

ROYAL WESTERN INDIA TURF CLUB, LIMITED

CONTENTS

Committee Members	1
Graph: Analysis of Expenditure	2
Committee's Report	3-18
Auditors' Report	19-30
Balance Sheet	31
Income & Expenditure Account	32
Cash Flow Statement	33-34
Notes forming part of financial statements	35-62

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as the practice of distributing copies of the Report at the Meeting is discontinued.

ROYAL WESTERN INDIA TURF CLUB, LTD.

COMMITTEE

Vivek Jain (Chairman)
Khushroo N Dhunjibhoy
Milan Luthria
Jaydev M. Mody
Geoffrey B. Nagpal
Shyam M. Ruia
Dr. Ram H. Shroff
Gulamhusein A Vahanvaty
Champaklal Zaveri

Govt. Nominees

K.P. Bakshi - Addl. Chief Secretary,
Home. Till 30.11.2016

Sudhir Shrivastava - Addl. Chief Secretary,
w.e.f 01.12.2016

Manu Kumar Srivastava - Principal Secretary,
Revenue.

SECRETARY & CEO

N.H.S Mani

PRINCIPAL BANKERS

Bank of India
Central Bank of India
ICICI Bank

AUDITORS

Messrs Deloitte, Haskins & Sells
Chartered Accountants

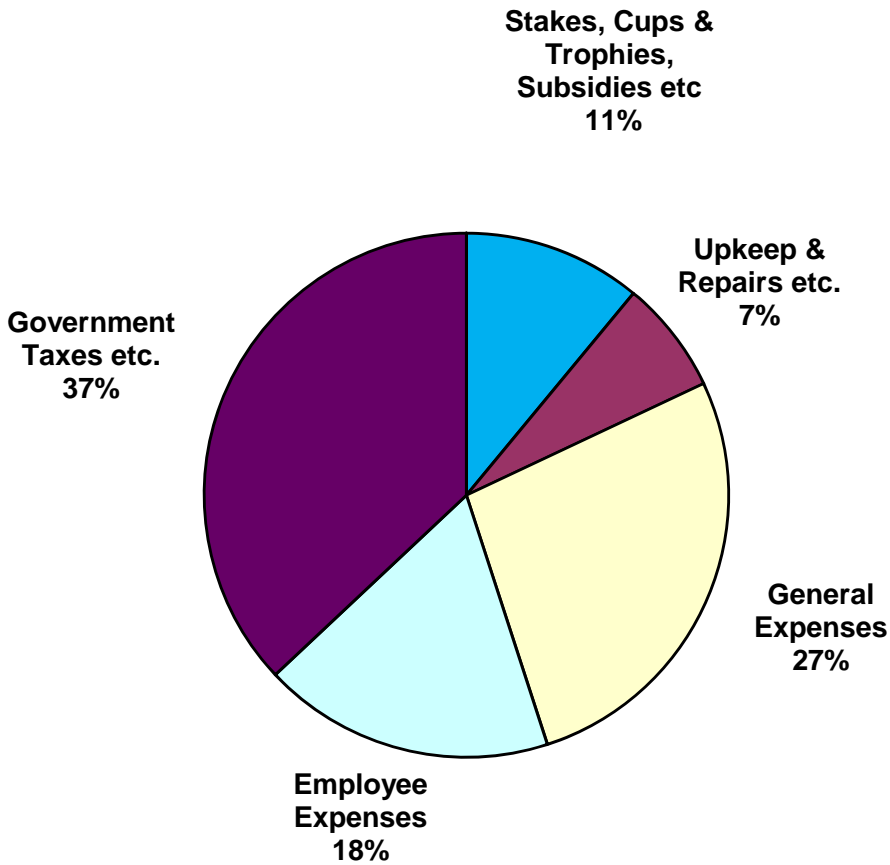
ADVOCATES & SOLICITORS

ALMT Legal
Shiralkar & Co.
M Mulla Associates

REGISTERED OFFICE IN THE STATE OF MAHARASHTRA CIN:

Race Course, Mahalakshmi
Mumbai – 400 034.
U91990MH1925PLC001182

**ROYAL WESTERN INDIA TURF CLUB, LIMITED
ANALYSIS OF EXPENDITURE*
2016-2017**



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

ROYAL WESTERN INDIA TURF CLUB, LTD.

REPORT OF THE COMMITTEE.

To the Members,

For the year ended 31st March, 2017

Your Committee has pleasure in submitting its 102nd Annual Report on the operations of the Club together with the Audited Accounts for the year from 1st April 2016 to 31st March, 2017.

1. Accounts:

(a) The Accounts for the year ended 31st March, 2017, before considering depreciation shows a loss of Rs.7,16,43,645/- (previous year loss Rs.14,86,01,630/-). Depreciation for the year under review is Rs.9,86,71,452/- (previous year Rs.9,41,02,889/-). Hence, loss after considering depreciation is Rs.17,03,15,097/- (previous year loss Rs.24,27,04,519/-). The Committee has done well for the significant reduction in loss this year, which has been the result of constant endeavor to keep costs under control despite reduction in income due to impact of demonetization on racing and lawn hire.

(b) The Committee refers to item no. (i) of the Auditors Report and would like to inform that note 43 of Notes forming part of the financial statements is self-explanatory.

(c) The Committee refers to item no. (ii) of the Auditors Report and would like to inform that note 44 of Notes forming part of the financial statements is self-explanatory.

(d) The Committee refers to item no. (iii) of the Auditors Report and would like to inform that note 26(A)(i)(h) of Notes forming part of the financial statements is self-explanatory and this observation pertains to the period ended 31st March 2016.

(e) The Committee refers to item no. (iv) of the Auditors Report and as explained in note 33(2)(B)(a) of notes forming part of the financial statements, ex-gratia in lieu of gratuity paid / payable on the retirement of the casual / seasonal workers is accounted as and when the retirement of the respective worker takes place.

(f) The Committee refers to item no. (v) of the Auditors Report and note 40 of Notes forming part of the financial statements. As explained in note 40, the additional ground rent paid to the Municipal Corporation of Greater Mumbai is recoverable from the Bharatiya Janata Party and accordingly, the same has been shown under "Other non-current assets".

ROYAL WESTERN INDIA TURF CLUB, LTD.

(g) The Committee refers to item no. (vi) of the Auditors Report and as explained in detail in note 41 of Notes forming part of the financial statements, based on the legal opinion obtained by the Club the sum of Rs.10 crores has been credited to the Income and Expenditure Account during the year ended 30th June 2008.

(h) The Committee refers to item no. (vii) of the Auditors Report on Segment reporting to be disclosed under Accounting Standard 17. The Club is in the process of complying with the requirement of the Accounting Standard.

2. **Director's Responsibility Statement as per Section 134 (3) (c) of the Companies Act 2013:**

Members of the Managing Committee hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable, except for the matters stated in (vii) above.
- (ii) The accounting policies have been selected and applied consistently and the Committee has made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Club at the end of the financial year and of the loss of the Club for that period.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Club and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts are prepared on a going concern basis.
- (v) That proper internal financial controls were laid down and such internal financial controls were adequate and were operating effectively; and
- (vi) That proper systems were devised to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

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

Your Committee had apprised the Members of the serious financial position the Club is facing. The Committee had initiated discussions with all primary stakeholders – Owners, Trainers, Breeders and Bookmakers – in an effort to cut costs and raise revenue. Owners have sacrificed a fair sum by cut in stakes and the Committee acknowledges their support to the Club. The

ROYAL WESTERN INDIA TURF CLUB, LTD.

Committee restored stakes to 100% from the start of the Pune Season. The Bookmakers were forthcoming even in the most difficult period of post demonetization and have gradually increased their stall fees from near zero to 85% of the normal fees until end of the last Mumbai Meeting 2016-2017. Thereafter, the stall fees were restored to 100%. There were various cut backs in costs such as stakes including subsidies, employee salary cuts, VRS employee reductions, reduction in costs due to retirements, etc., discontinuation of services of some Officials, re-location of peons to the Security Department and thus reducing the private security guards, legal and professional charges, repairs of buildings and stables and estate in general, reduction in number of post-race sampling, reduction in electricity charges, re-structuring of division of races and reduction on marketing, administration, travel costs, etc. Your Committee has also taken initiatives to increase revenue on helipad charges, DNA testing charges, licence fee for private veterinarians, etc. Efforts will be ongoing to reduce expenses under every head.

4. **Totalizators Turnover and Bookmakers Field Money:**

The tote investment during the year under review (inclusive of charity days), was Rs.54.35 crores (excluding Fixed Odds Betting) over 369 meetings (live racing and inter-venue betting) as against Rs.62.99 crores (excluding Fixed Odds Betting) in previous year over 365 meetings. The total bookmaker's field money for the year under review was Rs.34.78 crores over 369 meetings as against Rs.39.75 crores in previous year over 336 meetings (live racing and inter-venue betting).

5. **Fixed Odds Betting:**

During the year under review the total investment on Fixed Odds Betting was Rs.30.27 crores over 263 race days and the Club earned a net profit of Rs.2.14 crores (inclusive of charity days) (previous year Rs.26 crores, over 168 race days, and the Club earned a net profit of Rs.1.79 crores) (inclusive of charity days).

6. **Attendance:**

The total attendance during the year under review (for live and inter-venue days) was 11,09,059 for 369 meetings as against 11,93,529 for 319 meetings in the previous period. Betting taken on two racing centres on the same day, is counted as one day.

7. **State and Municipal Taxes:**

ROYAL WESTERN INDIA TURF CLUB, LTD.

- a. The total amount accruing to the government by way of taxes and licence fee for the year under review was Rs.40.52 crores as against Rs.45.45 crores for the previous period.
- b. In addition to the above, during the financial year under review, Rs.3.65 crores (previous period Rs.5.83 crores) was paid / payable and provided for payment to the Municipal Corporation of Greater Mumbai by way of ground rent and other Municipal taxes.

8. **Sponsored Races:**

Sponsorships continue to do well and virtually each weekend at Pune and Mumbai has featured sponsored / graded races. Total contributions for the Pune Meetings 2016 and Mumbai Meetings 2016-17 were Rs.1065.82 lacs as compared to Rs.1221.23 lacs during the previous year.

M/s. United Breweries have agreed to give an amount of Rs.3 crores for sponsorship of the Indian Derby and the Club is trying to get some co-sponsors for this Indian Derby. The Club successfully salvaged the Indian Derby sponsorship by hosting & completing the two year joint sponsorship agreement with United Breweries Ltd. (UBL) and United Spirits Ltd (USL) of India's biggest racing weekend.

9. **Status on BJR Arbitration Case:**

In the matter of M/s. BJR's, based on the Club's Arbitration Application, the Sole Arbitrator was appointed by the High Court, Mumbai. The hearing in the Arbitration proceedings were concluded last year. The Sole Arbitrator vide his Order dated 12th May 2017 dismissed the Conductor's application on challenge of jurisdiction under Section 16 of the Arbitration and Conciliation Act, 1996. The said Order inter-alia also stated that the Conductor is not a tenant of the Club, but a caterer. The final Award is awaited.

10. **Licence to Race / Voting rights of Members:**

As Members are aware, the Home Department, Government of Maharashtra had issued an Addendum to the Club's Racing Licence issued for the years 2015-2017 on 26th April 2016.

The conditions sought to restrict voting at the annual elections to the Committee to only those Club Members who attended the races at Mumbai / Pune for 15% of the race days.

Though the RWITC contested this addendum on various grounds, the condition was not withdrawn. Thereafter, five Members of the Club challenged the addendum by filing a writ in the Mumbai High Court. The Court passed an Order on 4th May 2017, holding that the Government

ROYAL WESTERN INDIA TURF CLUB, LTD.

had no power to impose new conditions in the licence, mid-term, and stayed the addendum, thereby giving ad interim relief to the petitioners.

Subsequently, the Club has received the new racing licence for the year 2017-2018, where the Addendum on voting restriction has been excluded. Under a new condition, under Clause -17 of the licence it is stated, “The Licensee shall frame guidelines for precisely defining a “regular race-goers” in terms of Article-7 of the Club’s Articles of Association and send such guidelines to the Government for approval within three months from the date of the License.”

The Committee will deliberate on suggested recommendations with the desire to resolve this matter. In the meanwhile, the voting rights to the Members remain as before.

11. Social Responsibility:

The Club has raised funds for charities and has associated with The Indian Red Cross Society, Lions Club, The Indian Cancer Society, People for Animals, The Fight Hunger Foundation, The Sahachari Foundation & Bombay Society for Prevention of Cruelty to Animals etc. The Club also holds 15 race days in a year in aid of various charities.

