



BANGALORE TURF CLUB LIMITED

CIN: U99999KA1962PLC001449

Members of the Managing Committee

	DIN
D. VINOD SIVAPPA (CHAIRMAN)	08580411
Dr. N.M. DINESH	07952294
V. HARIMOHAN NAIDU	01866070
PROF.S.M. JAYDEVAPPA	02804327
KIRAN BASAPPA	02804321
KAMAL PANT	
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 (Upto 27th October, 2020)	07981919
SHIVKUMAR KHENY	01487360
K. UDAY ESWARAN	00046438

Auditors

R. Chandrashekar and Associates

Chartered Accountants Firm Reg No.0067835
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
(Upto 30-06-2019)

Vasanth & Co

Chartered Accountants
Firm Reg No.008204S
12 &13, First Floor, Beside Surana College
South End Road
Bangalore-560004

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 NINTH 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 No 52, Race Course Road, Bangalore – 560001 on Monday, 21st December, 2020 at **11.00 AM** to transact the following business

ORDINARY BUSINESS

1. To receive and adopt the Committee's Report, the Audited Balance Sheet as at 31st March, 2020 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. Kiran Basappa , who is retiring by rotation. Sri. Kiran Basappa, being eligible, offers himself for re-election.
(b) To elect a Steward in place of Sri. S Kittu Raghunandan , who is retiring by rotation and he is not seeking re-election.
(c) To elect a Steward in place of Sri. K Uday Eswaran , who is retiring by rotation. Sri. K Uday Eswaran, being eligible, offers himself for re-election.
3. (a) To elect a Committee Member in place of Sri. C.Mahesh Medappa, who is retiring by rotation and he is not seeking re-election.
(b) To elect a Committee Member in place of late Sri. Ravishanker S Poll, who would have ordinarily retired by rotation from the office of the Committee Member at the ensuing Annual General Meeting.
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 60th AGM of the Company to be held in the year 2021, on a total remuneration of Rs.7.00 lakhs to be shared equally by the Joint Statutory Auditors and 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 : 20th November, 2020

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

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

D Vinod Sivappa
Chairman
DIN: 08580411

Notes :

- (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, 6th December, 2020.**
2. Last date to give Special Notice to move Resolution by Club Members **Sunday, 6th December, 2020.**

Notes :

1. Sunday, 6th December, 2020 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 jointsecretary@btcraces.com on or before Sunday 6th December, 2020, 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.

Place: Bangalore

Date : 20th November, 2020

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

Registered Office :

52, Race Course Road,

Bangalore - 560 001

CIN: U99999KA1962PLC001449

D Vinod Sivappa

Chairman

DIN: 08580411



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

Dear Members,

Your Committee has pleasure in presenting its **FIFTY NINTH ANNUAL REPORT** together with Audited Financial Statements for the year ended 31st March 2020.

1. RACING

- The Club has not conducted racing activities from 13th March, 2020 to 31st October 2020 due to outbreak of Corona Virus (COVID-19) which has resulted in an approximate loss of Rs. 62 crores. The Club has taken various precautions, measures and protocols to safeguard the interest of the Club, it's members, it's officials and welfare of horses stabled in the Club premises.
- The Club has received approval from the Finance Department, Government of Karnataka to conduct spectator less closed door racing. The Club has commenced the Bangalore Winter Meeting 2020-21 from 1st November, 2020.
- The Club is making all arrangements to start inter-venue betting.

2. SPONSORSHIP AND PRIZE MONEY:

- Added money for classic races during Summer Meeting 2019 is given below:

Sl. No.	Classic Race	BSM 2019 Rs.	BSM 2018 Rs.
1.	The Kingfisher Ultra Derby Bangalore (Grade I)	1,50,00,000	1,50,00,000
2.	The Colts Championship Stakes (Grade I)	25,00,000	25,00,000
3.	The Fillies Championship Stakes (Grade I)	25,00,000	25,00,000
4.	The Tetrasoft Inc. Bangalore St. Leger (Grade II)	12,50,000	25,00,000

- Added Money for Classic Races during Bangalore Winter Meeting is given below:

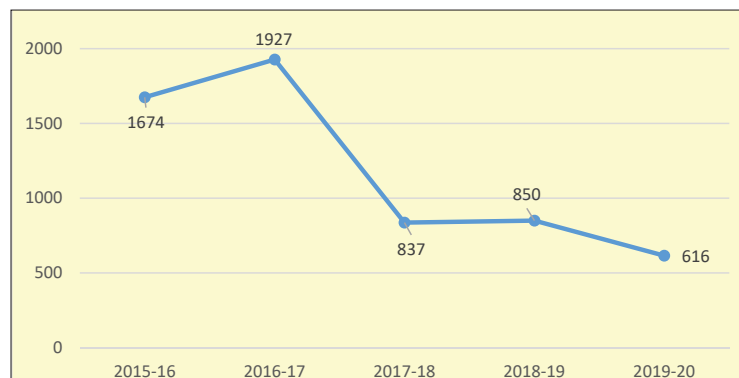
Sl. No.	Classic Race	2019-20 Rs.	2018-19 Rs.
1.	The Shree Meenakshi Sundereshwara Bangalore Derby (Grade I)	75,00,000	75,00,000
2.	The Bangalore Oaks (Grade II)	12,50,000	12,50,000
3.	The Bangalore 1000 Guineas (Grade II)	12,50,000	12,50,000
4.	The Bangalore 2000 Guineas (Grade II)	12,50,000	12,50,000

- An amount of Rs. 29.08 crores as prize money, including Rs. 1.10 crores towards incentives was paid by the Company for 355 races during the year as compared to Rs. 28.65 crores paid, including Rs. 0.54 crores towards incentives for 378 races during the previous year. In addition, an amount of Rs. 1.61 crores (Rs.1.96 crores) was paid as subsidy.
- An expenditure of Rs.1.13 crores (Rs. 1.08 crores) was incurred for testing 329 samples (935 samples) for doping.
- Prize Money of Rs. 1.41 crores (Rs. 1.53 crores) was paid during January, 2020 for "THE SHREE MEENAKSHI SUNDERESHWARA BANGALORE DERBY (GRADE I) including a contribution of Rs. 0.38 crores from Mr. N. Swaroop Kumar.

FINANCIAL RESULTS:

Investment at the Totalisators was Rs. 616.00 crores (Rs. 850.50 crores)

Total Collections in Cr.



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

The following represents the significant changes during the year:

Income:

(Rs. in lakhs)

Sl. No.	Particulars	Increase	Decrease
1.	Net Commission on Totes	-	12,388
2.	Daily Income from Bookmakers	-	92
3.	Interest on Fixed Deposits	-	282
4.	Gate Collections	-	135
5.	Share of income from Other Centers	155	-

Expenditure:

(Rs. in lakhs)

Sl. No.	Particulars	Increase	Decrease
1.	GST provision with interest	-	14,344
2.	Service Tax	167	-
3.	Provision for Share of Income to Other Clubs	420	-
4.	Employees Cost	-	655
5.	Provision for Income Tax and Deferred Tax	-	404
6.	Share of Income Paid to Other Centers	253	-

- (c) Overall, the Company made a Loss of Rs.11.92 crores (Loss of Rs. 22.59 crores), after providing for depreciation and taxation, as detailed under:

(Rs. in crores)

Sl. No.	Particulars	31st March 2020	31st March 2019
1.	Total Income, including Taxes	101.85	229.51
2.	Profit/(Loss) before Taxes	(16.67)	(31.38)
3.	Taxes	(4.75)	(8.79)
4.	Profit / (Loss) after Taxes	(11.92)	(22.59)

- (d) The Company made Loss primarily on account of the provision made on account of the Interest on GST for the period 01.04.2019 to 31.03.2020, amounting to Rs. 13.29 crore and share of income to other clubs is Rs. 4.20 crore.
- (e) 49 (52) race meetings and 259 days (299 days) of Inter venue Betting were conducted on races held at various other centers during the year.
- (f) Inter venue betting was conducted concurrently (dual) on two racing centers over 45 (56) 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 Seven OCBCs.

4. TOTALISATORS:

The following changes in the Gross percentages were made for the below pools with effect from 5th December 2019.

POOL	FROM		TO	
	GROSS	NET	GROSS	NET
Win Pool	26.00	4.125	25.50	3.625
Second Horse Pool	32.00	10.125	31.50	9.625
Treble	45.00	23.125	47.00	25.125
Exacta	34.00	12.125	36.00	14.125



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

5. BOOKMAKERS:

The revenue generated from Bookmakers during the year is Rs.16.30 crores(17.22 crores).

6. AVERAGE ATTENDANCE PER DAY AND NUMBER OF HORSES:

Particulars	2019-20	2018-19
Number of Racing Patrons:		
Summer Meeting	8702	8931
Winter Meeting	6699	7915
Horses participated:		
Summer Meeting	662	703
Winter Meeting	612	689

7. BANGALORE TURF CLUB CHARITABLE TRUST:

- The need to reach a wider range of 'people in need' as well as institutions/NGO who are actively involved in Socio-Economic Development and looking towards making significant contributions towards Cap-Expenditure like School buildings, rest rooms etc., the Trustees of BTC Charitable Trust were of the opinion that the Rules/Bye Law have to be changed. The same was approved at the trust meeting dated 27th June, 2020.
- An interest of Rs. 29.59 lakhs (P.Y.Rs. 27.41 lakhs) was earned on deposits made by the Trust of which an amount of Rs. 11.01 lakhs (P.Y.Rs.12.52 lakhs) was utilized for charitable activities.
- During the year, the Trust extended financial assistance to poor patients afflicted with kidney and heart diseases. The assistance, covering 141 (P.Y.170) patients, involved an amount of Rs. 6.20 lakhs (P.Y. Rs. 8.15 lakhs). This amount was paid directly to various hospitals, towards partly meeting medical expenses incurred for the treatment of such needy patients.
- The Trust also extended financial assistance to 10 (P.Y. 14) institutions amounting to Rs. 0.80 lakh (P.Y. Rs. 1.40 Lakhs) apart from providing scholarship amounting to Rs. 4.01 lakhs (P.Y.Rs. 2.97 lakhs) in favour of 63 (P.Y. 44) needy and meritorious students.
- The Club has extended Rs. 25 lakhs as a support and contribution to the Society in favour of THE CHIEF MINISTER RELIEF FUND COVID-19 during the outbreak of Corona Virus.

8. INCOME TAX:

(A) As reported earlier:

- 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.
- 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.
- 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.
- 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.
- 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

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

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. 14,31,48,796/- 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. 42,74,45,556/- 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/-.
- (f) For the Assessment Year 2017-18, disallowance has also been made for non deduction of taxes at source under section 194 BB on dividends paid to winning punters and on Basic Maintenance Charges (BMC) of horses on the contention that



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

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. 17,59,24,010/-.

