		8,68,024	
For the year	3,181		3,976	
Withdrawn on Deletion	(8,75,181)		-	
	<u>-</u>		<u>8,72,000</u>	
Up to 31-03-2019	-		8,72,000	
Net Block	-	-	-	15,905
INVESTMENTS				
In Unit Trust of India	10,98,600		10,98,600	
In HDFC Ltd - Fixed Deposits	3,20,00,000		2,90,00,000	
	<u>3,30,98,600</u>	3,30,98,600	<u>2,90,00,000</u>	3,00,98,600
CURRENT ASSETS				
Balance with a Scheduled Bank	50,77,560		39,98,190	
Tax Deducted at Source	14,32,889		11,46,422	
	<u>65,10,449</u>		<u>51,44,612</u>	
Less : Current Liabilities	9,440		9,440	
	<u>65,01,009</u>	65,01,009	<u>51,44,612</u>	51,35,172
Total	<u>3,95,99,609</u>	3,95,99,609	<u>3,52,49,677</u>	3,52,49,677

- Notes :
- The ambulances have been placed at the disposal of Government Hospitals towards supporting community needs. The same have been sold during the year.
 - Depreciation on Ambulances have been provided on the Written Down Value method at the rate of twenty percent per annum on prorata basis.
 - Investments are stated at cost.

Per Our Report Attached
For R.CHANDRASHEKAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 006783S
V.GANESH
Proprietor
Mem. No. 202995
UDIN : 19202995AAAAAU8382

V. Harimohan Naidu
Chairman

K. Jayaram
Trustee

A. C. Satish Chandra
Trustee

Pradeep Kumar. G
Secretary

Bangalore, 25 August, 2019



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

	<u>2018-2019</u>	<u>2017-2018</u>
	Rs.	Rs.
Income		
Interest	27,41,399	24,98,405
Dividend	32,356	88,731
Profit on Sale of Ambulances	57,276	
	<hr/>	<hr/>
	28,31,031	25,87,136
	<hr/>	<hr/>
Expenditure		
Donations	12,52,926	10,84,992
Ambulance Maintenance	19,525	9,070
Salary	1,000	1,000
Remuneration to Auditors	9,440	9,440
Bank Charges	679	-
Depreciation	3,181	3,976
	<hr/>	<hr/>
	12,86,751	11,08,478
	<hr/>	<hr/>
Excess of Income over Expenditure		
transferred to Balance Sheet	15,44,280	14,78,658

Per Our Report Attached
For R.CHANDRASHEKAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 006783S
V.GANESH
Proprietor
Mem. No. 202995
UDIN : 19202995AAAAAU8382

V. Harimohan Naidu
Chairman

K. Jayaram
Trustee

A. C. Satish Chandra
Trustee

Pradeep Kumar. G
Secretary

Bangalore, 25 August, 2019

BTC CRICKET TOURNAMENT - 2019





Proxy form- MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U99999KA1962PLC001449
 Name of the Company : Bangalore Turf Club Limited
 Registered office : 52, Race Course Road, Bangalore-560001

Name of the Member(s):
Registered address:
E-mail Id:
Membership No: Mobile No:

I,being the Member of Bangalore Turf Club Limited hereby appoint

1. Name		Signature
Address		
Email Id:		
Or failing him		
2. Name		Signature
Address		
Email Id:		
Or failing him		
3. Name		Signature
Address		
Email Id:		

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of Members of Bangalore Turf Club Limited, to be held on Monday, 23rd September 2019 at 4.00 PM at 52, Race Course Road, Bangalore-560001 and at any adjournment thereof.

Signed thisday of..... 2019

Signature of Member:.....

Signature of Proxy holder(s):.....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