12. Shifting of Annual Sales to Mumbai from Pune:

Your Committee has decided to shift the Annual Sales from Pune to Mumbai to be held in February 2018, as an experimental measure, with new innovations in attempt to give a boost to the declining revenue from this activity.

13. GST:

The Government of India has introduced Goods & Service Tax Act 2017 (GST) with effect from 1st July 2017. The GST has subsumed several taxes including Service Tax, Betting Tax, Entertainment Tax, VAT etc. into one unified Tax and is expected to impact way of doing business for each entity. Whilst it is too early to assess the impact on its business, the Club is closely monitoring the situation, and has made several representations to the GST Council, for relief. The Turf Authorities of India (TAI) are working together to address the situation.

14. Voluntary Contribution by Members:

Your Committee had requested all Members for a voluntary contribution of Rs.5,000/- payable to the Club and 788 Members have paid this contribution, and several paid even a higher

ROYAL WESTERN INDIA TURF CLUB, LTD.

contribution. Your Committee is most grateful to Members who contributed and acknowledged their magnanimity, to assist the Club in its hour of crisis.

Your Committee is placing a Special Resolution before the Members at the 102nd Annual General Meeting incorporating a provision in the Articles of Association to introduce a new charge by way of “Facility Levy”, which is payable by the Club Members, Life Members and Stand Members of the Club. The Facility Levy payable is a sum of Rs.500/- per month i.e. Rs.6,000/- payable annually. Since the Club is passing through financial crisis, and cannot enhance the annual subscription, your Committee requests Members to kindly approve this proposal and is confident of your support.

15. Attendance of Committee Members for Committee Meetings:

From the date of the last Annual General Meeting of the Club held on 12th September 2016 till 10th August 2017, the number of Committee Meetings held and the attendance of Committee Members is as under:-

(a) Number of Scheduled Regular Committee Meetings	:	20
(b) Number of Joint / Special Committee Meetings	:	4

Total Number of Meetings	:	24
		==

	Number of Scheduled Regular Committee Meetings attended	Number of Joint / Special Meeting attended	Total
Mr. Vivek Jain	19	4	23
Mr. K N Dhunjibhoy	12	1	13
Mr. Milan Luthria	8	2	10
Mr. Jaydev M Mody	12	2	14
Mr. Geoffrey B Nagpal	17	4	21
Mr. Shyam M Ruia	17	2	19
Dr. Ram H Shroff	14	3	17
Mr. Gulamhusein A Vahanvaty	20	4	24
Mr. Champaklal Zaveri	18	4	22

16. Comments on conservation of Energy and Technology Absorption:

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

17. Comments on Foreign Exchange Earnings and Outgo:

There are no foreign exchange earnings and outgo apart from those mentioned in Note 32 of the Notes forming part of the Accounts.

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

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

19. Related Party Transactions:

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2.

20. Particulars of Employees and related disclosures:

In terms of the provisions of the Section 197(12) of the Companies Act, 2013 and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014, none of the Club's employees fall under this category.

21. Extract of Annual Return:

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

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

The Committee of the Club does not foresee any risk barring natural calamities and unforeseen circumstances during the period under review.

23. Auditors:

M/s. Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants, were appointed as statutory auditors under Section 139 of the Companies Act, 2013 at the Annual General Meeting held on 16th December, 2014 till conclusion of 104th Annual General Meeting. As provided in

ROYAL WESTERN INDIA TURF CLUB, LTD.

the aforesaid section the appointment of the auditors needs to be ratified by the members at every annual general meeting.

In view of the same members are requested to ratify the appointment of auditors for the year 2017-18 and fix their remuneration. The Deloitte Haskins & Sells LLP (DHS LLP) have furnished a Certificate of their eligibility for re-appointment.

24. Obituary:

Your Committee regrets to report the death of:

<p><u>CLUB MEMBERS:</u></p> <p>Bassam, Esq., Ali Mohamed Bhandarkar, Esq., Anil Vasudev Bharadwaj, Esq., Mahesh. Bharvani, Esq., Indru R. Chande, Esq., Manohar N. Chothia, Esq., Dickey D. Goel, Esq., Umesh Sitaram Gulamhusein, Esq., Nazir Jain, Esq., Jinender Kumar Jethmalani, Esq., Janak Ram Kapadia, Esq., Dinshaw P.C. Law, Esq., Vinay M.</p>	<p>Makim, Esq., Vijay K. Master, Esq., Masoom Mavji, Capt. Maneck Merchant, Esq., Ahmed Hussain Mulchandani, Esq., Gobind T. Nichani, Dr. Shyam Tulsidas Patker, Esq., Sudhir V. Pai, Dr. Vikas G. Raut, Esq., Deepak R. Uttamchandani, Esq. Ajit J. Watumull, Esq., Khuba</p>
<p><u>LIFE MEMBERS:</u></p> <p>Gune, Esq., Prabhakar D. Jagtiani, Esq., Ramesh M. Kothavala, Ms. Gladys S. Lala, Esq., Sam F. Mahbubani, Esq., Gobind R. Nagpal, Esq. Ram S Natu Esq., Kashinath R</p> <p><u>LADY STAND MEMBERS:</u></p> <p>Bodani, Mrs. Chandrika A. Dudani, Mrs. Poonam H. Gupta, Mrs. Sulakshana R. Heerjee, Mrs. Putli Rusi Hingorani, Mrs. Dru H Kapadia, Mrs. Hiralaxmi L Kapadia, Mrs. Gunvanti G.</p>	<p>Kapil, Esq., Jai P Patil Esq., Udaysinh M. Poddar, Esq., Murarilal R. Sane Esq., Arun S. Shah, Esq., Kiritkumar R. Shetty, Esq., Sameer S. Sule, Esq., Bhalchandra R.</p> <p>Khatau, Mrs. Krishna A. Lulla, Mrs. Mohine P Mody, Mrs. Surbhi P. Patel, Mrs. Mira J. Shivdasani, Mrs. Gul R Tyebjee, Mrs. Khata Taher</p>
<p><u>STAND MEMBERS:</u></p> <p>Bhansali, Dr. A.B. Bhasin, Esq., Subhash C. Chandiramani, Esq. B.A. Chauhan, Esq., Raj K. Chopra, Dr. (Col.) Bs Ks</p>	<p>Maskati, Dr. Badar T. Maskati, Esq, Rasheed Masani. Esq., Jimmy D. Matcheswala, Esq., Taher G. Meherally, Esq. Gulam Husein</p>

ROYAL WESTERN INDIA TURF CLUB, LTD.

Currim Esq.,Hyder Gulamally Daftary, Esq., Praful G. Dalal, Esq. Nirmal Bhagwandas Divan, Esq. Anil B. Dossani, Esq., K.G. Jhangiani, Esq.,Gobind H. Faizullabhoy, Esq., Tyeb E. Ganjawala, Esq, Harikant L Gehani Esq., Ramesh H. Gogri, Esq., Shamji H Gupta , Esq., Krishnadev B. Gvalani, esq, Vashu Murlidhar Kara,Esq., Satish R. Kataria,Esq., Bhagwan Das Khemka, Esq., Shyamlal Kothari, Esq., B.H. Kripalani, Esq., Hashu M. Ladhabhoy, Esq., Zahir E. Marfatia, Dr. Porus	Mody, Dr. Adi E. Parker, Esq., Madhukar D. Pittie, Esq., Nandlal M. Poonawalla, Esq., Asif A. Poorswani, Esq., Harkishan L. Punwani, Esq., Sahibdas Rae, Prof. Keshav H. Raizada,Esq.,S.K Ruia, Esq., Hirendrakumar B. Sanchawala, Esq., Ebrahim H. Savani, Esq., Maganbhai N. Shah, Esq., Dushyant C. Shah, Esq., Vipin M. Silaichia, Esq., Prakash C. Thadhani, Esq. Pamo V. Topiwalla, Esq., Suber T. Ved, Esq. Vijaysinh V. Vig, Esq., Rajinder Nath
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VIVEK JAIN
CHAIRMAN
ROYAL WESTERN INDIA TURF CLUB, LTD.

Mumbai : 10TH August 2017

ROYAL WESTERN INDIA TURF CLUB, LTD.

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Horse Racing	9319	72%
2	Club Activities	9329 & 9499	28%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

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

(I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									

ROYAL WESTERN INDIA TURF CLUB, LTD.

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

(ii) SHAREHOLDING OF PROMOTERS

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

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

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

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

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,22,62,713	-	-	9,22,62,713
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,22,62,713	-	-	9,22,62,713
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	8,53,21,805	-	-	8,53,21,805
Net Change	8,53,21,805	-	-	8,53,21,805
Indebtedness at the end of the financial year				
i) Principal Amount	69,40,908	-	-	69,40,908
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	69,40,908			69,40,908

ROYAL WESTERN INDIA TURF CLUB, LTD.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. REMUNERATION TO OTHER DIRECTORS

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ROYAL WESTERN INDIA TURF CLUB, LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL WESTERN INDIA TURF CLUB, LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **THE ROYAL WESTERN INDIA TURF CLUB, LIMITED** ("the Club"), which comprise the Balance Sheet as at 31st March, 2017, the Income and Expenditure Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Club's Board of Directors ("Committee") is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Club in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Club and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

ROYAL WESTERN INDIA TURF CLUB, LTD.

those risk assessments, the auditor considers internal financial control relevant to the Club's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Club's Committee Members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

{All the matters referred to below were the subject matters of our modified audit report for the previous year ended 31st March, 2016}

- (i) As stated in Note 43 to the financial statements, the Club had credited to the Income and Expenditure Account for the year ended 31st March, 2016 "Commitment fees" aggregating Rs. 3,39,00,000 received from decorators / caterers appointed on the Panel of decorators/ caterers for the functions to be held at the Club's lawns at Mumbai Race Course during the period 1st July, 2015 to 30th June, 2016. Commitment fees of Rs. 24,00,000 received during the period 1st July, 2014 to 31st March, 2015 and Rs. 4,18,00,000 received during the period 1st April, 2014 to 30th June, 2014 from decorators / caterers appointed on the Panel of decorators/ caterers for the functions held at the Club's lawns at Mumbai Race Course during the period 1st July, 2014 to 30th June, 2015 were credited to the Income and Expenditure Account for the period ended 31st March, 2015 and year ended 30th June, 2014 respectively. In our opinion, having regard to the nature, purpose, terms and substance of the transaction and the provisions of Accounting Standard 9 – 'Revenue Recognition', Commitment fees of Rs. 3,39,00,000 should have been accounted over the period 1st July, 2015 to 30th June, 2016 and in aggregate of Rs. 4,42,00,000 over the period 1st July, 2014 to 30th June, 2015, being the period of empanelment. As a result, Deficit for the year ended 31st March, 2017 is overstated by Rs. 84,75,000 (2015-2016: Deficit for the year ended 31st March, 2016 is overstated by Rs. 25,75,000) and Other current liabilities as at 31st March, 2016 was understated by Rs. 84,75,000.
- (ii) As stated in Note 44 to the financial statements, the Club has credited to the Income and Expenditure Account 'Conducting fees' aggregating Rs. 86,40,000 (2015-2016 : Rs. 4,32,00,000) in respect of grant of rights to operate the food and beverage center at Mumbai Race Course based on the amounts agreed for the respective years with the said Conductor as stated in the said Note. In our opinion, having regard to the nature, purpose, terms and substance of transaction and provisions of the Accounting Standard 19 – 'Leases' the total conducting fees aggregating Rs. 5,18,40,000 referred to in the said Note should be accounted over the period from 1st April, 2015 to 31st March, 2017. As a result, Deficit for the year ended 31st March, 2017 is overstated by Rs 1,72,80,000 (2015-2016: Deficit for the year ended 31st March, 2016 is understated by Rs. 1,72,80,000) and Trade receivables as at 31st March, 2016 was overstated by Rs. 1,72,80,000.
- (iii) As stated in Note 26 (A)(i)(h) to the financial statements, no provision has been made for demand for contribution to ESIC relating to the period 1st April, 1989 to 30th June, 1997 and 1st July, 1999 to 30th June, 2004 and the estimated contribution including consequential interest thereon, for the period subsequent to 30th June, 2004, excluding time barred period, aggregating cumulative Rs. 2,50,00,000 (2015-2016: including time barred period aggregating cumulative Rs. 4,15,00,000). Considering decision of the Supreme Court for the other periods

ROYAL WESTERN INDIA TURF CLUB, LTD.

referred to in the Note, had the provision been made for the said cumulative amount, Deficit in Income and Expenditure Account as at 31st March, 2017 would have been higher by cumulative Rs. 2,50,00,000 (2015- 2016 : Deficit in Income and Expenditure Account as at 31st March, 2016 would have been higher by cumulative Rs. 4,15,00,000) and Other current liabilities as at 31st March, 2017 would have been higher by Rs. 2,50,00,000 (2015-2016 : Rs 4,15,00,000).