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.
- (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.
- (g) The company has opted for the Sabka Vikas Legacy Dispute Resolution Scheme (SVLDRS) and has discharged the liability of the pending Service Tax Dues for the above mentioned period and has obtained clearance certificate from the Department in Form SVLDRS - 4 (Form indicating the full and final settlement of Service Tax Dues and discharging the company from further payment of Service Tax, Interest or Penalty thereon).

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 TAX:

- (a) On 23rd April 2018, The Commercial Tax Department has raised a demand of 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.

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

- (e) The Company submitted all relevant documents and explanations before the VAT authorities, after the review, VAT authorities dropped the demands for the FY 2011-12 and 2012-13 and passed order in favour of the Company. The subject matter stands resolved.

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:

Legislative background:

- a. The Company is covered by levy of GST from 1st July 2017. The taxes levied prior to the introduction of GST, namely the Tote tax, Entertainment Tax, VAT and Service Tax, have been subsumed into GST. From the implementation of GST, there have been various amendments and views with respect to applicability and levy of GST on the transactions involving collection of tote monies and earning of commission thereto. A summary is as follows:

Sl.	Date	Particulars	Legislative reference
1	01.07.2017	As goods – in Schedule III under the residuary clause As services - 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 (28%) (v) Gambling (28%) (vi) Recreational, cultural and sporting services other than (i), (ii), (iii), (iiia), (iv) and (v) above (18%)	Notifn No. 1/2017 (CT - Rate) - Rate of tax - Goods Notifn No. 11/2017 (CT - Rate) - Rate of tax - Services
2	04.01.2018	That betting and gambling is under 9996 and are Services; that it is liable to tax @ 28%. Additionally, that GST will be on the total face value of any or all bets.	Circular No. 27/01/2018 - GST
3	23.01.2018	That, as goods, under Rule 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	Rule 31A - inserted (Notifn No. 3/2018 dated 23.10.2018)
4	25.01.2018	As goods, Entry 229 inserted to the rate of tax notification; Actionable claim in the form of chance to win in betting, gambling, or horse racing in race club - 28%	Notifn No. 6/2018 dated 25.01.2018 Amendment to Notifn No. 1/2017 (CT - Rate)
5	01.02.2019	The meaning of the expression 'business' is amended to include all activities of a race club' instead of 'services provided by a race club'.	Amendment to Section 2(17)(h) – meaning of business

Steps initiated by the Company:

- b. The Company has obtained legal opinions to confirm the levy and applicability of GST on the tote amounts collected from the punters for various periods. As advised, the Company has remitted GST @ 28% on the commission earned on an inclusive basis for the period upto 24th January 2018. Thereafter, the GST is remitted @ 28% on the total value of the bet.
- c. The Company was also advised that it should represent to the GST Council and the Governments that it is only the commission amount that should be subjected to GST and not the entire amount deposited into the tote. Accordingly,

**COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020**

the Company has made several representations to State Government, Central Government and the Finance Ministry on multiple occasions and are hopeful of the representations being considered positively. Alongside, the Company has also approached the Hon'ble High Court of Karnataka by filing a Writ Petition (No. 11168/2018) challenging the applicability of GST on the face value of the bet.

In the financials:

- d. The Company, based on the legal opinions from various experts on the subject, is confident of the stand taken that the levy of GST is applicable only on the Commission on inclusive basis and not on the face value of the bet. However, in the event where the Company does not succeed in its interpretation of the law and it is held that the GST is payable on the total value of the bet:
 - a. The liability not provided for is estimated at Rs. 56.74 crores for the period July 1,2017 to January 24, 2018 for which the company is contingently liable.
 - b. The GST liability from January 25, 2018 till January 31, 2019 would amount to Rs. 1,42,46,35,179/-.
- e. Without prejudice to the above, the Company has made a provision for the probable liability of GST of a sum of Rs. 1,56,73,44,166/- inclusive of interest computed till the end of the year. The same is charged as an exceptional item of expenditure in the Statement of Profit and Loss. The Company also desires to remit the tax therein, as a precautionary measure and by way of abundant caution to avoid further accretion to the interest liability. Further, during the financial year the Company has provided an additional interest of Rs. 13,29,73,889/- to cover the interest liability till the date of payment of tax.
- f. In this regard, the Company has also filed an additional memo before Hon'ble High Court of Karnataka seeking an order to pay above GST liability, under protest and also to reserve its right to claim a refund of the same if the Company succeeds in its plea (writ).

Impact on business:

- g. After the implementation of GST with effect from 1st July 2017 and the impact of higher GST, there has been substantial reduction (more than 50%) in Tote turnover. The race clubs across the country have been adversely affected. In order to explain the rationale behind requesting to charge GST on the 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.
- h. The Company took the initiative and along with representatives of other Clubs, 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) in addition to the Finance Minister of State of Punjab and the Commissioner of the State of Gujarat.
- i. The group believes that all the above offices are convinced that the levy of GST should be only on the commission earned and not on the full bet value. We are hopeful that the efforts for rationalization of GST with reference to the horse racing industry will meet fair amount of success in the months to come.
- j. The Turf Authorities have met the Hon'ble Finance Minister and have impressed upon the need for the Government (GST Council) to help out the ailing racing industry by rationalizing the levy of GST on this particular industry.

14. TAXES PAID TO THE GOVERNMENT OF KARNATAKA:

- a. A total amount of Rs. 245 lakhs (P.Y.Rs. 270 lakhs) was paid to the Government of Karnataka for the year ended March 31, 2020.
- b. Comparative figures of taxes paid to the Government of Karnataka are furnished below:

(Amount in lakhs)

PARTICULARS	Year ended 2020	Year ended 2019	Year ended 2018
Totalisators Tax	-	-	2261
Entertainment Tax	-	-	51
License Fee	185	210	113
Lease Rent	60	60	60
Total	245	270	2485

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

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. 3.98 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 2020.
- k. The ESI authorities completed reverification of records for all 21 cases and submitted a report to Hon'ble ESI court.
- l. The ESI Court has to review and finalize the ESI liability and interest, if any and pass the suitable order.

16. INFORMATION TECHNOLOGY

- a. The Annual Maintenance Contracts (AMC) executed separately for maintenance of the Automated Betting System, Betting Terminals, Office Automation customized Software along with Tally ERP9 based solution and other allied equipments involved a payment of Rs. 114.11 Lakhs (P.Y. Rs.105.42).
- b. Introduced Visitor Management System (VMS) which records details of visitors.
- c. Implemented system generated Gate Pass to record entry and exit of Men and material.
- d. The software application is in progress to implement systematic allocation of betting terminals for Race day staff.
- e. The Hardware for Online Pari-mutuel wagering system was procured at the cost of Rs.43.36 lakhs.
- f. The Club is in the process of implementing Smart Cards for the Members for availing Club house facilities which is integrated to the BTC Club House Billing System.
- g. Renovated Information Technology department to accommodate future expansion and growth.
- h. The Information Technology department has made new data center with adequate servers and associated components such as storage systems, backup components and infrastructure for power supply, data communication connections, environmental controls and various security devices.
- i. The Club has made all necessary arrangements by procuring software to introduce online betting application through a service provider to enhance revenue and to attract Racing Patrons at large. The Club is expected to commence online betting application in the month of November, 2020.



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

17. RACING:

A) HORSES:

(i) 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, 2018	153	827	980
31st March, 2019	184	769	953
31st March, 2020	232	654	886

(ii) Continuation of reallocation of stables to individual Trainers in composite block to facilitate effective stable management implemented during the year has ensured adequate security to horses.

(iii) Stable regulations were continued for effective supervision and control.

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-2019 season, it was about Rs.2.42 lakhs per horse participating in the race and it was about Rs.1.97 lakhs per horse in the BWM 2019-20.

C) TRAINERS AND JOCKEYS:

(i) There were 35 'A' licensed Trainers and 21 "B" licensed Trainers at Bangalore Turf Club Limited.

(ii) Around 130 Jockeys including 55 "A" licensees and 42 "B" licensees inclusive of 33 Apprentice Jockeys were licensed to ride at Bangalore.

(iii) The average prize money of Trainers and Jockeys during the year 2019-20 for 9 months of racing was as follows:

(Rs. in lakhs)

Category	Prize Money	Average per Year	Per Racing Month
Trainers	271.58	4.84	0.53
Jockeys	203.69	1.56	0.17

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

(Rs. in lakhs)

Races	Days	Prize Money	Trainer	Jockey	Breeder	Total
BSM 19	26	1246.21	151.05	113.30	3.61	1514.18
BWM 19-20	23	994.32	120.53	90.39	1.96	1207.19
Total	49	2240.53	271.58	203.69	5.57	2721.37

D) BANGALORE AMATEUR RIDERS INSTITUTE:

a. 22 horses were stabled at the Institute during the year.

b. As a result of increase in expenditure of Rs. 23.77 lakhs towards employee cost and operational costs, the loss of BARI increased to Rs.51.54 lakhs (P.Y.Rs. 37.80 lakhs).

18. CLUB HOUSE:

a. Sales at the Club House were Rs. 43.79 lakhs (P.Y.Rs. 37.36 lakhs) including an amount of Rs. 41.49 lakhs (P.Y.Rs. 35.60 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. 5.82 lakhs (P.Y.Rs. 11.99 lakhs)

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

19. CATERING:

- Catering expenses were Rs. 78.72 lakh (P.Y.Rs. 83.95 lakhs) and royalty received from contract vendors was Rs. 149.98 lakhs (P.Y.Rs. 166.92 lakhs).
- Continued outsourcing of catering services at the Club house to a professional caterer, resulted profit of Rs. 15.17 lakhs against loss for the PY Rs. 0.63 lakh.

20. ADMINISTRATION AND ESTABLISHMENT:

- As on 31st March 2020, 75 (PY 106) employees (including probationers) are employed on the permanent rolls of the Company, including 19 (PY.25) officials and an expenditure of Rs. 10.74 crore were incurred on salaries (P.Y.Rs. 13.12 crore).
- An expenditure of Rs.15.85 crore (P.Y.Rs. 20.34 crore) was incurred towards payment of wages in respect of Race Day Staff working at the Company.
- An expenditure of Rs. 5.92 crore (P.Y.Rs. 5.60 crore) was incurred towards payment of wages in respect of contractual employees working at the Company.
- In all, the Company incurred an expenditure of Rs.32.51 Crore (P.Y.Rs. 39.06 crore) towards employees benefits expenses a summary of which is given below:

(Rs. in Crores)

Category	2019-20	2018-19	Increase/(Decrease)
Permanent	10.74	13.12	-2.38
Daily wage	15.85	20.34	-4.49
Contract	5.92	5.60	0.32
Total	32.51	39.06	-6.55

- Continuous efforts have been made to prune down the number of employees, permanent, contractual and Race Day Staff.
- The Club has introduced Voluntary Retirement Scheme to the Permanent Employees which optimized the Human resources for the Club.