- (iv) As stated in Note 33(2)(B)(a) to the financial statements, the Club accounts for ex-gratia paid / payable in lieu of gratuity to the casual / seasonal workers in terms of Memorandum of Settlement dated 20th June, 2007 referred to in the said Note on the retirement of the respective workers. However, in terms of the provisions of Accounting Standard 15 – 'Employee Benefits', liability accruing under the settlement referred to in the aforesaid Note being 'Other long term employee benefits', is required to be accounted by the Club based on the actuarial valuation. The effect on this account on the financial statements for the year ended 31st March, 2017 and for the year ended 31st March, 2016, has not been ascertained. Accordingly, the Club has not reported the information about the reconciliation of opening and closing balances of the present value of the defined benefit obligation, the principal actuarial assumptions used etc. required to be disclosed under Accounting Standard 15 – 'Employee Benefits'.
- (v) As stated in Note 40 to the financial statements, the additional ground rent of Rs.10,06,899 paid by the Club to the Municipal Corporation of Greater Mumbai in an earlier year has for the reason stated in that Note, been considered as recoverable from the political party and, accordingly, included under 'Other non-current assets'. We are unable to express an opinion on realisation of the amount recoverable.
- (vi) As stated in Note 41 to the financial statements, based on the legal opinion obtained in an earlier year the Club credited the amount forfeited of Rs. 10,00,00,000 to the Income and Expenditure Account for the year ended 30th June, 2008. Having regard to the status of the matter referred to in the aforesaid Note, we are unable to express an opinion as to appropriateness of the income recognised.
- (vii) As stated in Note 38 to the financial statements, the Club has not reported the information on segment results, total carrying amount of segment assets and segment liabilities etc., required to be disclosed under the Accounting Standard 17 – 'Segment Reporting'.
- (viii) Without considering the matter referred to in paragraph (iv) above the effect of which has not been ascertained, the matters referred to in paragraphs (v) and (vi) above, where we are unable to express an opinion, the matters referred to in paragraphs (iv) and (vii) above which refer to the non-reporting of the information required to be disclosed under the relevant Accounting Standards, had the observations made by us in paragraphs (i), (ii) and (iii) above been considered, Deficit for the year ended 31st March, 2017 would have been Rs. 12,80,60,097 as against the reported figure of Rs. 17,03,15,097 (Deficit for the year ended 31st March, 2016 would have been Rs. 29,89,09,519 as against the reported figure of Rs. 24,27,04,519), Deficit in Income and Expenditure Account as at 31st March, 2017 would have been Rs. 69,49,92,197 as against the reported figure of Rs. 66,99,92,197 (Deficit in Income and Expenditure Account as at 31st March, 2016 would have been Rs. 56,69,32,100 as against the reported figure of Rs. 49,96,77,100) and Other current liabilities as at 31st March, 2017 would have been Rs. 29,22,91,072 as against the reported figure of Rs. 26,72,91,072 (Other current liabilities as at 31st March, 2016 would have been Rs. 35,05,80,839 as against the reported figure of Rs. 30,06,05,839 and Trade receivables as at 31st March, 2016 would have been Rs. 6,94,56,577 as against the reported figure of Rs. 8,67,36,577.

ROYAL WESTERN INDIA TURF CLUB, LTD.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matter described in the Basis for Qualified Opinion section above, the aforesaid financial statements give the information required by 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 Club as at 31st March, 2017, and its deficit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 37(b)(i) to the financial statements. As stated in the said Note, the lease of land at Mahalaxmi, Mumbai, has been renewed from time to time and was last renewed vide lease deed dated 7th April, 2004 for the period of nineteen years from 1st June, 1994 up to 31st May, 2013. The Club is confident that the lease will be renewed further from time to time and, accordingly, the depreciation on buildings on leasehold land at Mahalaxmi, Mumbai, is provided over the useful lives referred to in Note 1(iii) to the financial statements and pending renewal of the lease, ground rent and extra ground rent {including towards hire of lawn, helipad and commitment and panel fees, as applicable, from decorators and caterers} for the aforesaid land has been provided by the Club on the basis of lease deed dated 7th April, 2004 referred to above.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and, except for the matters described in paragraphs (iv) and (vii) under Basis for Qualified Opinion section above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the effects/possible effects of the matters described in the paragraphs (i) to (vi) under Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Club so far as it appears from our examination of those books.
- c) The Balance Sheet, the Income and Expenditure Account, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) Except for the effects/possible effects of the matters described in the paragraphs (i) to (vi) under Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

ROYAL WESTERN INDIA TURF CLUB, LTD.

- e) The matters described in the Emphasis of Matter sections above, in our opinion, may have an adverse effect on the functioning of the Club.
- f) In the absence of representation from one committee member nominated by the State Government, we are unable to comment whether he is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act. As far as other committee members are concerned on the basis of written representation received from such committee members as on 31st March, 2017 and taken on record by the Committee, none of the such committee members is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Club and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Club's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Club has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 (A) to the financial statements.
 - ii. The Club did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Club.
 - iv. The Club has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Club - Refer Note 46 to the financial statements.

ROYAL WESTERN INDIA TURF CLUB, LTD.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

(Uday M. Neogi)
(Partner)
(Membership No. 30235)

Place: Mumbai
Date: 10th August, 2017

ROYAL WESTERN INDIA TURF CLUB, LTD.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017 OF THE ROYAL WESTERN INDIA TURF CLUB, LIMITED

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **THE ROYAL WESTERN INDIA TURF CLUB, LIMITED** ("the Club") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Club for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Club's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Club considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Club's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Club's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Club's internal financial controls system over financial reporting.

ROYAL WESTERN INDIA TURF CLUB, LTD.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified as at 31st March, 2017 in the design and / or operating effectiveness of internal financial controls of the Club, relating to internal financial controls over financial reporting in respect of (i) accounting of Commitment fees and Conducting fees as explained in Note 43 and Note 44, (ii) non provision of demand for / estimated contribution for ESIC and non accounting of gratuity to the casual / seasonal workers on the retirement of the respective workers in terms of Accounting Standard 15 – 'Employee Benefits' based on actuarial valuation and non-reporting of certain information required to be disclosed under the said Accounting Standard, (iii) assessment of the Club on realisation of the additional ground rent paid by the Club to the Municipal Corporation of Greater Mumbai and recoverable from the political party, (iv) appropriateness of recognition as income the amount forfeited in the year ended 30th June, 2008 on termination of the agreement with the Conductor and (v) non compilation and reporting of certain information required to be disclosed under Accounting Standard 17 – 'Segment Reporting', which has resulted in material misstatements in the Club's financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Club's annual or interim financial statements will not be prevented or detected on a timely basis.

ROYAL WESTERN INDIA TURF CLUB, LTD.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Club has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2017, based on the internal control over financial reporting criteria established by the Club considering the essential components of internal control stated in the said Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Club for the year ended 31st March, 2017.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 117365W)

(Uday M. Neogi)
(Partner)
(Membership No.30235)

Place: Mumbai
Date: 10TH August, 2017

ROYAL WESTERN INDIA TURF CLUB, LTD.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017 OF THE ROYAL WESTERN INDIA TURF CLUB, LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Club has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Club has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Club and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the lease deeds provided to us, we report that the immovable properties of leasehold lands at Pune and buildings constructed thereon, are held in the name of the Club as at the balance sheet date. In respect of leasehold land at Mumbai and buildings constructed thereon, the lease deed was last renewed up to 31st May, 2013 in respect of which the Club is confident that the lease will be renewed further. {Also refer Note 37(b)}
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) The Club has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (iv) The Club has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Companies (Auditor's Report) Order, 2016 ("the Order") is not applicable.
 - (v) According to the information and explanations given to us, the Club has not accepted any deposit during the year and the Club does not have unclaimed deposits as at 31st March, 2017 and accordingly, provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Club.
 - (vi) Having regard to the nature of the Club's business / activities, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

ROYAL WESTERN INDIA TURF CLUB, LTD.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Club has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) Except for dues of service tax Rs 68,68,380 and sales tax Rs. 3,21,021 there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount unpaid (Rs.)
The Bombay Sales tax Act, 1959	Sales tax including interest and penalty	Deputy/ Joint Commissioner of Sales tax (Appeals)	2000 – 2001	9,54,255
			2005 – 2006	21,65,811
			2007 – 2008	74,34,039
			2008 – 2009	38,56,414
The Finance Act, 1994	Service tax including penalty	Commissioner of Service tax	2009 – 2010	58,21,095
			2010 – 2011	1,34,88,887
			2011 – 2012	1,01,37,260
			2012 – 2013	17,76,667
Income - tax Act, 1961	TDS including interest	Commissioner of Income tax (Appeals)	AY 2011-12	11,26,63,242

- (viii) In our opinion and according to the information and explanations given to us, the Club has not defaulted in the repayment of loans or borrowings to banks. The Club has not taken any loans or borrowings from the financial institutions and government or has not issued any debentures.
- (ix) The Club is a Company limited by Guarantee and the Club has not raised moneys by way of debt instruments or term loans and hence reporting under clause (ix) of the Order is not applicable.

ROYAL WESTERN INDIA TURF CLUB, LTD.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Club and no material fraud on the Club by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, there is no amount payable as managerial remuneration under the provisions of Section 197 to the Companies Act 2013.
- (xii) The Club is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Club is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, relating to transactions with the related parties and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) Having regard to the fact that the Club is a Company limited by Guarantee, reporting under clause (xiv) of the Order relating to any preferential allotment or private placement of shares or fully or partly convertible debentures is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Club has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Club is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

(Uday M. Neogi)
(Partner)
(Membership No. 30235)

Place: Mumbai
Date: 10TH August, 2017

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
Reserves and surplus	3		83,53,97,188		92,86,12,285
(2) Benevolent Fund					
	4		-		-
(3) Non-current liabilities					
(a) Other Long term liabilities	5	1,63,15,814		1,42,31,439	
(b) Long-term provisions	6	2,82,10,350		3,03,62,827	
			4,45,26,164		4,45,94,266
(4) Current liabilities					
(a) Short-term borrowings	7	69,40,908		9,22,62,713	
(b) Trade payables	8				
- total outstanding dues of Micro Enterprises and Small Enterprises		-		-	
- total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		22,65,24,692		20,76,11,554	
(c) Other current liabilities	9	26,72,91,071		30,06,05,839	
(d) Short-term provisions	10	99,20,997		2,55,51,002	
			51,06,77,668		62,60,31,108
TOTAL			1,39,06,01,020		1,59,92,37,659
II. ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	11	54,57,23,315		63,19,31,250	
(b) Capital work-in-progress		26,22,398		26,22,398	
(c) Intangible asset under development		25,05,628		25,05,628	
		55,08,51,341		63,70,59,276	
(d) Non-current investments	12	10,80,20,000		5,07,54,902	
(e) Deferred tax assets (Net)	35	-		-	
(f) Long-term loans and advances	13	15,52,02,383		16,85,70,608	
(g) Other non-current assets	14	87,27,099		2,04,15,748	
			82,28,00,823		87,68,00,534
(2) Current assets					
(a) Current investments	15	15,45,00,000		15,35,00,000	
(b) Inventories	16	2,06,12,544		2,45,98,467	
(c) Trade receivables	17	10,43,99,081		8,67,36,577	
(d) Cash and cash equivalents	18	14,88,19,616		31,20,13,796	
(e) Short-term loans and advances	19	8,89,64,203		8,12,58,385	
(f) Other current assets	20	5,05,04,753		6,43,29,900	
			56,78,00,197		72,24,37,125
TOTAL			1,39,06,01,020		1,59,92,37,659
See accompanying notes forming part of the financial statements					

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
Partner
(Membership No. 30235)

VIVEK JAIN
KHUSHROO N. DHUNJIBHOY
MILAN LUTHARIA
JAYDEV M. MODY
GEOFFREY B. NAGPAL
SHYAM M. RUIA
DR. RAM H. SHROFF
GHULAMHUSEIN A VAHANVATY
CHAMPAKLAL ZAVERI
N. H. S. MANI

Chairman
Member of the Committee
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" " "
" " "
Secretary & CEO

Place : Mumbai
Date : 10th August 2017

Place : Mumbai
Date : 10th August 2017

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Income and Expenditure Account for the year ended 31st March, 2017