TOTALISATORS SECTION

- The Club has optimized the race day daily wage employees from 1200 Race day staff to 1000 based on their regular attendance and commitment shown towards work Strict implementation of batches based on the Tote Turnover resulted in reduction of operational cost.
- Regular monitoring and enhanced the CCTV surveillance mechanism in all OCBCS and in Totes resulted in better supervision and control over the Totalisators operations.
- Regrouping race day staff from Totalizator section and moving non race day staff to the respective sections for better accountability and for better utilization of work from the resources.
- Updated the records of KYC documents of all race day daily wage employees which enabled them to get ESI benefit, pension benefits on timely manner and also helped to update database in all aspects. Further a dedicated lady staff was deployed to address the grievances and issues pertaining to women at the Totalisator section.
- Continued to freeze new recruitment of race day daily wage employees.

21. FACILITIES/IMPROVEMENTS:

The following improvements were effected during the year:

- The stable waste removal contract has been awarded to a new service provider from February 2019, which resulted savings of Rs.27 Lakh per year as compared to old contractor service charges.
- A new initiative was taken on the scientific measures for the pest and rodents control, able to achieve the drastic reduction in the flies in stables area and rodents also controlled.
- During the pandemic lockdown period all the safety measures sanitization, cleaning, stables waste clearance has been carried successfully keeping the safety of the horses and people staying in the stable area.



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

- d. Procured Equipments like Bronchoscope, Gastroscope, extra corporeal shock wave therapy unit , Autoclave, Thermocautery, Suction apparatus, Serra Emasculators, Hoof Tester, surgical instruments to strengthen the infrastructure facilities at the Veterinary hospital.
- e. Renovated surgery recovery room at Low level Equine hospital.
- f. Procured Electric Equine dental float with accessories to enhance the technical services.
- g. Renovated Veterinary Hospital including replacing of floor mats for the treatment area and organized for effective movement and to facilitate treatment in a better way.
- h. Revised Service charges for treatment of horses after a span of 5 years which resulted increase in revenue.
- i. Implemented Uniform Medication Rules Approved by Turf Authorities of India w.e.f.19th June 2020.
- j. Submitted application with the competent authority for recognition of BTC as Glanders free compartment as to enable export of Horses for international racing
- k. Constructed compound wall from 1400 Mtrs. to 1800 Mtrs.
- l. Renovated Thoroughbred area by Strengthening Columns and Beams.
- m. Renovated Club House kitchen, Thoroughbred Kitchen and Second Floor Pantry as per the existing safety norms prescribed by the competent authorities.
- n. Strengthened all Columns at First and Second Floor of the Club in view safety measures and to protect the building.
- o. Waterproof works at various places of the Club to avoid water seepage during rainy season.
- p. Installation of kitchen equipments to meet the present requirements.
- q. The permanent pipeline connection for Sewage Treatment Plant [STP] water from Tertiary Treatment Plant [TTP] Cubbon Park, Bangalore Water Supply and Sewage Board (BWSSB) to our main irrigation tank successfully completed during February 2020 total cost incurred is Rs.10 lakhs to complete the pipeline work, drawing water successfully it helped saving the money to the tune of approximately Rs. 30 to Rs. 35 lakhs per annum using the water for surface irrigation.
- r. Upgradation of existing RAINBIRD irrigation system for the training tracks and racetrack completed with Centralized Control Automated RAINBIRD Irrigation System. It helped for saving water, reduced power consumption, minimizing the manpower, safety standards for the horses and riders has been improved.
- s. New irrigation system to C-Bund School, BARI Bund school and Starting Gate Turf Track has been completed for safe training of horses with less water use efficiency and automation connection to A and B bund schools.
- t. In order to improve the efficiency, minimize the power consumption and smooth operation of irrigation system, new pumps have been installed.
- u. To ascertain accurate weather condition, new RAINBIRD Weather Station has been installed it helps especially during the training and racing.
- v. A new pumping system with new filter installed to re use the Equine swimming pool water for surface irrigation to sand based training arena (sand tracks and bund schools), it helped in maintaining the pool water quality parameters by keeping the horses safety, effective utilization of the water source and minimized the wastage of swimming pool water in the interest of environmental resources effective utilization.
- w. New irrigation system installed at paddock and triangle garden area for effective utilization of water and manpower.
- x. Replaced old Massive Fergusson Tractor with new higher capacity tractor 50 HP and new 50 HP John Deer Tractor with turf tires for usage at the racetrack operation and race day's activities like carrying the starting gate stalls etc.
- y. The new professional race track mower (Wessex RMX 180) imported machine from UK replaced with old turf mower it helped in mowing and quality of turf parameters improved on race track.
- z. New Horse Weighing Machine imported from the UK with all safety measures and installed in the saddling area for accurate weighing of horses especially during the races.
- aa. The outer and inner sand tracks were completely renovated scientifically as per the Thoroughbred Horses' Training Standard. Despite heavy rain falls, now the training can go on uninterrupted, safety standards for horses and riders in place.

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

- ab. As per green initiative, purchased new Stream Mobile Disinfection-cum-Sanitization Machine at the cost of Rs.4.4 lakhs, it's a Mixed Oxidant Solution (MOS) is a high performing natural, non toxic, non flammable, non corrosive disinfectant, using for sanitization of stable areas, swimming pool water treatment, office area, course area and other places of the Club. This has minimized the use of phenyl, bleaching powder and other cleaning items which has resulted in savings to the tune of Rs. 8 to Rs. 10 lakhs per annum and during COVID-19 it's helping for sanitization and disinfection.
- ac. After concluding the BWM 2019-2020 during the long seasonal break due to COVID-19, many initiative taken on the race track renovation with scientific measures it has given the good result on fulfilling the thoroughbred turf race track standards in the interest of horses and riders.
- ad. Renovation of starting gate turf track, paddock area renovation, ramp (horses loading) area renovation, BARI school area renovation, renovation hedge planting area from UB stand till second enclosure and walking rings upkeep carried in spite global pandemic challenges measures, guidelines with less manpower it helped to improve safety standard for the movement of the horses with landscape view.
- ae. The RO drinking water plants was installed for providing quality drinking water for the stables employees and to the Racing Patrons.

22. INVESTMENTS:

- a. An amount of Rs.52.69 crore (P.Y.Rs.213.60 crore) stands deposited with Kotak Mahindra Bank (Principal bankers), ICICI Bank, Karnataka Bank, State Bank of India and HDFC Bank.
- b. The Company realized an interest of Rs. 9.22 crore (P.Y.Rs. 12.03 crore) on long term and short term deposits.

23. 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. It was posted for hearing initially on 16th May 2020 and subsequently on 20th August 2020, but was not taken up hearing. Further proceedings are awaited.
- 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.

24. 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. 44.96 lakhs (P.Y.Rs. 54.14 lakh) towards ESI, Labour and miscellaneous legal matters.

25. LOOKING AHEAD:

The following would be the focus for future:

- a. Exploring the avenues to optimize the dependency of human resources with the aid of Technology for betting which also helps to reduce the financial burden to the Club.
- b. Exploring the possibility for wider coverage of totalisator betting by way of online betting application to enhance the revenue to the Club.
- c. Introducing new betting pools to the benefit of Racing Patrons.
- d. Exploring various revenue models for the Club to augment the income for the Club.



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

26. MEMBERSHIP:

As on 31st March 2020, there were 334 Club Members and 183 Stand Members in the Club.

27. 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.	Dr. B.Krishnappa	04-Apr-2019
2.	Sri. B.M.Khaitan	01-Jun-2019
3.	Sri. R.Ramakrishnan	07-Jul-2019
4.	Sri. D.Mohan Dasappa	09-Aug-2019
5.	Sri. B.L.Balakrishna	13-Sep-2019
6.	Sri. T.Ramakrishna	05-Dec-2019
7.	Sri. G. N. Gajapathi Parlakimedi	11-Jan-2020
8.	Sri. R.Balu	28-Feb-2020

28. DIRECTORS AND KEY MANAGERIAL PERSONNEL 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.

29. STEWARDS:

- Sri. Kiran Basappa, Mr. S.Kittu Raghunandan and Mr. K Uday Eswaran were elected as Stewards in Annual General Meeting (AGM) dated 24th September, 2018 and will hold office till the conclusion of AGM in the year 2020. They are eligible for re- appointment in terms of Article 33 (h) of Articles of Association.
- Sri. V Harimohan Naidu, Mr. Shivakumar Kheny and Mr. D.Vinod Sivappa will continue to hold office till the conclusion of AGM in the year 2021.

30. COMMITTEE MEMBERS:

- The Members of the Managing Committee appreciated the efforts and the contributions made by Sri. Ravishanker S Poll to the Club.
- Sri. C.Mahesh Medappa was elected as Committee Member in the AGM dated 24th September 2018 and will hold office till the conclusion of AGM in the year 2020 and he is eligible for re- appointment in terms of Article 33 (h) of Articles of Association.
- Dr. C.A. Prashanth and Mr. T.H.R. Rajeev will continue to hold office till the conclusion of AGM in the year 2021.

31. MEETINGS:

A) MANAGING COMMITTEE MEETINGS:

The number of Managing Committee meetings held between 26th September 2019 and 20th November, 2020 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
1.	D. Vinod Sivappa	31	30
2.	Dr. N.M. Dinesh	31	27
3.	V. Harimohan Naidu	31	30
4.	Prof. S.M. Jayadevappa	31	14
5.	Kiran Basappa	31	30

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

Sl. No.	Name of the Member of the Managing Committee	Number of Meetings held	Number of Meetings attended
6.	S.Kittu Raghunandan	31	30
7.	C.Mahesh Medappa	31	30
8.	I.S.N.Prasad	31	1
9.	Dr. C.A.Prashanth	31	25
10.	T.H.R.Rajeev	31	29
11.	Ravishanker S. Poll	31	26
12.	Shivkumar Kheny	31	30
13.	K.Uday Eswaran	31	22

B) GENERAL MEETINGS:

Annual General Meeting was held during the financial year on 23rd September 2019.

32. 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
3. Sri. S. Chockalingam
4. Sri. Chaitanya N Sreenivas (Special Invitee)
5. Sri. Dayanand R. Mandre
6. Dr. N.M. Dinesh (Government Nominee)
7. Prof. S.M. Jayadevappa (Government Nominee)
8. Sri. T. Jayaprakash
9. Sri. Mahendra Kugashankar
10. Sri. K. Nagaraju
11. Sri. R.K. Nicky Sawhney
12. Sri. Sidney Moses
13. Sri. C. Srivatsan (Special Invitee)
14. Sri. Unni Rajagopal

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

1. Sri. S. Kittu Raghunandan (Chairman)
2. Sri. Ashok Raghavan
3. Dr. N.M. Dinesh (Government Nominee)
4. Prof. S.M. Jayadevappa (Government Nominee)
5. Sri. A. S. Karthik Chandra
6. Sri. Naval R Narielwalla
7. Sri. K.R. Prakash

III. SUB-COMMITTEE (BARI & HORTICULTURE)

1. Sri. Mahesh Medappa (Chairman)
2. Sri. Abhijit Nayak



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

3. Sri. D. Akhilesh Basappa
4. Sri. Amit Mandre
5. Sri. Anish B V Rasquinha
6. Dr. N.M. Dinesh (Government Nominee)
7. Prof. S.M. Jayadevappa (Government Nominee)
8. Sri. D. Vishal Sivappa
9. Smt. Yumna Hari Singh Jawa

IV. SUB-COMMITTEE (CATERING AND CLUB HOUSE)

1. Sri. T.H.R. Rajeev (Chairman)
2. Sri. Ashwin D.K.
3. Dr. N.M. Dinesh (Government Nominee)
4. Sri. K. Harish Nayak
5. Prof. S.M. Jayadevappa (Government Nominee)
6. Sri. Prakaash Palaniswamy
7. Sri. A.A. Sanjai Poll
8. Sri. Vikram Dasappa

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

1. Sri. Ravishanker S.Poll (Chairman) (Upto 27th October, 2020).
2. Sri. Chaitanya N. Sreenivas
3. Dr. N.M. Dinesh (Government Nominee)
4. Sri. Gangadhar N.
5. Sri. K. Jayaram
6. Prof. S.M. Jayadevappa (Government Nominee)
7. Sri. C. Mahesh Medappa (Chairman, from 28th October, 2020)
8. Sri. Nikhil Yathiraj

VI. SUB-COMMITTEE (CORPORATE SOCIAL RESPONSIBILITY)

1. Sri. V. Harimohan Naidu (Chairman)
2. Sri. N.V. Babu
3. Dr. N.M. Dinesh (Government Nominee)
4. Sri. S. Kittu Raghunandan
5. Prof. S.M. Jayadevappa (Government Nominee)

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

1. Sri. D. Vinod Sivappa (Chairman)
2. Sri. Arvind Raghavan
3. Sri. Chaduranga Kanthraj Urs
4. Dr. N.M. Dinesh (Government Nominee)
5. Prof. S.M. Jayadevappa (Government Nominee)
6. Sri. L. Shivashankar
7. Sri. Thimmaiah Sreepada Renu

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

VIII. SUB-COMMITTEE (VETERINARY AND TRACK)

1. Sri. Kiran Basappa (Chairman)
2. Sri. Clinton Miller
3. Dr. N.M. Dinesh (Government Nominee)
4. Sri. Y.S. Gautam
5. Sri. Gautam Basappa
6. Dr. Hasneyn Mirza
7. Prof. S.M. Jayadevappa (Government Nominee)
8. Dr. C.A. Prashanth
9. Sri. D Shailesh Shivaswamy

IX. SUB-COMMITTEE (MAINTENANCE OF ENCLOSURES & STABLES & BETTING)

1. Dr. C.A. Prashanth (Chairman)
2. Sri. Baba P.S. Bedi
3. Sri. Dayanand R.Mandre
4. Dr. N.M. Dinesh (Government Nominee)
5. Sri. Gangadhar N
6. Sri. K. Harish Nayak
7. Prof. S.M. Jayadevappa (Government Nominee)
8. Sri. B. Nandish
9. Sri. L. Shivashankar
10. Sri. D. Shailesh Shivaswamy

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

1. Ms. Sushma Kadali (Chairman)
2. Sri. K. Uday Eswaran
3. Ms. Brinda Adiga
4. Sri. Chaitanya N Sreenivas

XI. SUB-COMMITTEE (RACING)

1. Sri. Shivkumar Kheny (Chairman)
2. Sri. Abhijit Nayak
3. Dr. N.M. Dinesh (Government Nominee)
4. Prof. S.M. Jayadevappa (Government Nominee)
5. Sri. Rajan Aggarwal
6. Sri. Ranjan Chona
7. Sri. T.H.Ramamurthy
8. Sri. A.C. Satish Chandra (Special Invitee)
9. Sri. D. Shailesh Shivaswamy



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

XII. SUB-COMMITTEE (Off-Course Betting Centres)

1. Sri. D. Vinod Sivappa (Chairman)
2. Dr. Amar Kumar Pandey
3. Sri. Arjun L.Sajnani
4. Dr. N.M. Dinesh (Government Nominee)
5. Sri. V. Harimohan Naidu
6. Prof. S.M. Jayadevappa (Government Nominee)
7. Sri. T. Jayaprakash
8. Sri. C.D. Medappa
9. Sri. Shankar Balu

XIII. SUB-COMMITTEE (SECURITY)

1. Sri. T.H.R. Rajeev (Chairman)
2. Sri. Dayananad R. Mandre
3. Dr. N.M. Dinesh (Government Nominee)
4. Sri. K. Jayaram
5. Prof. S.M. Jayadevappa (Government Nominee)
6. Dr. Mantar Gowda
7. Sri. Mayur Uppini
8. Sri. K.R. Prakash (Special Invitee)
9. Sri. Sidney Moses (Special Invitee)

33. PARTICULARS OF EMPLOYEES:

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

34. 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 60th Annual General Meeting to be held in the year 2021.
- 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 2020 forms part of this report.

35. 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 and Vasanth &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.

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

- 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.

36. 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.

37. 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.

38. CORPORATE SOCIAL RESPONSIBILITY:

This clause is not applicable for the year under review. However, the Club has contributed Rs. 25 lakhs to the Chief Minister Relief Fund COVID-19 during the out break of Corona Virus (COVID-19).

39. 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.

40. 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.

41. 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.

42. SUBSIDIARIES, JVS OR ASSOCIATE COMPANIES:

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



COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

43. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE:

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

44. TRANSFER TO RESERVE:

The Company transferred Rs. 11.92 crore to the Reserves and Surplus in view of loss incurred during the year 2019-20. The Company holds Rs. 31.40 crore in Reserves and Surplus as on March 31st 2020 after the transfer of the above.

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

There are no material changes which have affected the financial position of the Company.

46. 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.

47. 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.

48. 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 has executed fresh Memorandum of Settlement with the employees.

49. 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.

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

During the year under review, Company has received one complaint and the same has been resolved.

51. DEPOSITS:

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

52. DIVIDEND:

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

53. 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.

54. 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.

COMMITTEE'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

55. 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 2020:

- (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.

56. 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, Shree Meenakshi Sundareshwara Group, 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. Bhaskar Rao, Sri. Kamal Pant, Dr. N M Dinesh, Prof S M Jayadevappa and the retiring Stewards, Sri. Kiran Basappa, Mr. Kittu S Raghunandan and Mr. K Uday Eswaran and the retiring Committee Member, Sri. C Mahesh Medappa.

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 our legal counsels of the Club and Kotak Mahindra Bank Limited, bankers to the Club.

1	D. VINOD SIVAPPA (CHAIRMAN)	08580411
2	Dr. N.M. DINESH	07952294
3	V. HARIMOHAN NAIDU	01866070
4	PROF.S.M. JAYADEVAPPA	02804327
5	KIRAN BASAPPA	02804321
6	KAMAL PANT	
7	S. KITTU RAGHUNANDAN	00969426
8	C.MAHESH MEDAPPA	02816016
9	I. S. N. PRASAD	01469651
10	Dr. C. A. PRASHANTH	08261237
11	T.H.R. RAJEEV	07952724
12	SHIVKUMAR KHENY	01487360
13	K. UDAY ESWARAN	00046438

Members of the Managing Committee

Bangalore, 20th November, 2020



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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 31.03.2020

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 (CIN: U99999KA1962PLC001449) (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 31.03.2020 complied with

No.105 Munireddy Building, Gear International School Road, Karmelaram Post, Doddakannelli, Near Sarjapur Road Wipro, Bangalore-560035

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

Bangalore

Mumbai

**CS. Shrinivas M Devadiga**

COMPANY SECRETARY

Bangalore

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:

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 31.03.2020 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.

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:

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Bangalore

Mumbai

**CS. Shrinivas M Devadiga**

COMPANY SECRETARY

Bangalore

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.

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 representations made by the Management, in the present case, the period of lease has expired. However, a sum of Rs 3,07,01,497 is carried as the written down value of buildings constructed on such lease hold land, as at March 31, 2020 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. 3,07,01,497 (previous year Rs. 2,21,97,714) as at the date of the balance sheet and a sum of Rs. 17,76,424 has been provided as depreciation for the year.

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 (including shorter 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.

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Bangalore

Mumbai



CS. Shrinivas M Devadiga

COMPANY SECRETARY

Bangalore

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

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.

Sd/-
Shrinivas Mutta Devadiga
Membership No. :22381
C P No.:10372
UDIN: A022381B001267372

Place: Bangalore
Date: 20/11/2020

*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.

Sd/-
Shrinivas Mutta Devadiga
Membership No.22381
C P No.:10372
UDIN: A022381B001267372

Place: Bangalore
Date: 20/11/2020

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Bangalore

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ANNEXURE II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31st March 2020

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	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)

Sl. 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*

D. Vinod Sivappa
Chairman
DIN-01866070

Place: Bangalore
Date: 20th November, 2020



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, 2020, 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, 2020, 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. 3,07,01,497 is carried as the written down value of buildings constructed on such lease hold land, as at March 31, 2020 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. 3,07,01,497 (previous year Rs. 2,21,97,714) as at the date of the balance sheet and a sum of Rs. 17,76,424 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.

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

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.