Particulars	Note No.	For the year ended 31st March,	For the year ended 31st March,
		2017	2016
		Rs.	Rs.
I. Revenue from operations	21	71,84,88,705	81,31,81,809
II. Other income	22	4,41,37,336	7,50,69,784
III. Total Revenue (I+II)		76,26,26,041	88,82,51,593
IV. Expenses			
Employee benefits expense	23	23,30,55,760	26,22,35,591
Finance costs	24	50,94,306	1,75,34,719
Depreciation expense	11	9,86,71,452	9,41,02,889
Other expenses	25	59,61,19,621	75,70,82,913
Total expenses		93,29,41,139	1,13,09,56,112
V. Excess of expenditure over income before tax (III-IV)		(17,03,15,097)	(24,27,04,519)
VI. Tax expense		-	-
VII. Deficit for the year from continuing operations (V-VI)		(17,03,15,097)	(24,27,04,519)
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
Partner
(Membership No. 30235)

Place : Mumbai
Date : 10th August 2017

VIVEK JAIN	Chairman
KHUSHROO N. DHUNJIBHOY	Member of the Committee
MILAN LUTHARIA	" " "
JAYDEV M. MODY	" " "
GEOFFREY B. NAGPAL	" " "
SHYAM M. RUIA	" " "
DR. RAM H. SHROFF	" " "
GHULAMHUSEIN A VAHANVATY	" " "
CHAMPAKLAL ZAVERI	" " "
N. H. S. MANI	Secretary & CEO

Place : Mumbai
Date : 10th August 2017

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Cash Flow Statement for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Excess of expenditure over income before tax		(17,03,15,097)		(24,27,04,519)
Adjustments for:				
Depreciation expense	9,86,71,452		9,41,02,889	
Loss on Property, plant and equipment sold/discarded (net)	1,49,950		40,488	
Finance costs	50,94,306		1,75,34,719	
Provision for trade and other receivables, loans and advances (net)	40,85,494		5,94,183	
Interest income	(1,98,35,178)		(3,71,88,633)	
Profit on sale/ redemption of long-term investments	(1,79,40,392)		(3,37,52,211)	
		7,02,25,632		4,13,31,435
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(10,00,89,465)		(20,13,73,084)
Adjustments for:				
Inventories	39,85,923		1,53,329	
Trade and other receivables	(1,73,17,945)		(6,92,01,276)	
Trade and other payables /Provisions	(1,10,26,976)		4,49,27,188	
		(2,43,58,998)		(2,41,20,759)
CASH GENERATED FROM USED IN OPERATIONS		(12,44,48,463)		(22,54,93,843)
Direct Taxes (Refund received)/Paid (net)		1,41,08,515		(2,99,34,672)
Fund collected on behalf of and paid over to the Benevolent Fund (net)		10,99,954		13,06,269
NET CASH FLOW USED IN OPERATING ACTIVITIES (A)		(10,92,39,994)		(25,41,22,246)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on Property, plant and equipment (after adjustment of increase/decrease in capital work-in-progress and advance for capital expenditure)	(1,94,97,077)		(15,75,87,984)	
Proceeds from sale of fixed assets	4,31,761		95,175	
Interest received	2,12,65,578		4,50,10,820	
Purchase of investments in mutual funds	(17,30,00,000)		(15,15,00,000)	
Proceeds from sale/redemption of investments in mutual funds	13,26,75,294		22,94,77,274	
Bank balances not considered as Cash and cash equivalents (net)	-		(3,25,24,936)	
		(3,81,24,444)		(6,70,29,651)
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		(3,81,24,444)		(6,70,29,651)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net change in short-term borrowings	(8,53,21,805)		4,57,548	
Entrance fees received from Members	6,51,00,000		3,99,00,000	
Contribution received from Members towards Infrastructure facilities	1,20,00,000		-	
Finance costs paid	(1,74,40,263)		(48,97,556)	
		(2,56,62,068)		3,54,59,992
NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES (C)		(2,56,62,068)		3,54,59,992
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(17,30,26,506)		(28,56,91,905)
Cash and cash equivalents at the beginning of the year		21,24,21,642		49,81,13,547
Cash and cash equivalents at the end of the year		3,93,95,136		21,24,21,642
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 18)		14,88,19,616		31,20,13,796
Less: Bank balances in earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements :				
(i) Balances held as margin money or security against borrowings, guarantees and other commitments		10,91,90,914		9,80,00,000
(ii) Other earmarked account (Benevolent Fund)		2,33,566		15,92,154
Cash and cash equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 18 [Refer Footnote (ii)]		3,93,95,136		21,24,21,642

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Cash Flow Statement for the year ended 31st March, 2017

Footnotes:

- (i) The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.
(ii) Cash and cash equivalents at the end of the year comprises:

	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
(a) Cash on hand	96,41,867	1,39,91,239
(b) Cheques on hand	65,46,747	6,41,424
(c) Balances with banks		
(i) In current accounts	1,02,94,003	1,26,75,964
(ii) In savings accounts	1,09,55,519	3,50,29,791
(iii) In deposit accounts	19,57,000	15,00,83,224
	3,93,95,136	21,24,21,642

- (iii) Previous year figures have been regrouped to conform with those of the current year.

See accompanying notes forming part of financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

(Firm's Registration No. 117365W)

Uday M. Neogi

Partner

(Membership No. 30235)

Place : Mumbai

Date : 10th August 2017

VIVEK JAIN

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Secretary & CEO

Place : Mumbai

Date : 10th August 2017

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

1. Significant Accounting Policies:

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

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable, except for ex-gratia in lieu of gratuity which is accounted as stated in Note 1(ix)(b). The financial statements have been prepared on accrual basis under the historical cost convention.

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

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

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

Depreciation on property, plant and equipments [including buildings on leasehold land at Mumbai referred to in Note 37(b)(i)] has been provided on the written down value method as per the useful lives prescribed in Schedule II to the 2013 Act, except in respect of semi permanent stables at Pune, which are depreciated over its estimated useful life of 20 years based on technical evaluation.

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

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

(v) Trade and other receivables, loans and advances identified as irrecoverable or doubtful are written off or provided for.

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

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

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

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

Interest income is recognised on time proportion basis.

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

(vii) Charity meetings: Certain expenses, computed on a pro-rata basis according to the number of days of racing which are considered as recoverable from charity meetings, are reduced from the corresponding figures in the Income and Expenditure Account. Such recoveries are however restricted to the surplus, if any, on individual charity meetings' account. The deficit i.e. excess, if any, of direct expenditure over direct income pertaining to individual charity meetings' account is charged to the Income and Expenditure Account.

(viii) Employee benefits:

(a) Defined contribution plans:

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

(b) Defined benefit plans/Long term employee benefits:

Ex-gratia in lieu of gratuity paid/payable on the retirement of the casual/seasonal workers is accounted as and when the retirement of the respective workers takes place.

The Club's liability towards gratuity and compensated absences is determined on the basis of period-end actuarial valuation done by an independent actuary as at the period-end. The actuarial gains or losses determined by the actuary are recognised in the Income and Expenditure Account as an income or expense.

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

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

(xi) Taxation:

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

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

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

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

(xii) Provisions and contingent liabilities:

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

(xiii) Leases:

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

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

(xiv) Use of estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

(xv) Accounting of jointly controlled operations :

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

2. Share capital :

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

3 - Reserves and surplus	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Capital Reserve :				
Balance as per last Balance Sheet		10,82,75,000		10,82,75,000
Add : Contribution received from Members towards infrastructure facilities (Refer Footnote below)		1,20,00,000		-
		<u>12,02,75,000</u>		<u>10,82,75,000</u>
(b) General Reserve :				
Balance as per last Balance Sheet		1,32,00,14,385		1,28,01,14,385
Add : Entrance Fees:				
Life Members	6,49,00,000		3,98,00,000	
Service Members	30,000		90,000	
Local Members of the Turf Club House	<u>1,70,000</u>		<u>10,000</u>	
		<u>6,51,00,000</u>		<u>3,99,00,000</u>
		<u>1,38,51,14,385</u>		<u>1,32,00,14,385</u>
(c) Deficit in Income and Expenditure Account :				
Balance as per last Balance Sheet		(49,96,77,100)		(25,69,72,581)
Add: Deficit for the year		<u>(17,03,15,097)</u>		<u>(24,27,04,519)</u>
		<u>(66,99,92,197)</u>		<u>(49,96,77,100)</u>
		<u>83,53,97,188</u>		<u>92,86,12,285</u>

Footnote:

During the year, the Club received Rs. 1,20,00,000 (2015-2016: Rs. Nil) being contributions from certain Members towards various infrastructure facilities of the Club for mutual benefit to the Members of the Club. As this contributions are non-refundable and are towards total Capital outlay for improvement in the infrastructure facilities for the mutual benefit to the Members of the Club, are treated as 'Capital Reserve' in the Balance Sheet.

4 - Benevolent Fund (Refer Footnote and Note 28)	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
Balance as per last Balance Sheet		-		24,98,364
Add: Contributions from Owners, Jockeys and Trainers, Licence Fees and Fines from Trainers, Visiting Trainers, Jockeys and Riding Boys, Interest, etc.		37,11,698		31,12,013
Add: Contribution by the Club towards shortfall in the fund (Refer Note 25)		<u>46,58,208</u>		<u>11,22,539</u>
		<u>83,69,906</u>		<u>67,32,916</u>
Less: Grants, Medical and other expenses (Net of insurance claims)		<u>83,69,906</u>		<u>67,32,916</u>
		<u>-</u>		<u>-</u>

Footnote:

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

5 - Other Long term liabilities	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
Other than trade payables :		
- Security deposits	1,48,15,814	1,27,31,439
- Corpus fund for trophies on certain race days	15,00,000	15,00,000
	<u>1,63,15,814</u>	<u>1,42,31,439</u>

6 - Long-term provisions	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
Provision for employee benefits - Compensated absences	2,82,10,350	3,03,62,827
	<u>2,82,10,350</u>	<u>3,03,62,827</u>

7 - Short-term borrowings	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
Loan repayable on demand from a bank		
-Secured		
[Secured against deposits aggregating Rs. 10,43,00,000 (2015-2016 Rs 10,43,00,000). The present interest rate ranges from 7.8% to 8.0 % p.a.]	69,40,908	9,22,62,713
	<u>69,40,908</u>	<u>9,22,62,713</u>

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

8 - Trade payables	As at 31st March, 2017		As at 31st March, 2016	
	Rs.		Rs.	
Trade payables				
- total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 30)		-		-
- total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		22,65,24,692		20,76,11,554
		<u>22,65,24,692</u>		<u>20,76,11,554</u>

9 - Other current liabilities	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Unearned revenue		1,80,81,693		2,01,42,088
(b) Other payables :				
- Current accounts with Owners, trainers, jockeys, studs, bookmakers, etc.	11,24,03,231		15,40,06,435	
- Deductions from stake money *	4,27,21,193		3,34,78,035	
- Statutory remittances (contribution to PF and ESIC, racing licence fees, withholding tax, betting tax, service tax, etc.)	2,97,17,170		4,84,22,586	
- Security deposits	5,49,04,113		3,03,05,048	
- Sweepstakes received in advance	36,48,397		39,15,943	
- Payables for Property, plant and equipment	17,14,959		73,41,808	
- Others	<u>41,00,315</u>		<u>29,93,896</u>	
		24,92,09,378		28,04,63,751
		<u>26,72,91,071</u>		<u>30,06,05,839</u>

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

10 - Short-term provisions	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits				
- Compensated absences	44,18,900		71,32,126	
- Gratuity	<u>55,02,097</u>		<u>1,84,18,876</u>	
		99,20,997		2,55,51,002
		<u>99,20,997</u>		<u>2,55,51,002</u>

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

11 - Fixed assets

Amount in Rupees

Description	Gross carrying amount				Depreciation				Net carrying amount
	As at 1st April, 2016	Additions	Deductions	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions	As at 31st March, 2017	As at 31st March, 2017
Tangible assets									
(a) Buildings *	54,75,98,195 (52,07,26,078)	27,42,252 (2,69,44,117)	23,500 (72,000)	55,03,16,947 (54,75,98,195)	20,38,34,389 (16,27,01,593)	3,44,74,929 (4,11,84,327)	19,539 (51,531)	23,82,89,779 (20,38,34,389)	31,20,27,168 (34,37,63,806)
(b) Plant and Equipment *	49,10,70,116 (36,37,34,377)	72,25,200 (12,76,47,581)	5,86,848 (3,11,842)	49,77,08,468 (49,10,70,116)	23,06,15,910 (19,13,70,599)	5,31,34,109 (3,94,81,765)	4,90,457 (2,36,454)	28,32,59,562 (23,06,15,910)	21,44,48,906 (26,04,54,207)
(c) Furniture and Fixtures *	4,23,01,162 (3,96,04,629)	92,608 (28,29,453)	2,45,512 (1,32,920)	4,21,48,258 (4,23,01,162)	3,18,43,721 (2,86,12,168)	28,54,863 (33,46,355)	2,28,753 (1,14,802)	3,44,69,831 (3,18,43,721)	76,78,427 (1,04,57,440)
(d) Vehicles	3,29,38,566 (3,20,88,026)	- (11,28,624)	20,40,737 (2,78,084)	3,08,97,829 (3,29,38,566)	2,65,36,723 (2,43,22,837)	18,22,744 (24,83,004)	16,44,705 (2,69,118)	2,67,14,762 (2,65,36,723)	41,83,067 (64,01,843)
(e) Office Equipment	1,20,87,157 (1,19,18,454)	91,458 (2,81,456)	66,190 (1,12,753)	1,21,12,425 (1,20,87,157)	1,09,38,479 (96,81,327)	5,08,433 (13,57,190)	61,941 (1,00,038)	1,13,84,971 (1,09,38,479)	7,27,454 (11,48,678)
(f) Computers	7,55,78,450 (6,98,32,811)	28,93,710 (59,73,959)	1,12,16,167 (2,28,320)	6,72,55,993 (7,55,78,450)	6,58,73,174 (5,98,51,239)	58,76,374 (62,50,248)	1,11,51,848 (2,28,313)	6,05,97,700 (6,58,73,174)	66,58,293 (97,05,276)
Total	1,20,15,73,646 (1,03,79,04,375)	1,30,45,228 (16,48,05,190)	1,41,78,954 (11,35,919)	1,20,04,39,920 (1,20,15,73,646)	56,96,42,396 (47,65,39,763)	9,86,71,452 (9,41,02,889)	1,35,97,243 (10,00,256)	65,47,16,605 (56,96,42,396)	54,57,23,315 (63,19,31,250)

* For assets under operating lease refer Note 34(B)

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

12 - Non-current investments (At cost)	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
Non-Trade-Unquoted:				
Investments in Government Securities:				
- 6 Year National Savings Certificates [Lodged as security with Government authorities]		20,000		20,000
Investment in mutual funds				
(i) ICICI Prudential Mutual Fund -				
ICICI Prudential Regular Savings fund - Growth				
11,57,608 units (and 381 fractions) [2015-16: Nil] of Rs. 10 each	2,00,00,000		-	
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth				
7,70,772 units (and 314 fractions) [2015-16: Nil] of Rs. 10 each	<u>2,00,00,000</u>		<u>-</u>	
		4,00,00,000		-
(ii) IDFC Mutual Fund -				
IDFC Corporate Bond Fund Regular Plan -Growth				
18,03,215 units (and 133 fractions) [2015-16: Nil] of Rs.10 each	2,00,00,000		-	
IDFC Dynamic Bond Fund -Growth -(Regular Plan)				
Nil [2015-16: 3,59,932 units (and 333 fractions)] of Rs.10 each	<u>-</u>		<u>52,34,902</u>	
		2,00,00,000		52,34,902
(iii) HDFC Mutual Fund -				
HDFC High Interest Fund - Dynamic Plan - Regular Plan - Growth				
Nil [2015-16: 3,99,130 units (and 034 fractions)] of Rs.10 each	-		1,75,00,000	
HDFC Short Term Plan - Regular Plan - Growth				
Nil [2015-16: 1,69,288 units (and 379 fractions)]of Rs.10 each	<u>-</u>		<u>50,00,000</u>	
				2,25,00,000
(iv) L&T Mutual Fund				
L&T Short Term Income Fund - Growth				
21,94,489 units (and 521fractions) [2015-16: Nil] of Rs.10 each		3,80,00,000		-
(v) Edelweiss Mutual Fund (Formerly known as J.P.Morgan Asset Management)				
Edelweiss Government Securities Fund- Regular Plan Growth (Formerly J.P. Morgan India Government Securities Fund- Regular Plan- Growth option)				
8,51,904 units (and 859 fractions) [2015-16: 8,51,904 units (and 859 fractions)] of Rs.10 each		1,00,00,000 @		1,00,00,000 @
(vi) Franklin Templeton Mutual Fund -				
Franklin India Short Term Income Plan - Retail Plan Growth				
4,274 units (and 303 fractions) [2015-16: 4,274 units (and 303 fractions)] of Rs.1,000 each		<u>1,30,00,000</u>		<u>1,30,00,000</u>
		12,10,20,000		5,07,54,902
Less : Current portion of long-term investment (Refer Note 15)		1,30,00,000		-
		<u><u>10,80,20,000</u></u>		<u><u>5,07,54,902</u></u>

@ kept as lien against overdraft facility from a bank. The amount of overdraft outstanding as at 31st March, 2017 Rs. Nil (2015-16 Rs. Nil)

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

13 - Long-term loans and advances	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Capital advances - Unsecured, considered good		8,25,000		-
(a) Security deposits - Unsecured, considered good		84,27,367		78,34,807
(b) Other loans and advances -				
(i) Unsecured, considered good				
- Current tax payments less provisions	12,63,31,214		14,04,39,729	
- ESIC/ Entertainment tax /Service tax /VAT paid under protest	1,35,09,042		1,35,09,042	
- Loans to employees, etc.	61,09,760		67,87,030	
		14,59,50,016		16,07,35,801
(ii) Doubtful -				
- Advance to a vendor	11,66,400		11,66,400	
- Owners, etc.	81,99,572		41,31,408	
	93,65,972		52,97,808	
Less: Allowance for other long term loans and advances	93,65,972		52,97,808	
		-		-
		15,52,02,383		16,85,70,608

14 - Other non-current assets	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Long-term trade receivables - Unsecured				
(i) Considered good	61,86,177		66,83,913	
(ii) Doubtful	45,17,616		45,00,287	
	1,07,03,793		1,11,84,200	
Less: Allowance for doubtful long-term trade receivables	45,17,616		45,00,287	
		61,86,177		66,83,913
(b) Others:				
(i) Additional ground rent recoverable from a political party (Refer Note 40)		10,06,899		10,06,899
(ii) Balances with banks (fixed deposits) held as margin money or security against borrowings, guarantees and other earmarked account (Benevolent fund), which have a maturity period of more than 12 months from the Balance Sheet date		15,34,023		1,27,24,936
(iii) Doubtful				
- Sponsorship fee receivable	1,75,000		1,75,000	
Less: Allowance for doubtful other non-current assets	1,75,000		1,75,000	
		-		-
		87,27,099		2,04,15,748

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

15 - Current investments	As at 31st March, 2017		As at 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
Non-Trade-Unquoted (At cost):				
Investment in mutual funds				
(i) Reliance Mutual Fund -				
Reliance Regular Savings Fund- Debt Plan - Growth Plan Growth Option 7,98,996 units (and 653 fractions) [2015-16: 21,50,766 units (and 522 fractions)] of Rs.10 each	1,65,00,000		4,40,00,000	
Reliance Fixed Horizon Fund -XXX - Series 11 - Direct Growth Plan 15,00,000 units [2015-16: 15,00,000 units] of Rs.10 each	<u>1,50,00,000</u> @		<u>1,50,00,000</u>	
		3,15,00,000		5,90,00,000
(ii) ICICI Prudential Mutual Fund -				
ICICI Prudential Short Term - Growth Option 4,37,050 units (and 202 fractions) [2015-16 : 4,37,050 units (and 202 fractions)] of Rs.10 each	1,35,00,000		1,35,00,000	
ICICI Prudential Liquid - Direct Plan - Growth 62,982 units (and 504 fractions) [2015-16: Nil] of Rs.10 each	<u>1,50,00,000</u>		<u>-</u>	
		2,85,00,000		1,35,00,000
(iii) IDFC Mutual Fund -				
IDFC Super Saver Income Fund- Short Term Plan -Growth - (Regular Plan) Nil [2015-16: 3,25,065 units (and 826 fractions)] of Rs.10 each		-		1,00,00,000
(iv) Birla Sun Life Mutual Fund -				
Birla Sun Life Dynamic Bond Fund - Growth-Regular Plan Nil [2015-16: 11,52,384 units (and 335 fractions)] of Rs. 10 each	-		2,95,00,000	
Birla Sun Life Medium Term Plan - Growth-Direct Plan 9,60,006 units (and 144 fractions) [2015-16: Nil] of Rs. 10 each	<u>2,00,00,000</u>		<u>-</u>	
		2,00,00,000		2,95,00,000
(v) HDFC Mutual Fund -				
HDFC Corporate Debt Opportunity Fund - Regular Plan - Growth Nil [2015-16: 19,56,238 units (and 935 fractions)] of Rs.10 each	-		2,00,00,000	
HDFC Corporate Debt Opportunity Fund - Direct - Growth 14,55,561 units (and 701fractions) [2015-16: Nil] of Rs.10 each	<u>2,00,00,000</u>		<u>-</u>	
		2,00,00,000		2,00,00,000
(vi) DSP BlackRock Mutual Fund				
DSP BlackRock Income Opportunities Fund - Regular Plan- Growth 12,54,537 units (and 867 fractions) [2015-16: 8,79,827 units (and 799 fractions)] of Rs.10 each	3,15,00,000		2,15,00,000	
DSP BlackRock Income Opportunities Fund - Direct Plan- Growth 3,66,831 units (and 129 fractions) [2015-16: Nil] of Rs.10 each	<u>1,00,00,000</u>		<u>-</u>	
		4,15,00,000		2,15,00,000
Current portion of long-term investments :				
(i) Franklin Templeton Mutual Fund -				
Franklin India Short Term Income Plan - Retail Plan Growth 4,274 units (and 303 fractions)of Rs.1,000 each (Refer Note 12)		1,30,00,000		-
		<u>15,45,00,000</u>		<u>15,35,00,000</u>

@ kept as lien against overdraft facility from a bank. The amount of overdraft outstanding as at 31st March, 2017 Rs. Nil

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

16 - Inventories (At lower of cost and net realisable value)	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
Stores and provisions	2,06,12,544	2,45,98,467
	2,06,12,544	2,45,98,467

17 - Trade receivables	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	5,79,39,628	2,25,51,092
(b) Other trade receivables - Unsecured, considered good	4,64,59,453	6,41,85,485
	10,43,99,081	8,67,36,577

18 - Cash and cash equivalents	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
(a) Cash on hand	96,41,867	1,39,91,239
(b) Cheques on hand	65,46,747	6,41,424
(c) Balances with banks		
(i) In current accounts	1,02,94,003	1,26,75,964
(ii) In savings accounts	1,09,55,519	3,50,29,791
(iii) In deposit accounts (Refer Notes 18.1 and 18.2)	19,57,000	15,00,83,224
(iv) In earmarked accounts		
- Balances held as margin money or security against borrowings and guarantees (Refer Note 18.1)	10,91,90,914	9,80,00,000
- Other earmarked account (Benevolent Fund) (Refer Note 18.1)	2,33,566	15,92,154
	14,88,19,616	31,20,13,796
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is	3,93,95,136	21,24,21,642

18.1 Balances with banks include deposits amounting to Rs.9,57,000 (2015-2016 Rs.11,93,82,224), deposits held as security against borrowings and guarantees Rs.2,26,24,936 (2015-2016 Rs.2,26,24,936) and other earmarked account Rs. 45,000 (2015-2016 Rs 45,000), which have an original maturity of more than 12 months.