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

- 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. 23.1 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) and 24.2(e) of the notes to financial statements.
- (d) The contingent liability on account of Property Tax as noted in note no. 24.2(f) 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - 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, 2020 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. On the basis of information and explanations provided to us, the requirement of reporting under section 197(16) of the Act is not applicable.
 - ix. 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, 23.1 and 24.2 of the financial statements ;



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

- (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: 20202995AAAABK3327

Bangalore, 20 November, 2020

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: 20028804AAAAEE5774



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

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, 2020, 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 generally physically verified by the management once in a year. According to the information and explanations given to us, during the current year due to the lockdown caused by the pandemic, the verification of assets could not be fully completed. Presently, the company has taken up the verification of assets in a phased manner, 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, 2020 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:

Name of the Statute	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	Income Tax Appellate Tribunal (ITAT), Bangalore
The Income Tax Act, 1961	Income Tax	2013-14	12,27,09,164	Income Tax Appellate Tribunal (ITAT), Bangalore
The Income Tax Act, 1961	Income Tax	2014-15	13,41,16,277	Income Tax Appellate Tribunal (ITAT), Bangalore

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

Name of the Statute	Nature of the dues	Period	Amount in Rs.	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2016-17	8,64,37,984	Commissioner of Income Tax (Appeals), Bangalore
The Income Tax Act, 1961	Income Tax	2017-18	17,59,24,010	Commissioner of Income Tax (Appeals), Bangalore
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: 20202995AAAABK3327

Bangalore, 20 November, 2020

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: 20028804AAAAEE5774



SUMMARY

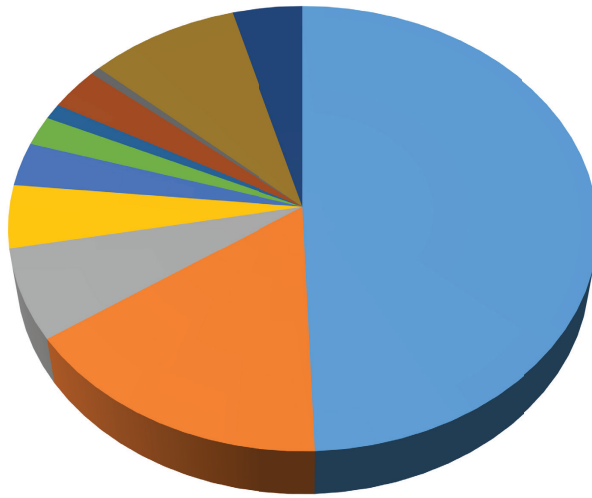
in Lacs

Particulars	Amount	
1. Increase in Income		
Veternary Hospital Receipts	42	
Share of Income from other Clubs	155	
Live Streaming and Telecast	17	
Mobile Usage Charges	5	
Club House and BARI	32	251
2. Decrease in Expenditure		
Salaries and Wages	655	
Depreciation	31	
Licence Fees	26	
Subsidy to Owners and Trainers	34	
Provision for GST Interest	14,344	
Provision for Deferred tax	-404	
CSR	28	
Power and Fuel	2	
Other Expenses	221	14,937
3. Decrease in Income		
Collection from Totalizators	12,388	
Other Income	64	
Daily Income from Bookmakers	92	
Gate Collections	135	
Sponsorship Received - Stake Money	44	
Entry and Forfeit Money	25	
Interest Income	282	-13,029
4. Increase In Expenditure		
Stakes Money and Cups	43	
Course Exp	2	
Share of Income Paid	253	
Repairs and Maintenance	24	
Other expenditure on Races	61	
Veternary Expenditure	54	
Service Tax Paid - SVLDRS	168	
Club House and BARI	6	
Finance Cost	1	
Bad Debts	13	
Rent Expenses	10	
Rates and Taxes	1	
Security Charges	7	
Interclub Settlement Provision	420	
Legal and Professional Charges	28	-1,092
Net Decrease in Expenditure		1,067.00

*Variations over 2018-19 (in Lacs)

FINANCE

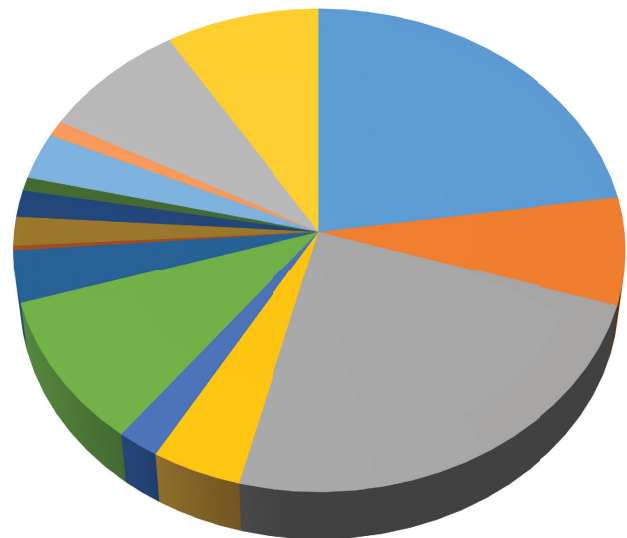
Sources of Funds



	Rs. in Lakhs	%
Net Commission on Tote	5,030.19	49.39%
Daily Income From Bookmakers	1,630.14	16.01%
Gate Collections	674.72	6.62%
Veterinary Hospital Receipts	464.97	4.57%
Share of Income from other Clubs	321.78	3.16%
Live Telecast Charges	217.80	2.14%
Sponsorship Received - Stake Money	116.05	1.14%
Entry and Forfeit Money	313.23	3.08%
Mobile Usage Charges	59.92	0.59%
Interest Income	922.38	9.06%
Other Income	433.72	4.26%
Total	10,184.90	100%

Applications of Funds

	Rs. in Lakhs	%
Stakes Money and Subsidy	3,069.57	30.14%
Course and other Expenses on Races	968.01	9.50%
Salaries and Wages	3,251.47	31.92%
Share of Income Paid other clubs	598.76	5.88%
Repairs and Maintenance	280.21	2.75%
Provision for GST	1,329.74	13.06%
Provision for Deferred tax	-474.67	-4.66%
Club House - Purchase	41.04	0.40%
Finance Cost	0.99	0.01%
Rent	261.26	2.57%
Rates and Taxes	240.59	2.36%
Security Charges	121.06	1.19%
Interclub Settlement Provision	420.00	4.12%
Legal and Professional Charges	144.02	1.41%
Other Expenses	1,124.73	11.04%
Surplus/(Deficit)	-1,191.89	-11.70%
Total	10,184.90	100%





BALANCE SHEET AS AT MARCH 31, 2020

CIN: U99999KA1962PLC001449

	Note No	As at March 31, 2020		As at March 31, 2019	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Reserves and Surplus	2		31,40,33,446		43,32,22,544
Non-Current Liabilities					
Long Term Provisions	3	-		1,85,88,398	
Other Long Term Liabilities	4	57,50,000	57,50,000	16,20,300	2,02,08,698
Current Liabilities					
Trade Payables	5	29,89,58,012		30,47,24,864	
Other Current Liabilities	6	16,43,23,594		24,87,85,153	
Short Term Provisions	7	31,90,94,378	78,23,75,984	1,58,04,57,953	2,13,39,67,970
Total			1,10,21,59,430		2,58,73,99,212
ASSETS					
Non-Current Assets					
Property, Plant and Equipment					
Tangible Assets	8	10,85,38,974		7,19,10,948	
Intangible Assets		55,83,671	11,41,22,645	66,45,708	7,85,56,656
Deferred Tax Asset (Net)	9	15,85,76,445		11,11,64,675	
Long Term Loans and Advances	10	1,65,52,938		1,93,58,064	
Other Non-Current Assets	11	2,07,14,959	19,58,44,342	2,13,91,782	15,19,14,521
Current Assets					
Inventories	12	90,02,049		61,98,798	
Trade Receivables	13	5,86,38,345		5,38,52,264	
Cash and Bank Balances	14	51,94,70,140		2,13,29,61,118	
Short Term Loans and Advances	15	17,97,81,454		13,50,77,179	
Other Current Assets	16	2,53,00,455	79,21,92,443	2,88,38,676	2,35,69,28,035
Total			1,10,21,59,430		2,58,73,99,212
Significant Accounting Policies	1		-		-

D Vinod Sivappa DIN: 08580411	V. Harimohan Naidu DIN: 01866070	Kiran Basappa DIN: 02804321
S. Kittu Raghunandan DIN: 00969426	Shivkumar Kheny DIN: 01487360	T. H. R. Rajeev DIN: 07952724
K. Uday Eswaran DIN: 00046438	C. Mahesh Medappa DIN: 02816016	Dr. C.A. Prashanth DIN: 08261237
S M Jayadevappa DIN: 02804327	Dr. N M Dinesh DIN:07952294	

Members of the Managing Committee

In terms of our report of even date
For **R. Chandrashekar and Associates**
Chartered Accountants
Firm Registration No. 0067835
V. Ganesh
Proprietor
Membership No. 202995
UDIN: 20202995AAAABK3327

For **Dhariwal & Sreenivas**
Chartered Accountants
Firm Registration No. 0071975
Sreenivas Babu Penugonda
Partner
Membership No. 028804
UDIN: 20028804AAAAEE5774

Bangalore, 20 November, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No	2019-20		2018-19	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
INCOME					
Revenue from Operations	17	91,43,78,410		2,15,80,31,250	
Other Income	18	10,41,11,313	1,01,84,89,723	<u>13,71,05,288</u>	2,29,51,36,538
EXPENDITURE					
Operating Expenses	19	50,79,59,285		47,60,17,180	
Employee Benefits Expenses	20	32,51,47,169		39,06,73,648	
Finance Costs	21	99,051		48,632	
Depreciation and Amortization Expense	8	2,02,73,201		2,22,75,200	
Other Expenses	22	14,08,74,057	99,43,52,763	<u>15,25,72,613</u>	1,04,15,87,273
Profit / (Loss) before Exceptional Item			2,41,36,960		1,25,35,49,265
Exceptional Items	23	19,17,35,427		1,56,73,44,166	
Prior Period Credit - Depreciation	8	(9,42,627)	19,07,92,800	-	1,56,73,44,166
Loss before tax			(16,66,55,840)		(31,37,94,901)
Less: Tax Expense					
Current Tax of Prior Years		(54,972)		57,513	
Deferred Tax		(4,74,11,770)	(4,74,66,742)	<u>(8,79,59,682)</u>	(8,79,02,169)
Loss for the Year			(11,91,89,098)		<u>(22,58,92,732)</u>

Significant Accounting Policies

1

D Vinod Sivappa	DIN: 08580411	V. Harimohan Naidu	DIN: 01866070	Kiran Basappa	DIN: 02804321
S. Kittu Raghunandan	DIN: 00969426	Shivkumar Kheny	DIN: 01487360	T. H. R. Rajeev	DIN: 07952724
K. Uday Eswaran	DIN: 00046438	C. Mahesh Medappa	DIN: 02816016	Dr. C.A. Prashanth	DIN: 08261237
S M Jayadevappa	DIN: 02804327	Dr. N M Dinesh	DIN: 07952294		