18.2 Balances with banks include deposits amounting to Rs.3,16,608 (2015-2016 Rs.3,16,608), which have a remaining maturity of more than 12 months from the Balance Sheet date.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

19 - Short-term loans and advances	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Others - Unsecured, considered good		
- Current accounts with Owners, trainers, jockeys, studs, bookmakers, etc.*	5,14,50,184	4,16,85,817
- Prepaid expenses	2,53,29,720	2,28,84,020
- Loans and advances to employees	26,88,015	31,83,871
- Service tax input credit receivable	66,98,505	1,14,47,226
- Advances to suppliers/vendors	23,97,779	15,97,451
- Security deposits	4,00,000	4,60,000
	8,89,64,203	8,12,58,385

* includes amounts due from a private company in which a committee member is director Rs. Nil (2015-2016 Rs. 14,605)

20 - Other current assets	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Interest accrued on investments and bank deposits	5,35,446	19,96,359
Expenses reimbursable /recoverable from conductors and other race clubs, etc.	1,29,60,225	1,42,42,706
Recoverable from sponsors towards sponsorship, etc.	3,02,99,812	4,25,87,474
Others	67,09,270	55,03,361
	5,05,04,753	6,43,29,900

ROYAL WESTERN INDIA TURF CLUB, LIMITED
Notes forming part of the financial statements

21 - Revenue from operations	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Horse racing				
Tote commission		7,68,39,153		8,98,85,730
Income from Tote Fixed Odds Betting		2,26,02,003		1,43,69,499
Bookmakers Stall fees (net of incentives)		14,53,98,826		16,40,51,078
Royalty on live telecast of horse races at other centres		27,97,500		30,82,500
Income from live streaming of races		1,08,41,653		77,06,503
Royalty on betting at other centres		5,93,30,540		6,16,87,574
Rights fee for telecast of horse races		77,04,903		24,36,097
Gate receipts		2,48,99,078		2,60,26,862
Private boxes (including Air-conditioned boxes) rental [including service charges Rs.84,16,167 (2015:2016 Rs.72,12,833)]		91,54,459		78,06,740
Mobile phone permit charges		4,64,40,704		6,87,59,741
Entries of horses		85,27,907		1,05,60,813
One Time Levy on horses racing in Western India		40,59,472		49,36,000
Registration of horses, etc.		1,26,33,004		1,23,17,515
Income from auction sale of horses		26,62,666		52,93,840
Equine Hospital revenue		5,46,82,717		5,56,06,140
DNA/ E.I.A., Glanders test charges		1,17,53,100		92,56,917
Others		72,55,126		72,64,689
		<u>50,75,82,811</u>		<u>55,10,48,238</u>
(b) Other Club activities				
Turf Club House :				
- Boarding, lodging and dining room	5,08,12,943		1,60,92,917	
- Lawn hire charges	91,96,478		36,73,305	
- Subscriptions	13,69,500		13,95,963	
- Guest fee charges and other recoveries	<u>27,87,926</u>		<u>24,88,893</u>	
		6,41,66,847		2,36,51,078
Mini Club House :				
- Guest fee charges and other recoveries	<u>65,47,578</u>		<u>65,40,576</u>	
		65,47,578		65,40,576
Members subscription		3,80,170		9,18,230
Voluntary Contribution from Members		39,78,800		-
Conducting fees/Compensation for catering		2,02,65,500		5,73,49,196
Health Club subscription and other recoveries		30,22,461		38,64,518
Lawn hire and Helipad charges		4,45,20,080		5,63,87,704
Royalty from Decorators and Caterars		70,00,000		-
Commitment fee from Decorators and Caterars on the panel (Refer Note 43)		-		3,39,00,000
Panel fee from Decorators and Caterars on the panel		7,00,000		4,10,00,000
Service charges and other recoveries related to use of the Club's facilities		5,77,69,183		3,74,07,219
Others		25,55,275		11,15,050
		<u>21,09,05,894</u>		<u>26,21,33,571</u>
		<u>71,84,88,705</u>		<u>81,31,81,809</u>

22 - Other income	For the year ended 31st March,		For the year ended 31st March,	
	Rs.	Rs.	Rs.	Rs.
(a) Interest income				
- On long term investments		1,342		1,342
- On deposit accounts, etc. with banks		1,43,40,156		3,65,37,048
- On refund of income tax (net)		48,52,198		-
- On employee loans, other loans and advances, etc.		<u>6,41,482</u>		<u>6,50,243</u>
		1,98,35,178		3,71,88,633
(b) Profit on sale/ redemption of long term investments		1,79,40,392		3,37,52,211
(c) Net gain on foreign currency transaction and translation		-		16,791
(d) Other non-operating income :				
- Contribution towards maintenance of infrastructure facilities		-		5,00,000
- Miscellaneous income		<u>63,61,766</u>		<u>36,12,149</u>
		63,61,766		41,12,149
		<u>4,41,37,336</u>		<u>7,50,69,784</u>

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

23 - Employee benefits expense	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
Salaries and wages	19,64,76,116 *	20,60,10,216
Contribution to provident and other funds	2,01,73,895	3,41,24,306
Staff welfare expenses	1,64,05,749	2,21,01,069 @
	<u>23,30,55,760</u>	<u>26,22,35,591</u>

@ Includes Rs.37,59,967 being contribution to ESIC relating to earlier years [Refer Note 26(A)(i)(h)]

* Includes incremental amount of Rs.91,73,549 to employees under the Voluntary Retirement/ Early Retirement Scheme of the Club

24 - Finance costs	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
(a) Interest expenses		
- borrowings	46,94,785	48,76,650
- others	3,96,646	1,26,55,194 #
(b) Other borrowing costs	2,875	2,875
	<u>50,94,306</u>	<u>1,75,34,719</u>

Includes Rs.1,19,98,855 being interest on contribution to ESIC relating to earlier years [Refer Note 26(A)(i)(h)]

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

25 - Other expenses	For the year ended 31st March, 2017			For the year ended 31st March, 2016		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stakes (Gross)		25,86,31,292			34,49,66,299	
Less:- (i) Contribution from sponsors	8,30,15,000			8,59,55,000		
(ii) Sweepstakes	<u>5,60,13,580</u>			<u>7,08,21,800</u>		
		<u>13,90,28,580</u>			<u>15,67,76,800</u>	
Stakes (net)			11,96,02,712			18,81,89,499
Cups and trophies			56,95,416			67,07,627
Subsidy to Owners / Western India Trainers Association Ltd.			1,14,30,134			1,86,70,016
Contribution to Professional Jockeys Trust of India			9,11,675			15,78,870
Contribution by the Club towards shortfall in the fund (Refer Note 4)			46,58,208			11,22,538
Contribution by the Club towards Asian Racing conference			-			73,00,000
Royalty for live telecast of horse races at other centres			23,10,653			20,47,313
Royalty for betting on races at other centres			84,91,795			1,54,16,239
Loss on charity races			71,81,018			1,98,49,960
Rent			4,77,98,382			7,20,06,585
Insurance			26,99,267			24,79,491
Rates and taxes, excluding taxes on income			6,35,54,892			6,23,03,613 *
Water charges (net)			1,19,32,784			1,18,04,780
Power and fuel (net)			3,07,12,897			3,67,90,390
Repairs and maintenance:						
- Buildings		1,80,19,819			2,35,09,556	
- Machinery		97,11,298			1,10,74,893	
- Tracks		1,97,08,156			3,00,87,000	
- Others		<u>4,17,61,236</u>			<u>4,79,86,865</u>	
			8,92,00,509			11,26,58,314
Payments to statutory auditors (net of service tax input credit, where applicable)						
- as auditors - statutory audit		21,70,974			21,83,344	
- for taxation matters		10,27,074			15,70,271	
- for other services		1,66,119			4,51,689	
- for reimbursement of expenses		<u>9,478</u>			<u>19,739</u>	
			33,73,645			42,25,043
Legal and professional fees			5,01,36,320			7,82,58,182
Consumption of stores and provisions			5,06,80,872			3,14,81,828
Contract labour charges			1,77,28,399			84,24,725
Postage, telephone and internet charges			65,07,664			74,23,383
Printing and stationery			52,10,219			68,42,303
Travelling and conveyance			1,03,51,020			1,29,13,151
Security charges			1,88,59,461			2,26,80,816
Advertisement, publicity and sales promotions (net of sponsorship)			1,20,45,601			81,09,832
Donations (Refer Note 45)			4,00,000			9,00,000
Provision for trade and other receivables, loans and advances (net)			40,85,494			5,94,183
Loss on property, plant and equipment sold/discarded (net)			1,49,950			40,488
Net loss on foreign currency transactions and translation			68,044			-
Miscellaneous expenses			<u>1,03,42,590</u>			<u>1,62,63,744</u>
			<u>59,61,19,621</u>			<u>75,70,82,913</u>

* Includes Rs 40,88,844 relating to earlier years.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

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

(A) Contingent liabilities:

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

(a) Interest levied by the entertainment tax department for late payment of entertainment tax including surcharge on mobile phone permit badges and on gate receipts on off course races on non-live telecast race days etc. Rs. 31,34,449 (2015-2016: Rs. 31,34,449). The Club's appeal is pending with the High Court in respect of applicability of entertainment tax on mobile phone permit badges, etc.

(b) Income tax matters

In respect of certain matters e.g. entrance fees from members / contribution received towards infrastructure from members considered as taxable receipt, short deduction of tax from winnings from horse races, no deduction of tax from stake money, claim of investment allowance, where the Club's / Department's appeals are pending with the Commissioner of Income Tax (Appeals) / Income Tax Appellate Tribunal or High Court - Rs. 31,52,84,624 (2015-2016: Rs. 40,44,05,308).

(c) Service tax matters :

In respect of demand order / show cause notices cum demand for service tax Rs. 4,87,66,704 excluding interest, etc., for which the Club has given / is in the process of giving its submissions to the Commissioner of Service Tax (2015-2016: Rs. 4,87,66,704 excluding interest, etc.).

(d) Sales tax matters :

In respect of demand orders for sales tax (including interest) Rs. 1,61,60,519 (2015-2016: Rs. 1,61,60,519) for which the Club's appeals are pending with the Deputy / Joint Commissioner of Sales Tax (Appeals).

(e) In respect of order from the II Labour Court, Pune to pay jointly with The Western India Trainers Association Ltd. the difference of minimum wages for 10 years prior to 1st January, 2000 to 159 syces (i.e. stable workers engaged by trainers, who are employees of trainers) against which the writ petitions filed are pending with the High Court, Mumbai – Rs. 2,06,70,000 (2015-2016 : Rs. 2,06,70,000).

(f) In respect of writ petition filed by the Regional Provident Fund Commissioner, Pune (the RPF) in the High Court, Mumbai against the order of the Employees Provident Fund Appellate Tribunal which set aside the order of the RPF that stable workers engaged by the trainers, who are employees of trainers, are entitled for the Provident Fund benefits for the period 30th November, 1974 to 28th February, 1994 – Amount not quantified (2015-2016: Amount not quantified).

(g) In respect of writ petition filed by the Union representing the syce workers engaged by the trainers in the High Court, Mumbai against the order of the Industrial Tribunal, Pune which answered in negative the reference to the Tribunal made by the Union against the Club and The Western India Trainers Association demanding revision in wages from 1987, permanency, bonus, uniform, etc.- Amount not quantified (2015-2016: Amount not quantified).

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

- (h) In earlier years, the Club received various demand notices from the Employees' State Insurance Corporation (ESIC) for contribution payable under the Employees' State Insurance Act, 1948 (the ESI Act), in respect of payments made to casual labour engaged on the race days (race day persons) for the period 1st July, 1978 to 30th June, 2004 aggregating Rs. 1,24,68,338. The demand notices received also indicated that on arrears of contribution, interest, etc. would be payable at the rates applicable. In respect of these demands, for the past period, the Club deposited Rs 49,08,215 in various applications pending in the ESI Court, Mumbai.

In respect of the period 1st April, 1989 to 30th June, 1997 and 1st July, 1999 to 30th June, 2004, applications are pending before the ESI Court, Mumbai. For the period 1st July, 1978 to 31st March, 1989 and 1st July, 1997 to 30th June, 1999, the Division Bench of the Supreme Court, in respect of three Civil Appeals filed by the Club against the Judgment of Bombay High Court dated 21st October, 2005 and appeal against common Judgment of ESI Court, Mumbai and Counter Civil Appeal filed by the ESI Corporation against the Judgment of Bombay High Court, vide its common Judgement dated 29th February, 2016 held that the Club is liable to make contribution along with interest at such rate as provided in the ESI Act and the Rules till the date of actual payment and the amount be contributed within a period of three months from the date of the Judgement. The Club on 30th March, 2016 filed four separate review petitions before the Supreme Court for review of Judgement dated 29th February, 2016. On re-consideration of the matter, the Club initially decided to withdraw the Review petitions and filed withdrawal application on 19th May, 2016, and on 30th May, 2016 made payment of contribution for the relevant period along with interest aggregating Rs. 1,42,46,299 (net of amount deposited with the ESI Court referred to above Rs. 15,12,523 for the relevant period). Accordingly the Club provided for contribution of Rs. 37,59,967 for the relevant period by debiting staff welfare expenses under 'Employee benefits expense' { Note 23} and for interest of Rs. 1,19,98,855 by debiting Interest expenses – others under 'Finance costs' {Note 24} in the Income and Expenditure Account for the year ended 31st March, 2016. Further out of abundant caution, from 21st February, 2016, the Club has started paying contribution to ESI Corporation for the Race day persons under protest to avoid future consequential liability of interest and charge of contempt of court without prejudice to rights and contention of the Club.

Subsequently the Club has been legally advised that the Club has strong case to challenge the coverage of race day persons under ESI as they are already in full time employment outside in the covered establishments. Based on this, on 11th July, 2016 the Club filed an application in the Supreme Court seeking permission of the Supreme Court to withdraw the application filed on 19th May, 2016 for withdrawal of the Review petitions. The Division Bench of the Supreme Court vide its order dated 30th November, 2016 dismissed the aforesaid Review petitions. The Club has been legally advised to file the Curative petitions against the aforesaid order dated 30th November, 2016 on the ground that Supreme Court has not laid down a correct law in the matter of coverage of persons who are employed with 2 employers at the same time and that the Supreme Court ought not to have imposed the ESI liability on the Club with retrospective effect from 1978 more particularly when they did not enjoy any benefits in the past. Based on the legal advise the Club is in process of filing the Curative petitions referred above.

Based on the legal advise referred to above, no provision has been made for demand for contribution relating to the period 1st April, 1989 to 30th June, 1997 and 1st July, 1999 to 30th June, 2004 and the estimated contribution including consequential interest for the period subsequent to 30th June, 2004, excluding time barred period, aggregating Rs. 2,50,00,000 (2015-2016, including time barred period, Rs. 4,15,00,000).

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

- (i) Matters relating to ex-employees pending in labour courts / civil courts for reinstatement of services, recovery of back wages, etc. - Amount not quantified (2015-2016 : Amount not quantified).
- (j) Other matters Rs.95,000 (2015-2016: Rs.95,000).
- (ii) Other money for which the Club is contingently liable :
- In respect of amount forfeited of Rs.10,00,00,000 under the Agreement referred to in Note 41, which was credited to the Income and Expenditure Account for the year ended 30th June, 2008.

Footnote to Note 26 (A)(i) and (ii):

Future ultimate outflow of resources embodying economic benefits in respect of matters stated under Note 26 (A)(i) and (ii) depends on the final outcome of judgements / decisions on the matters involved.

(B) Commitments:

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

	As at 31 st March, 2017 Rs.	As at 31 st March, 2016 Rs.
Tangible assets	17,33,602	3,93,18,319
Intangible assets	3,59,552	3,59,552

27. The assets and liabilities exclude bookmakers' deposits in the form of fixed deposit receipts amounting to Rs. 67,58,334 (2015-2016: Rs. 67,96,028), and balances with a bank Rs. 4,74,165 (2015-2016: Rs. 4,74,165) including fixed deposit - Rs. 2,00,000 (2015-2016: Rs. 2,00,000) representing amount remaining undisbursed as at the year-end in respect of charity meetings held in an earlier year.
28. The details of assets of earmarked fund viz. Benevolent Fund included under the various heads of assets are as under:

Particulars	As at 31 st March, 2017 Rs.	As at 31 st March, 2016 Rs.
Balances with banks in earmarked accounts {included under Cash and cash equivalents (Refer Note 18)}	2,33,566	15,92,154
Prepaid expenses {included in Short-term loans and advances (Refer Note 19)}	10,32,646	11,39,460
Interest accrued on bank deposits {included in Other current assets (Refer Note 20)}	644	31,157
Other current assets – others {included in Other current assets (Refer Note 20)}	7,85,880	3,89,919
Current Account with Royal Western India Turf Club, Limited	(20,52,736)	(31,52,690)
Total	-	-

29. Recoveries from charity meetings towards salaries and wages amounting to Rs. 37,07,435 (2015-2016 Rs. Nil) was computed on the basis stated in Note 1(vii) and the figure in the Income and Expenditure Account are net of such recovery.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

30. Based on the information available with the management, none of the Club's suppliers are registered as micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.
31. The Club has not taken any derivative instrument during the period and there is no derivative instrument outstanding as at year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:-

Particulars	Amount in Foreign Currency	Equivalent Amount in Indian currency (Rs.)
Payable	USD (\$) 17,726 (10,288)	11,49,338 (6,84,666)
	SGD(S\$) 10760 (-)	4,99,436 (-)
	USD (\$) 33,587 (515)	21,54,601 (33,733)
Receivable	POUND (£) - (360)	- (33,804)
	EURO - (475)	- (35,150)

Figures in brackets represent previous year figures.

32. (i) Value of imports calculated on C.I.F basis:

	2016-2017	2015-2016
	Rs.	Rs.
(a) Stores and provisions	30,45,669	21,41,803
(b) Capital goods	-	1,82,41,428

- (ii) Expenditure in foreign currency:

(a) Professional fees	67,71,096	1,41,86,681
(b) Foreign travel	5,69,641	14,52,402
(c) Conference fees	3,92,304	8,63,922
(d) Website usage/maintenance charges	3,07,215	6,84,088
(e) Exchange loss (net)	68,048	-
(g) Advertisement	20,18,297	14,82,129
(f) Others (subscription, etc.)	1,52,806	25,836

- (iii) Earnings in foreign exchange:

(a) Sponsorship for stakes, etc.	4,68,052	92,35,045
(b) DNA test charges	60,901	70,367
(c) Exchange gain/(loss) (net)	-	16,791
(d) Right fee for telecast of horse races	1,05,40,554	24,36,097

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

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

Particulars	2016-2017	2015-2016
1 <u>Defined contribution plans</u>	Rs.	Rs.
The Club has recognised the following amounts in the Income and Expenditure Account :		
-Contribution to provident fund and family pension fund	1,27,29,539	1,34,46,333
-Contribution to superannuation fund (net)	15,05,255	17,22,245
The above amounts are included in 'Employee benefits expense' in Note 23.		
2 <u>Defined benefit plans</u>		
A. Gratuity (funded)		
a. A general description of the employees benefit plan:		
The Club has an obligation towards gratuity, a funded defined benefit plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.		
b. Details of defined benefit plan – As per actuarial valuation are as follows :		
I Components of employer expense		
1 Current service cost	43,62,577	35,78,654
2 Interest cost	50,07,289	39,67,385
3 Expected return on plan assets	(37,95,468)	(31,57,584)
4 Actuarial losses / (gains)	(60,136)	1,40,30,421
5 Total expense recognised in the Income and Expenditure Account (included in 'Employee benefits expense' in Note 23)	55,14,262	1,84,18,876
II Actual contribution and benefits payments for the year		
1 Actual benefits payments	(1,70,96,749)	(62,29,752)
2 Actual contributions	1,84,31,041	1,27,38,883

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

III Net asset/(liability) recognised in the Balance Sheet

1 Present value of defined benefit obligation	5,89,13,668	6,66,33,050
2 Fair value of plan assets	5,34,11,571	4,82,14,174
3 Funded status [Surplus/(Deficit)]	(55,02,097)	(1,84,18,876)
4 Net asset/(liability) recognized in the Balance Sheet	(55,02,097)	(1,84,18,876)

Particulars

	2016-2017 Rs.	2015-2016 Rs.
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IV Change in Defined Benefit Obligation during the year

1 Present value of defined benefit obligation as at the beginning of the year	6,66,33,050	5,11,20,245
2 Current service cost	43,62,577	35,78,654
3 Interest cost	50,07,289	39,67,385
4 Actuarial losses/(gains)	7,501	1,41,96,518
5 Benefits paid	(1,70,96,749)	(62,29,752)
6 Present value of defined benefit obligations as at the end of the period	5,89,13,668	6,66,33,050

V Change in fair value of plan assets during the year

	Rs.	Rs.
1 Plan assets as at the beginning of the year	4,82,14,174	3,83,81,362
2 Expected return on plan assets	37,95,468	31,57,584
3 Actuarial gains/(losses)	67,637	1,66,097
4 Actual club's contributions	1,84,31,041	1,27,38,883
5 Benefits paid	(1,70,96,749)	(62,29,752)
6 Plan assets as at the end of the year	5,34,11,571	4,82,14,174

VI The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is Rs.38,63,105 (2015-2016: Rs.33,23,681)

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

VIII The major categories of plan assets as a percentage of total plan assets

	As at 31 st March, 2017	As at 31 st March, 2016
— Insurer managed funds (Refer footnote below)	99%	99%
— Others	1%	1%

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

IX Actuarial assumptions				As at 31 st March, 2017	As at 31 st March, 2016
1	Discount rate			6.90%	7.85%
2	Expected return on plan assets			7.50%	8.25%
3	Salary escalation rate			7 %	7 %

X Experience adjustments		As at				
	31 st March, 2017	31 st March, 2016	31 st March, 2015	30 th June, 2014	30 th June, 2013	
1	Present value of defined benefit obligation as at the end of the year	5,89,13,668	6,66,33,050	5,11,20,245	3,95,50,041	3,91,73,656
2	Fair value of plan assets as at the end of the year	5,34,11,571	4,82,14,174	3,83,81,362	3,96,95,567	3,43,17,827
3	Funded status [Surplus/(Deficit)]	(55,02,097)	(1,84,18,876)	(1,27,38,883)	1,45,526	(48,55,829)
4	Experience adjustment on plan liabilities	(38,55,136)	1,37,72,055	85,94,341	1,66,010	6,03,102
5	Experience adjustment on plan assets	67,637	1,66,097	(34,396)	4,30,208	5,55,827

XI Contribution expected to be paid to the plan during the year ending 31st March, 2018 - Rs.1,00,00,000

B. Ex-gratia in lieu of gratuity (unfunded):

a. A general description of the employees benefit plan:

The Club entered into Memorandum of Settlement (the settlement) dated 20th June, 2007 with the Union representing casual / seasonal workers under which ex-gratia to be computed in the manner stated in the settlement, is payable in lieu of gratuity on retirement of the casual / seasonal workers specified in the settlement. As stated in Note 1(viii)(b), ex-gratia paid / payable is accounted as and when the retirement of the respective workers takes place.

b. During the period on retirement of the respective workers the Club has recognised Rs. 2,51,566 (2015-2016: Rs. 2,57,137) towards ex-gratia in lieu of gratuity in the Income and Expenditure Account.

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

(a) Lease payments recognised in the Income and Expenditure Account for the period - Rs. 2,05,92,626 (2015-2016: Rs. 2,14,64,732)

(b)(i) Except for agreements for OCBC centres where the monthly licence fees / compensation is based on the net commission received by the Club on totalisator bets made and accepted at the respective centres which varies from month to month, other agreements do not provide for increase in rent during the tenure of the agreement.

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

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

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

Description of Assets	Gross carrying amount as at the period-end Rs.	Accumulated depreciation as at the period-end Rs.	Depreciation for the proportionate period during which the assets were given under operating lease Rs.
Buildings	6,33,18,284 (6,33,18,284)	1,75,52,427 (1, 53,51,989)	22,00,438 (23,10,937)
Plant and Equipment	1,21,58,735 (1,21,58,735)	74,40,621 (68,11,784)	6,28,837 (8,31,060)
Furniture & Fixtures	27,09,838 (27,09,838)	23,52,577 (21,87,237)	1,65,340 (2,41,872)

Figures in brackets represent previous period's figures.

35. The components of Deferred tax assets (net) are as under:

	As at 31st March, 2017 Rs.	As at 31 st March, 2016 Rs.
<u>Deferred tax liability:</u>		
Depreciation	-	13,27,024
(A)	-	13,27,024
<u>Deferred tax assets:</u>		
Provision for doubtful debts and advances	*_-	*13,27,024
Section 40(a) / 43B disallowances under the Income-tax Act, 1961	*_-	*_-
(B)	*_-	*13,27,024
Deferred tax assets (net)	(A)-(B) Nil	Nil

* Footnote:

In the absence of reasonable certainty regarding availability of sufficient future taxable income, Deferred tax assets has not been recognised as at 31st March, 2017 and in respect of the previous year the recognition of deferred tax assets was restricted to the amount of closing deferred tax liability.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

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

Sr. No.	List of jointly controlled operations	Club's share of interest	
		As at 31 st March, 2017	As at 31 st March, 2016
(i)	The Club and Delhi Race Club (1940) Ltd.	50%	50 %
(ii)	The Club, M/s Anantrai Shah and Delhi Race Club (1940) Ltd. – For Fixed Odds Betting	41%	42%
(iii)	The Club, Bangalore Turf Club Ltd., Mysore Race Club Ltd. And Hyderabad Race Club (the Off Venue Centres) and Meerut Race Club	i) Share in 80% in proportion, which investments collected at Meerut for the Club's races bears to the total investments collected at Meerut for horse races of all Off Venue Centres. (ii) Share in 80% of the bookmakers stall fees collected at Meerut for the Club's races.	(i) Share in 80% in proportion, which investments collected at Meerut for the Club's races bears to the total investments collected at Meerut for horse races of all Off Venue Centres. (ii) Share in 80% of the bookmakers stall fees collected at Meerut for the Club's races.
(iv)	The Club, M/s Anantrai Shah and Meerut Race Club – For Fixed Odds Betting	61%	62%
(v)	The Club and Lucknow Race Fund & Genesis Club Limited	80%	80%

- 37.(a) The licence to race is being granted by the Government of Maharashtra on a year to year basis on the conditions specified therein, and has been granted to the Club for the racing seasons 2017-18 (i.e. up to 30th June, 2018).