Members of the Managing Committee

In terms of our report of even date
For **R. Chandrashekar and Associates**

Chartered Accountants
Firm Registration No. 0067835

V. Ganesh

Proprietor

Membership No. 202995

UDIN: 20202995AAAABK3327

For **Dhariwal & Sreenivas**

Chartered Accountants

Firm Registration No. 0071975

Sreenivas Babu Penugonda

Partner

Membership No. 028804

UDIN: 20028804AAAAEE5774

Bangalore, 20 November, 2020



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

CIN: U99999KA1962PLC001449

	2019-20		2018-19	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit Before Tax		(16,66,55,840)		(31,37,94,901)
Depreciation	1,93,30,574		2,22,75,200	
Profit on Sale of Asset	(24,92,676)		(2,50,000)	
Interest Expense	99,051		48,632	
Interest Income	(9,22,38,191)	(7,53,01,242)	(12,03,91,190)	(9,83,17,358)
Operating Profit Before Working Capital Changes		(24,19,57,082)		(41,21,12,259)
Trade and Other Receivable	(47,86,081)		(78,67,441)	
Inventory	(28,03,251)		(7,61,729)	
Loan, Advances and Other Current Assets	(2,40,60,349)		(16,64,392)	
Trade and Other Payables	(1,36,73,34,141)	(1,39,89,83,822)	1,56,89,33,479	1,55,86,39,917
Cash Generated from Operation		(1,64,09,40,904)		1,14,65,27,658
Direct Taxes Paid (Net)		(2,84,77,403)		(24,23,96,069)
Net Cash from Operating Activities		(1,66,94,18,307)		90,41,31,589
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets and Capital Work in Progress		(5,56,42,606)		(1,47,74,776)
Sale Proceed of Asset		29,55,579		2,50,000
Interest Received		10,64,84,160		12,45,72,274
Investment in Bank Deposits (maturity of more than 3 months)		(1,16,38,32,146)		(1,94,69,18,295)
Maturity of Bank Deposits (maturity of more than 3 months)		2,63,70,57,360		1,12,11,98,880
Net Cash from/used in Investing Activities		1,52,70,22,347		(71,56,71,917)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest Paid		(99,051)		(48,632)
Net Cash from Financing Activities		(99,051)		(48,632)
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		(14,24,95,011)		18,84,11,040
Cash and cash equivalent at the Beginning		19,91,30,235		1,07,19,195
Cash and cash equivalent at the End		5,66,35,224		19,91,30,235

D Vinod Sivappa DIN: 08580411
S. Kittu Raghunandan DIN: 00969426
K. Uday Eswaran DIN: 00046438
S M Jayadevappa DIN: 02804327

V. Harimohan Naidu DIN: 01866070
Shivkumar Kheny DIN: 01487360
C. Mahesh Medappa DIN: 02816016
Dr. N M Dinesh DIN: 07952294

Kiran Basappa DIN: 02804321
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Dr. C.A. Prashanth DIN: 08261237

Members of the Managing Committee

In terms of our report of even date
For **R. Chandrashekar and Associates**
Chartered Accountants
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Chartered Accountants
Firm Registration No. 0071975
Sreenivas Babu Penugonda
Partner
Membership No. 028804
UDIN: 20028804AAAAEE5774

Bangalore, 20 November, 2020

NOTES TO FINANCIAL STATEMENTS

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 its existence in the financial statements.

	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 2				
RESERVES AND SURPLUS				
Retired Race Horse Welfare Reserve (Refer note no. 2.1)		36,22,724		36,22,724
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	42,95,99,820		65,54,92,552	
Add: Loss for the Year	(11,91,89,098)	31,04,10,722	(22,58,92,732)	42,95,99,820
Total		<u>31,40,33,446</u>		<u>43,32,22,544</u>

NOTES TO FINANCIAL STATEMENTS

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 in the earlier years, to be used for the specified purpose.

	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 3				
LONG TERM PROVISIONS				
Provision for Employee Benefits - Gratuity		-		1,85,88,398
NOTE - 4				
OTHER LONG TERM LIABILITIES				
Deposits		57,50,000		16,20,300
NOTE - 5				
TRADE PAYABLES				
Trade Payables		29,89,58,012		30,47,24,864
NOTE - 6				
OTHER CURRENT LIABILITIES				
Current Liabilities - Owners and Others		13,73,323		54,86,151
Income Received in Advance		90,37,500		1,16,58,750
Taxes and Contractual Liabilities		14,47,05,077		22,31,18,100
Payable for Capital Purchases		12,83,457		-
Others		79,24,237		85,22,152
Total		<u>16,43,23,594</u>		<u>24,87,85,153</u>
NOTE - 7				
SHORT TERM PROVISIONS				
Provision for Employee Benefits - Gratuity		-		1,31,13,787
Provision for Employee Benefits - Leave Salary		14,11,503		-
Provision for Goods and Services Tax (Refer Note no. 23.1)		27,56,82,875		1,56,73,44,166
Provision for Share of Income to Other Centers (Refer Note no. 23.3)		4,20,00,000		-
Total		<u>31,90,94,378</u>		<u>1,58,04,57,953</u>

Bangalore Turf Club Limited

NOTE - 8
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION			BOOK VALUE			
	As at 1-4-2019 Rs.	Additions Rs.	Deletions/ Scrapped Rs.	As at 31-3-2020 Rs.	Up to 1-4-2019 Rs.	For the Year Rs.	Withdrawal on Deletions Rs.	Up to 31-3-2020 Rs.	As at 31-3-2020 Rs.	As at 31-3-2019 Rs.
Tangible Assets										
Building *	4,40,84,623	1,02,80,207	-	5,43,64,830	2,18,86,909	17,76,424	-	2,36,63,333	3,07,01,497	2,21,97,714
Plant and Equipment										
Equipment	11,53,29,132	3,58,16,534	33,52,753	14,77,92,913	9,28,04,293	84,04,752	32,32,268	9,79,76,777	4,98,16,136	2,25,24,839
Electrical Installations	44,71,362	34,34,500	54,470	78,51,392	35,75,738	3,97,881	46,493	39,27,126	39,24,266	8,95,624
Office Equipment	41,90,469	61,515	80,476	41,71,508	38,69,164	1,50,983	77,120	39,43,027	2,28,481	3,21,305
Computers and Peripherals	11,87,88,973	18,20,544	1,32,11,152	10,73,98,365	10,23,50,041	65,99,557	1,30,05,655	9,59,43,943	1,14,54,422	1,64,38,932
Furniture and Fixtures	1,80,36,975	11,47,704	2,54,263	1,89,30,416	1,27,72,956	7,72,614	1,28,675	1,34,16,895	55,13,521	52,64,019
Vehicles	1,19,57,914	27,98,462	8,18,576	1,39,37,800	76,89,399	1,66,326	8,18,576	70,37,149	69,00,651	42,68,515
Total	31,68,59,448	5,53,59,466	1,77,71,690	35,44,47,224	24,49,48,500	1,82,68,537	1,73,08,787	24,59,08,250	10,85,38,974	7,19,10,948
Intangible Assets										
Computer Software	78,97,858	-	-	78,97,858	12,52,150	10,62,037	-	23,14,187	55,83,671	66,45,708
As at 31-3-2020	32,47,57,306	5,53,59,466	1,77,71,690	36,23,45,082	24,62,00,650	1,93,30,574	1,73,08,787	24,82,22,437	11,41,22,645	7,85,56,656
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
* On Lands held on 'security of tenure'						2,02,73,201				
# Debited to Statement of Profit and Loss						-9,42,627				
Credited to Prior Period items						1,93,30,574				

NOTES TO FINANCIAL STATEMENTS

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. The Case was posted for hearing initially on 16th May 2020 and subsequently on 20th August 2020, but was not taken up hearing. Further proceedings are awaited.



NOTES TO FINANCIAL STATEMENTS

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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.

	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.

NOTE - 9

DEFERRED TAX ASSET

9.1 The deferred tax asset has arisen out of timing differences on account of the following:

Deferred tax Asset

Unabsorbed Depreciation	32,34,150	32,34,150
Unabsorbed Business Loss	3,28,92,293	8,52,25,700
Employees State Insurance Liability	2,55,83,944	2,55,83,944
Provision for Goods and Services Tax	8,02,78,853	-
Others	1,88,99,924	-
	<u>16,08,89,164</u>	<u>11,40,43,794</u>

Deferred tax Liability

Depreciation	23,12,719	28,79,119
Deferred Tax Asset (Net)	<u>15,85,76,445</u>	<u>11,11,64,675</u>

9.2 The difference between the balance as on April 1, 2019 and March 31, 2020 of a sum of Rs. 4,74,11,770 has been credited to the Statement of Profit and Loss.

NOTE - 10

LONG TERM LOANS AND ADVANCES

Capital Advances	15,66,597	-
Security and Other Deposits	1,49,86,341	1,93,58,064
Total	<u>1,65,52,938</u>	<u>1,93,58,064</u>

NOTE - 11

OTHER NON-CURRENT ASSETS

Balances with Banks in Deposit Accounts

(Maturing beyond 12 months)	1,90,71,232	2,13,00,479
Interest Accrued	16,43,727	91,303
Total	<u>2,07,14,959</u>	<u>2,13,91,782</u>

11.1 Deposits to the extent of Rs. 2,06,19,548 (Previous year Rs. 1,90,00,000) have been provided as a Security for the sanctioned overdraft facility with the Bank.

NOTE - 12

INVENTORIES

Stores and Spares - At Lower of Cost and Net Realisable Value	90,02,049	61,98,798
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NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 13				
TRADE RECEIVABLES				
(Unsecured, Considered Good)				
Outstanding for a period exceeding six months		3,75,94,982		1,28,28,153
Other debts		2,10,43,363		4,10,24,111
Total		<u>5,86,38,345</u>		<u>5,38,52,264</u>
NOTE - 14				
CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Cash on hand	10,11,235		1,20,39,224	
With Scheduled Banks				
In Current Accounts	1,06,23,989		61,91,011	
In Deposit Accounts (with less than 3 months maturity)	<u>4,50,00,000</u>	<u>5,66,35,224</u>	<u>18,09,00,000</u>	19,91,30,235
Other Bank Balances				
In Deposit Accounts (Maturing within 12 months)		<u>46,28,34,916</u>		<u>1,93,38,30,883</u>
Total		<u>51,94,70,140</u>		<u>2,13,29,61,118</u>
NOTE - 15				
SHORT TERM LOANS AND ADVANCES				
Unsecured				
Advances recoverable in cash or in kind or value to be received Considered Good		6,32,38,352		4,70,66,452
Advance Taxes net of Provision		11,65,43,102		8,80,10,727
Total		<u>17,97,81,454</u>		<u>13,50,77,179</u>
NOTE - 16				
OTHER CURRENT ASSETS				
Interest Accrued		79,17,848		2,37,16,241
Prepaid Expenses		75,01,342		44,39,675
Gratuity funded net of Provisions		98,81,265		-
Leave Salary funded net of Provisions		-		6,82,760
Total		<u>2,53,00,455</u>		<u>2,88,38,676</u>



	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 17				
REVENUE FROM OPERATIONS				
Collections from Totalisators (Net) - (Refer Note no. 24.1)		50,30,19,271		1,74,18,20,728
Entry Money, Forfeit Money and Others		3,13,22,765		3,38,16,499
Sponsorship Received for Stake Money and Cups		1,16,05,265		1,59,70,000
Gate Collections		6,74,71,929		8,09,92,020
Daily Income from Bookmakers		16,30,14,326		17,21,75,360
Mobile Phone Usage Charges		59,91,821		55,05,360
Share of Income from Other Centres		3,21,77,716		1,66,93,633
Veterinary Hospital Receipts		4,64,96,762		4,23,03,219
Club House Receipts		44,05,700		37,74,572
Subscription from Members		1,04,850		1,07,450
Entrance Fee from Members		-		17,500
Live Telecast Receipts		2,17,79,888		2,00,50,611
Other Operating Income		2,69,88,117		2,48,04,298
Total		<u>91,43,78,410</u>		<u>2,15,80,31,250</u>
NOTE - 18				
OTHER INCOME				
Interest		9,22,38,191		12,03,91,190
Credits no longer Payable Written Back		51,05,598		1,25,15,094
Exchange Fluctuation Gain		-		2,98,027
Profit on Sale / Scrapping of Assets (Net)		24,92,676		2,50,000
Others		42,74,848		36,50,977
Total		<u>10,41,11,313</u>		<u>13,71,05,288</u>
NOTE - 19				
OPERATING EXPENSES				
Stake Money and Cups		29,08,32,239		28,65,36,333
Licence Fee		1,84,80,000		2,10,60,000
Course and Other Expenses on Races		5,39,58,924		5,37,22,041
Share of Income Paid to Other Centres		5,98,76,054		3,45,66,724
Veterinary Hospital Expenses		4,02,22,066		3,59,91,623
Subsidy to Owners and Trainers		1,61,24,360		1,95,62,032
Club House Expenses		41,03,835		36,36,242
Other Operating Expenses		2,43,61,807		2,09,42,185
Total		<u>50,79,59,285</u>		<u>47,60,17,180</u>

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2020		As at March 31, 2019	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
NOTE - 20				
EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages and Bonus		29,89,05,754		31,01,50,737
Staff Welfare		52,87,922		78,23,782
Contribution to Provident and Other Funds		2,09,53,493		7,26,99,129
Total		<u>32,51,47,169</u>		<u>39,06,73,648</u>
NOTE - 21				
FINANCE COSTS				
Interest		<u>99,051</u>		<u>48,632</u>
NOTE - 22				
OTHER EXPENSES				
User Fees to Govt. of Karnataka		60,00,000		60,00,000
Rent		2,01,25,877		1,90,90,815
Rates and Taxes		88,93,629		74,00,682
Lighting		1,24,73,778		1,27,08,885
Water Charges		47,08,017		33,28,953
Insurance		46,25,963		36,81,243
Postage and Telephone		20,28,112		18,73,799
Printing and Stationery		15,57,055		13,87,646
Travelling and Conveyance		49,37,599		40,07,411
Legal and Professional Charges		1,31,42,036		1,01,16,403
Remuneration to Auditors		12,60,000		14,37,500
Books, Periodicals and Subscription		59,141		83,249
Watch and Ward		1,21,06,225		1,14,30,291
Hospital Maintenance		69,918		50,017
Repairs to Buildings		1,12,38,242		83,57,885
Repairs to Other Assets		27,66,130		36,93,765
Annual Maintenance		1,14,11,124		1,05,42,278
Generator Maintenance		19,90,054		29,78,341
Advertisement, Business Promotion and Publicity		8,46,240		6,24,426
Miscellaneous Expenses		1,57,00,630		1,71,44,388
Exchange Fluctuation Loss		97,837		-
Bad Debts Written Off		13,36,450		2,85,019
Excess Accrual of Share of Income from Other Centres Written Off		-		2,20,43,965
Donations to Bangalore City Police Benevolent Fund		20,00,000		-
Corporate Social Responsibility				
Contribution to BTC Charitable Trust		-		28,05,652
Contribution to Chief Minister's Relief Fund		15,00,000		15,00,000
Total		<u>14,08,74,057</u>		<u>15,25,72,613</u>



NOTES TO FINANCIAL STATEMENTS

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- 22.1 Travelling Expenses include Rs. 16,11,309 (previous year Rs. 7,57,298) 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	1,18,72,213	1,75,18,807
(ii) Payable Later than one year and not later than five years	2,88,26,398	3,21,24,881
(iii) Payable Later than five years	27,67,440	69,18,600

NOTE - 23

EXCEPTIONAL ITEMS

Provision for Goods and Services Tax (Refer Note no. 23.1)	13,29,73,889	1,56,73,44,166
Service Tax Paid (Refer Note no. 23.2)	1,67,61,538	-
Provision for Share of Income to Other Centers (Refer Note no. 23.3)	4,20,00,000	-
Total	<u>19,17,35,427</u>	<u>1,56,73,44,166</u>

- 23.1 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 had 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 had 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. 1,42,46,35,180. 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, during the previous year, the company had, 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 was charged as an exceptional item of expenditure in the Statement of Profit and Loss.
- v) During the year, the company made a contribution of the said tax to the extent of Rs. 1,42,46,35,180 as a precautionary measure and by way of abundant caution to avoid further accretion to the interest liability. The company has also made a further provision of a sum of Rs. 13,29,73,889 to cover the interest liability till the date of payment of the tax.
- vi) 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.
- 23.2 i) The Service Tax Department had 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 had 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 held the view that the specified receipts were not taxable upto the period ending June 30, 2012.
- iii) The Company had 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.

NOTES TO FINANCIAL STATEMENTS

- iv) During the year, the company settled the dispute by opting for a full and final settlement of the dues under the Sabka Vishwas Legacy Scheme, 2019 by paying a sum of Rs. 1,67,61,538, being 50% of the tax demanded and cancellation of penalty. The same has been charged as an exceptional item of expenditure in the statement of profit and loss.

23.3 The company earns and pays a share of income from / to Other Centres. However, post the introduction of Goods and Service Tax with effect from July 01, 2017, a settlement has not been reached with other centres for sharing of revenue generated at various centres. Pending further negotiations and settlement, it is considered prudent to make a provision for the expected net liability on account of 'Share of Income from / to Other Centres' in the financials on an estimated basis. Accordingly, an additional provision has been made for a sum of Rs. 4,20,00,000 on an estimated basis to cover the expected net liability to the company till the end of the year.

NOTE - 24

OTHER NOTES AND DISCLOSURES

- 24.1 i) The Collections from Totalisators (net) for the year of a sum of Rs. 50,30,19,271 are stated net of GST collections. During the previous year, the Company had disputed the GST liability as detailed in note no. 23.1 and had made a provision for GST liability as an exceptional item of expenditure to the extent of Rs. 1,56,73,44,166 inclusive of interest covering the entire period of dispute. The corresponding disputed GST liability financial year 2018-19 for which a provision had been made amounted to Rs. 1,11,93,03,410 (out of the provision of Rs. 1,56,73,44,166).
- ii) For the reason stated above, the 'Collections from Totalisator (net)' 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. 23.1 (vi), 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:

Assessment Year	Shortfall of TDS	Interest	Total
	u/s 201 (1)	u/s 201(1A)	
	Rs.	Rs.	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 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 an 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 among other things, by making the following disallowances :
 - (a) Non-deduction of tax at source u/s 194B on the stake money paid during the respective years ;
 - (b) Non deduction of tax 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 ; and
 - (c) Non-deduction of tax at source u/s 194BB on the dividends paid to winning punters.
- ii) Income tax demand disputed for the above disallowances and to the extent not provided for are as below:

Assessment Year	Amount Rs.
2012-13	15,01,80,483
2013-14	14,31,48,796
2014-15	13,41,16,277
2016-17	14,97,84,462
2017-18	17,59,24,010
Total	75,31,54,028

- iii) The Company has disputed the demands raised by filing of appeals against the orders for all the assessment years and the appeals are pending at various stages and forums.. Pending further proceedings, the Company has not made any provision in the accounts for the total demand of a sum of Rs. 75,31,54,028 and is contingently liable for the same.
- f) 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.

NOTES TO FINANCIAL STATEMENTS

- 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.

24.3 Remuneration to Auditors

	2019 - 2020	2018 - 2019
For Statutory Audit	7,00,000	7,00,000
For Tax Matters	5,50,000	7,27,500
For Others	10,000	10,000
Total	<u>12,60,000</u>	<u>14,37,500</u>

24.4 Earnings / Expenditure in Foreign Currency/Exchange

Earnings

Live Streaming Charges Earned	1,36,65,818	1,33,83,396
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Expenditure

Dope Sample Testing Expenses	1,11,63,892	51,90,762
Import of Urine Sample Kits	49,39,844	12,41,117
Live Streaming Charges	16,88,305	18,46,984

- 24.5 In the absence of any information on requests to the vendors with regard to their registration under 'The Micro, Small and Medium Enterprises Development Act, 2006', 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 Disclosure pursuant to Accounting Standard (AS) 15 Revised:

The Principal assumptions used in determining Gratuity and Leave Obligations for the Company are as follows

	2019 - 2020		2018 - 2019	
	Gratuity	Leave Salary	Gratuity	Leave Salary
a) Interest Rate	6.62%	6.62%	8.00%	8.00%
b) Discount Rate	6.62%	6.62%	8.00%	8.00%
c) Estimated Rate of Return on Plan Assets	7.05% / 7.27%	7.05%	7.8% / 7.59%	6.98%
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 01-04-19	18,61,76,125	2,15,37,967	18,48,87,448	2,96,22,113
b) Interest Cost	1,17,51,147	11,46,624	1,32,98,699	20,10,323
c) Current Service Cost	51,10,618	25,04,873	1,50,53,162	24,76,416
d) Benefits Paid	(3,39,30,154)	(84,34,725)	(3,78,24,967)	(89,86,154)
e) Actuarial (Gain) / Loss	(1,58,84,663)	(2,70,046)	1,07,61,783	(35,84,731)
f) Present Value of Obligation as on 31-03-20	15,32,23,073	1,64,84,693	18,61,76,125	2,15,37,967