- (b) (i) The lease of land at Mahalaxmi, Mumbai from Municipal Corporation of Greater Mumbai (MCGM) has been renewed from time to time viz. from 31st May, 1914 for the period of thirty years up to 31st May, 1944 and thereafter for further thirty years and twenty years up to 31st May, 1994. The latest renewal was for the period of nineteen years from 1st June, 1994 up to 31st May, 2013 vide lease deed dated 7th April, 2004.

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

- (ii) The Club received notice dated 6th May, 2010, to be read with notice dated 20th July, 2010, from MCGM whereby lease of land at Mahalaxmi, Mumbai was terminated for the alleged creation of sub-lease and unauthorised construction in violation of the lease deed dated 7th April, 2004 referred to in Note 37(b)(i). The Club was called upon to quit, vacate and deliver the peaceful and vacant possession of the said land

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

to MCGM within thirty days from the date of receipt of the notice. Further, vide notice dated 23rd August, 2010, the Enquiry Officer appointed by the Municipal Commissioner issued proposed order to the Club to vacate the aforesaid land and called upon the Club to tender an explanation and produce evidence, if any, and show cause as to why the proposed order should not be made. The Club submitted its reply dated 27th September, 2010 to the notice of the Enquiry Officer and submitted, inter alia, that it has not committed any breach of the terms and conditions of lease deed and that the notice of termination of the lease of the Club dated 6th May, 2010 and the eviction proceedings are bad in law, baseless and untenable and therefore no order for eviction ought to be made and the termination notice dated 6th May, 2010 and the notice dated 23rd August, 2010 deserve to be and ought to be withdrawn.

Further, the Club vide its application dated 14th May, 2013 has requested for stay/ suspension of the enquiry proceedings during the pendency and final disposal of the arbitration proceedings between the Club and the Conductor referred to in Note 42. The Enquiry Officer vide order dated 28th May, 2013 stayed the enquiry proceedings till the next date with liberty to re-open as and when asked for.

The Club is confident that it has good chances of success in the enquiry, if and when it re-commences.

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

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

	Amount in Rupees		
	Horse racing	Other Club activities	Total
Segment Revenue	50,75,82,811 (55,10,48,238)	21,09,05,894 (26,21,33,571)	71,84,88,705 (81,31,81,809)

Figures in brackets represent previous year figures.

Pending compilation, the information required to be reported on segment results, total carrying amount of segment assets and segment liabilities, etc. under the Accounting Standard (AS) 17 – Segment Reporting has not been disclosed.

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

39. The Company has not entered into any related party transactions which are covered under Accounting Standard 18 "Related Party Disclosures".
40. In an earlier year, the Club had paid under protest, the additional ground rent of Rs.10,06,899 demanded by the Municipal Corporation of Greater Mumbai for allowing a political party i.e. Bharatiya Janata Party to hold its convention on the open spaces leased to the Club by the Corporation. In the opinion of the Club, the said ground rent is recoverable from the Bharatiya Janata Party and accordingly the same has been shown under "Other non-current assets" (Note 14). The Club filed a suit in the Bombay High Court against the Bharatiya Janata Party for the recovery of the said amount which is now transferred to Bombay City Civil Court. No provision has been made in the financial statements for the possible non-recovery of the amount.
41. In an earlier year, the Club entered into an agreement with another company (the Conductor) for development and construction upon its leasehold land of Golf Course, Hotel / Service Apartments, etc., subject to obtaining the lease approvals and other approvals.

Under the agreement, Rs.10,00,00,000 was received in an earlier year. Under the said agreement on the effective date i.e. the date on which the Municipal Corporation of Greater Mumbai (MCGM) grants its 'in principle' approval for the development, the amount of Rs.10,00,00,000 is to be treated as an interest free refundable security deposit. However, if for any reason whatsoever, the development cannot be commenced or carried out, the said amount shall stand forfeited as liquidated damages. Further, under the agreement the first installment of Rs.40,00,00,000 out of the further interest free security deposits was due on 22nd

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

August, 2004. However as the amount was not paid, as agreed by the Conductor the Club was entitled to receive interest on Rs.40,00,00,000 from 22nd August, 2004 till the payment of the said amount by the Conductor and further, the payment of interest was to be made by the Conductor on or before 22nd February, 2005 and thereafter at quarterly intervals.

As the Conductor failed to pay the above referred said sum of Rs.40,00,00,000 and interest thereon for the quarter ended 21st February, 2005 and thereafter, even after expiry of more than one year, the Club has given notice dated 22nd March, 2006 to the Conductor that the said agreement is terminated and the amount of Rs.10,00,00,000 paid by the Conductor to the Club stands forfeited. The Conductor has disputed the right of the Club to terminate the agreement and forfeit the amount and has subsequently vide its letter dated 6th May, 2006 invoked Clause 12 of the Agreement for Arbitration and requested the Club to agree to /or concur in the appointment of any of the three jurists named therein to act as a Sole Arbitrator. The Club vide its letter dated 7th July, 2006 suggested the name of two other jurists for appointment of one of them as the Sole Arbitrator. The Conductor did not respond to the letter of the Club.

During the year ended 30th June, 2008 the Club was legally advised by an independent Senior Advocate that since the action of forfeiture of the amount of Rs.10,00,00,000 referred to above on termination of the agreement is legal and justified under the agreement, the amount forfeited belongs to the Club and accordingly, credited to the Income and Expenditure Account for the year ended 30th June, 2008.

Pursuant to the Arbitration Application filed by the Conductor under Section 11 of the Arbitration and Conciliation Act, 1996, the High Court of Judicature at Bombay has appointed a Sole Arbitrator and the Arbitration proceedings are in progress. The Conductor and the Club have filed their statements of claim and counter claim in the matter, respectively.

42. On expiry of the agreement on 30th June, 2008 with a party, the Club entered into an agreement dated 1st July, 2008 with the party as Conductor (hereinafter referred to as the Conductor) for catering in the Members' Enclosure at the Mumbai Race Course, for a period of 10 years commencing from 1st July, 2008 and expiring on 30th June, 2018, which shall at all times be co-terminus with the lease of the Club and also subject to the lease of the Club being renewed beyond 31st May, 2013.

In terms of the agreement, conducting fees on an annual basis was payable in advance. The Conductor had failed to pay conducting fees of Rs.3,25,00,000 for the second year term i.e. 1st July, 2009 to 30th June, 2010 which was payable on or before 1st July, 2009 despite the Club's demand by way of invoice dated 1st July, 2009 and thereafter repeated requests and demands. Further as the Conductor also committed various breaches of the agreement referred to above by carrying out certain unauthorised repairs and renovations work as intimated by the Municipal Corporation of Greater Mumbai and not rectifying the same, the Club vide its letter dated 28th November, 2009 terminated the above agreement.

Proceedings filed by way of Suits/Appeals/ Writ Petitions by the Conductors/ the Club are pending in the Bombay Civil Court/ the High Court, Mumbai/ the Small Causes Court at Mumbai.

Further, based on the Club's Arbitration Application, the Sole Arbitrator was appointed by the High Court, Mumbai. The Club and the Conductor filed their statements of claim and counter claim in the matter, respectively. The Arbitration proceedings had concluded. The Sole Arbitrator vide his Order dated 12th May, 2017 dismissed the Conductor's application on challenge of jurisdiction under Section 16 of the Arbitration and Conciliation Act, 1996. The said Order inter-alia also state that the Conductor is not a tenant of the Club. Subsequently, the Conductor has filed an Application under Section 32 of the Arbitration and Conciliation Act, 1996 seeking termination of the Arbitration proceedings on the grounds contained in the said Application. The Club has also filed its reply in the matter to which the Conductor has given its rejoinder. The matter is kept for arguments. The final Award is awaited.

Pending final outcome of the matter, the Club has not accrued Conducting fees from 1st July, 2009 to 28th November, 2009 i.e. up to the date of termination.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

43. During the previous year, the Club received commitment fees aggregating Rs. 3,39,00,000 from the parties appointed on the Panel of decorators / caterers for the period 1st July, 2015 to 30th June, 2016 for the functions to be held by Members and others hiring the Club's lawn at Mumbai Race Course.

In respect of the parties, appointed on the Panel of decorators/ caterers for the period 1st July, 2014 to 30th June, 2015, the Club received commitment fees aggregating Rs. 4,18,00,000 during the period 1st April, 2014 to 30th June, 2014 (which was accounted as Commitment fees during the year ended 30th June, 2014) and Rs. 24,00,000 during the period 1st July, 2014 to 31st March, 2015.

The Club has accounted commitment fees aggregating Rs.3,39,00,000 received from the parties for empanelment as Commitment fees from Decorators and Caterers on the panel under 'Other Club Activities' {Note 21} in the Income and Expenditure Account for the year ended 31st March, 2016 (2014 – 2015: Rs. 24,00,000)

44. In an earlier year, the Club entered into Conducting Agreement and subsequently in to Supplementary Conducting Agreement with the party as Conductor (hereinafter referred to as "the Conductor") for granting rights to the Conductor to operate the food and beverage center at Mumbai Race Course for the period up to 31st May, 2020.

As the Conductor has not made payment of the Conducting fees for the year ended 31st March, 2016, in June 2016 the Club and the Conductor interalia mutually agreed that (i) for the period 1st April, 2015 to 31st March, 2016 , the Conductor will pay total Conducting fees of Rs. 4,32,00,000 plus taxes as applicable and this payment will be made immediately, (ii) for the period 1st April, 2016 to 12th June, 2016, the Conductor will pay total Conducting fees of Rs 86,40,000 plus taxes as applicable and the payment would be made in October 2016 (iii) the period from 13th June, 2016 to 31st March, 2017 will be considered by both the parties as exit period and during this period, the Conductor will not pay any Conducting fee to the Club and (iv) on 1st April, 2017 the Conductor will vacate and handover to the Club the peaceful possession of the area.

On 8th June, 2017 the Club entered into Addendum to the Supplementary Agreement (hereinafter referred to as "the Addendum") wherein the Club and the Conductor interalia mutually agreed that (i) for the period 1st April, 2015 to 31st March, 2016 , the Conductor will pay total Conducting fees of Rs. 4,32,00,000 plus service tax at applicable rate and this payment will be made within 7 days from the date of execution of the Addendum, (ii) for the period 1st April, 2016 to 12th June, 2016, the Conductor will pay total Conducting fees of Rs. 86,40,000 plus service taxes at applicable rate and the payment would be made within 7 days from the date of execution of the Addendum, (iii) for the period from 13th June, 2016 to 31st March, 2017 the Conductor will not pay any Conducting fees and (iv) On and from 1st April, 2017, the Conductor will pay Conducting fees at Rs. 23,00,000 per month plus service tax / Goods and Service Tax (GST) at applicable rate.

The Club has accounted aggregate Conducting fees for the period 1st April, 2016 to 12th June, 2016 of Rs. 86,40,000 (2015-2016 : for the period 1st April, 2015 to 31st March, 2016 Rs. 4,32,00,000) which is included in Conducting fees/Compensation for catering under 'Other Club Activities' {Note 21} in the Income and Expenditure Account.

ROYAL WESTERN INDIA TURF CLUB, LIMITED

Notes forming part of the financial statements

45. During the year, the Club has paid Rs. 1,00,000 to Indian Cancer Society towards welfare of poor cancer patients and Rs 3,00,000 to Public Concern for Governance Trust to further the good work (to fight corruption and strive for good governance) carried out by the trust. The aggregate amount of Rs 4,00,000 contributed during the year exceeds the limit specified in the 2013 Act, accordingly is subject to approval of members in the forthcoming annual general meeting.
46. Details of Specified Bank Note (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBNs (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8 th November, 2016	*51,00,000	38,87,853	89,87,853
(+) Permitted receipts	-	6,91,24,576	**6,91,24,576
(-) Permitted payments	-	76,67,306	**76,67,306
(-) Amount deposited in Banks	51,00,000	5,20,24,453	5,71,24,453
Closing cash in hand as on 30 th December, 2016	-	1,33,20,670	1,33,20,670

* includes advances / salaries and wages aggregating Rs 3,35,000 SBNs returned by the employees against which other denomination notes were exchanged.

** excludes racing cash dividends pay-out.

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

Signature to Notes 1 to 47 which form an integral part of financial statements.

VIVEK JAIN	Chairman
KHUSHROO N DHUNJIBHOY	Member of the Committee
MILAN LUTHARIA	--do--
JAYDEV M. MODY	--do--
GEOFFREY B. NAGPAL	--do--
SHYAM M. RUIA	--do--
DR. RAM H. SHROFF	--do--
GULAMHUSEIN A VAHANVATY	--do--
CHAMPAKLAL ZAVERI	--do--
N. H. S. MANI	Secretary & CEO

Place: Mumbai

Date : 10th August, 2017