	2019 - 2020		2018 - 2019	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Changes in the Fair Value of Plan Assets				
a) Fair Value of Plan Assets as on 01-04-19	15,44,73,940	2,22,20,727	8,03,56,610	2,52,92,450
b) Expected Return on Plan Assets	1,08,67,094	11,92,425	74,11,459	15,85,534
c) Contributions	3,16,93,458	94,763	10,45,30,838	43,28,897
d) Benefits Paid	(3,39,30,154)	(84,34,725)	(3,78,24,967)	(89,86,154)
e) Fair Value of Plan Assets as on 31-03-20	16,31,04,338	1,50,73,190	15,44,73,940	2,22,20,727
Amount Recognised in the Balance Sheet				
a) Present Value of Obligations as at the Year End	15,32,23,073	1,64,84,693	18,61,76,125	2,15,37,967
b) Less: Fair Value of Plan Assets as at the Year End	16,31,04,338	1,50,73,190	15,44,73,940	2,22,20,727
c) Liability / (Asset) recognised in the Balance Sheet	(98,81,265)	14,11,503	3,17,02,185	(6,82,760)
Expenses recognised in the Statement of Profit and Loss				
a) Current Service Cost	51,10,618	25,04,873	1,50,53,162	24,76,416
b) Interest Cost on Benefit Obligation	1,17,51,147	11,46,624	1,32,98,699	20,10,323
c) Expected return on Plan Assets	(1,08,67,094)	(11,92,425)	(74,11,459)	(15,85,534)
d) Net Actuarial (Gain)/Loss	(1,58,84,663)	(2,70,046)	1,07,61,783	(35,84,731)
e) Total Expenses/(Income) Recognised	(98,89,992)	21,89,026	3,17,02,185	(6,83,526)

24.8 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. A.C.Satish Chandra (upto 22-09-2019)
- (ii) Mr. K.Jayaram (upto 22-09-2019)
- (iii) Mr.U.B.Venkatesh (upto 22-09-2019)
- (iv) Mr. L. Vivekananda (upto 22-09-2019)
- (v) Mr. Satish N Gowda (upto 22-09-2019)
- (vi) Mr. Vinod Shivappa (from 23-09-2019)
- (vii) Dr. N.M.Dinesh (from 23-09-2019)
- (viii) Mr. Shivkumar Kheny (from 23-09-2019)
- (ix) Mr. Bhaskar Rao (from 23-09-2019)
- (x) Prof. S.M.Jayadevappa (from 23-09-2019)
- (xi) Mr. I.S.N. Prasad (from 23-09-2019)
- (xii) Mr. V.Harimohan Naidu
- (xiii) Mr. T.H.R.Rajeev
- (xiv) Mr. K.Uday Eswaran
- (xv) Mr. Kiran Basappa

NOTES TO FINANCIAL STATEMENTS

- (xvi) Mr. S.Kittu Raghunandan
- (xvii) Mr. Ravishankar S.Poll
- (xviii) Mr. Mahesh Medappa
- (xix) Dr. C.A. Prashanth

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

(a) Subscription Received	Income	2,750
(b) Sale of Services - Club house and Reservations	Income	8,17,897
(c) Recovery of Expenses on maintenance of Horses and Entry Money	Income	17,01,237
(d) Stake Money and Incentives Paid	Expense	37,37,161

The balances with the above related parties as at March 31, 2020 are as below:

Trade Payable to Owners of Horses	69,705
Other Payable as Members and for Club House	10,251

D Vinod Sivappa DIN: 08580411	V. Harimohan Naidu DIN: 01866070	Kiran Basappa DIN: 02804321
S. Kittu Raghunandan DIN: 00969426	Shivkumar Kheny DIN: 01487360	T. H. R. Rajeev DIN: 07952724
K. Uday Eswaran DIN: 00046438	C. Mahesh Medappa DIN: 02816016	Dr. C.A. Prashanth DIN: 08261237
S M Jayadevappa DIN: 02804327	Dr. N M Dinesh DIN:07952294	

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: 20202995AAAABK3327

Bangalore, 20 November, 2020

For **Dhariwal & Sreenivas**
Chartered Accountants
Firm Registration No. 007197S
Sreenivas Babu Penugonda
Partner
Membership No. 028804
UDIN: 20028804AAAAEE5774



INDEPENDENT AUDITORS' REPORT

To the Members of
BANGALORE TURF CLUB CHARITABLE TRUST

Report on the Audit of 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, 2020 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, 2020, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those Board of Trustees are also responsible for overseeing the Trust's 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: 20202995AAAABL2637

Bangalore, 20 November, 2020

**BANGALORE TURF CLUB CHARITABLE TRUST****BALANCE SHEET AS AT MARCH 31, 2020**

	2019-20		2018-19	
	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS				
Trust Fund (Corpus)				
As on 01-04-19		2,85,05,652		2,57,00,000
Add: Addition during the year		<u>-</u>	<u>28,05,652</u>	2,85,05,652
SURPLUS				
Per last Balance Sheet		1,10,93,957		95,49,677
Add:				
Excess of Income over Expenditure		<u>22,49,198</u>	<u>1,33,43,155</u>	<u>1,10,93,957</u>
Total		4,18,48,807		3,95,99,609
APPLICATIONS OF FUNDS				
Fixed Assets				
Ambulances				
Gross Block (Sold during the previous year)		-		-
Less: Depreciation				
Up to 01-04-19		-		8,72,000
For the year		-		3,181
Withdrawn on Deletion		-		<u>(8,75,181)</u>
Up to 31-03-20		<u>-</u>		<u>-</u>
Net Block		-		-
INVESTMENTS				
In Unit Trust of India		-		10,98,600
In HDFC Limited - Fixed Deposits		<u>3,65,00,000</u>	<u>3,20,00,000</u>	3,30,98,600
CURRENT ASSETS				
Balance with a Scheduled Bank		38,96,690		50,77,560
Tax Deducted at Source		<u>14,71,997</u>		<u>14,32,889</u>
		53,68,687		65,10,449
Less : Current Liabilities		19,880		9,440
Total		4,18,48,807		3,95,99,609

- Notes:
- The ambulances had been placed at the disposal of Government Hospitals towards supporting community needs. The same have been sold during the previous 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.

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: 20202995AAAABL2637

D. VINOD SIVAPPA
Chairman

SHIVAKUMAR KHENY
Trustee

S. KITTU RAGHUNANDAN
Trustee

Bangalore, 20 November, 2020

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

	2019-20	2018-19
	Rs.	Rs.
INCOME		
Interest	29,59,818	27,41,399
Dividend	10,105	32,356
Profit on Redemption of Units with Unit Trust of India	3,98,909	-
Profit on Sale of Ambulances	-	57,276
Total	33,68,832	28,31,031
EXPENDITURE		
Donations	11,01,252	12,52,926
Ambulance Maintenance	-	19,525
Salary	1,000	1,000
Remuneration to Auditors	9,440	9,440
Miscellaneous Expenses	7,942	679
Depreciation	-	3,181
Total	11,19,634	12,86,751
Excess of Income over Expenditure transferred to Balance Sheet	22,49,198	15,44,280

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: 20202995AAAABL2637

D. VINOD SIVAPPA
Chairman

SHIVAKUMAR KHENY
Trustee

S. KITTU RAGHUNANDAN
Trustee

Bangalore, 20 November, 2020

COVID-19 PANDEMIC

In view of outbreak of Corona Virus – Covid -19, the Club was forced to discontinue conduct of races from March 13, 2020 to 31st October, 2020 and the Club has taken various precautions, measures, protocols to safeguard the interest of the Club and welfare of horses stabled in the Club premises.

- a) Mandatory screening of all Employees/Trainers/etc. who enters the Club.
- b) Regularly sanitizing the office premises and Mandatory to wear mask who enter the Club.



Thermal Screening and Hand Sanitizing



Covid-19 Awareness

- c) Regular announcement was made to create awareness about Corona Virus to stable employees and to follow precautionary measures.
- d) The Club has made necessary arrangements to ensure the Equine Hospital shall function with the requisite team, equipments, and medicines to take care of horses.

- e) Strictly enforced social distancing in the Club premises.



Social Distancing

- f) Extensive inspection of vehicles which enters the Club and permitted vehicles after sanitization to the stables area which carries essentials and critical items in nature.



Security Measures

- g) Restricted entry of Racehorse owners to enter the Club premises.

- h) Frequently screening of all stable employees to safeguard their health and to avoid unnecessary complications, if any.
- i) Restricted movement of entry and exit to the maximum extent.
- j) Educated the employees regarding the outbreak of corona virus and insisted to follow the guidelines and protocols.
- k) Availed the services of the employees as per the need basis.
- l) The Club has not disturbed the earnings of the employees even though they remained absent for few months during pandemic.
- m) The Club has availed the services of employees whose services are essential and critical in nature.
- n) The Club has extended animal feed and medicines to Sambhava, NGO during the outbreak of Corona Virus - (Covid-19) as a Corporate Social Responsibility.



- o) The Club facilitated safe and easy access for the stable employees to get groceries, vegetables, gas filling within the Club Premises.



Grocery, Vegetables & Fruits

- p) The Club has extended financial support amounting to Rs. 25 lakhs towards The Chief Minister Relief Fund COVID-19, Government of Karnataka as a support and contribution to the society during the pandemic situation.



- q) The Club has ensured stables are maintained in clean and hygiene condition always.
- r) The Club has extended special food packets during the festival of Ramzan to all stable employees.



Distribution of Food Packets

- s) Resumed Morning track work by adhering to the prescribed protocols.



Lunging Activities

- t) The Club has ensured to take the immediate measure if any employee or stable employee having the sign of cough, fever etc. by shifting to the nearest hospital for further retreatment for speedy recovery.
- u) The Club has provided dedicated paramedical staff with ambulance from a reputed hospital was deputed in the Club premises.
- v) The Club has made isolation ward for the stable employees with paramedical staff supervision at a free of cost with food facility and medicines who were having symptoms of cold, cough, fever etc related to Covid-19.
- w) In house disinfectant production was done to sanitize the Stables and Office areas frequently.



In-House Disinfectant Production can be used for Pest Control, Sanitizing

- x) A Standard Operating procedure was framed for Trainers, Jockeys, Stable Employees and insisted them to follow the same.
- y) A dedicated team was formed under the supervision and direction of the Managing Committee to monitor actively, to take necessary measures and to make arrangements during the outbreak of Covid-19.
- z) The Club has not experienced any major issue during the Pandemic situation.
- aa) The Club has make necessary protocols, taken measures and precautions in all aspects for the safe conduct of racing.

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, 21st December, 2020 at 11.00 AM at No. 52, Race Course Road, Bangalore-560001 and at any adjournment thereof.

Signed this day of..... 2020

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.



