

HYDERABAD RACE CLUB

52nd Annual Report 2022 - 23



Board of Directors (Stewards):	Mr. R Surender Reddy, Chairperson DIN: 00083972
	Mr. Ananth Kishen Rao DIN : 01718621
	Mr. P Anil Kumar Kishen DIN: 00350966
	Col S B Nair DIN: 00534863
	Mr. Hari Kishen Gupta DIN: 01842810
	Mr. V Krishna Das DIN: 00377003
	Lt Col S L Reddy DIN: 06836771
	Mr. Manish Jaiswal DIN: 09730479
	Mr. N.V.R. Narasimha Reddy DIN: 09244602
	Mr. R.Raghuram Reddy DIN: 00832413
	Mr.P.S.Reddy DIN: 09730479
Chief Operating Officer:	Dr. Veerendra Kaja
Auditors:	Sekhar & Co., Chartered Accountants, 133/4, Rashtrapathi Road Secunderabad 500 003 Firm Reg No.003695 S
	M Bhaskara Rao & Co., Chartered Accountants 5-D,5th Floor, Kautilya, 6-3-652, Somajiguda, Hyderabad – 500 082 Firm Reg No.000459 S
Internal Auditors:	P. Ramakrishna & Co., Chartered Accountants 2-2-1130/19/5d, Sivam Road, Vidya Nagar, Hyderabad - 500 044
Bankers:	Kotak Mahindra Bank Limited Axis Bank Limited HDFC Bank Limited RBL Bank limited Equitas Small Finance bank
	State Bank of India IDFC First Bank Bandhan Bank Yes Bank Limited
Registered Office:	Race Course, D.No. 16-10-1/A/1, Malakpet, Hyderabad – 500 036 ☎ : 040 – 2454 9491, 2454 9159 E-mail: secy@hydraces.com Web Site: www.hydraces.com CIN: U92411TG1971NPL001403



CONTENTS

1. Notice to Club Members	3
2. Report of the Board of Directors (Stewards)	8
3. Future Outlook	21
4. Corporate Social Responsibility	28
5. Corporate governance Report	30
6. Independent Auditors Report	34
7. Financial Statements	40
8. Notes to Financial Statements.....	43



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 52nd Annual General Meeting (AGM) of the Members of **HYDERABAD RACE CLUB (“HRC”)** (CIN: U92411TG1971NPL001403) will be held on Monday, 14th August 2023 at 3-30 P.M. at the registered office of the HRC situated at D.No.16-10-1/A/1, Malakpet, Hyderabad, Telangana 500036 and also through Video Conferencing (“VC”) facility/ Other Audio-Visual Means (“OAVM”) to transact the following business.

1. To receive, consider and adopt the Audited Balance Sheet, Statement of Income & Expenditure and Cash Flow Statement for the year ended March 31, 2023, along with the Reports of Directors and Auditors thereon and in this regard to pass the following resolution as Ordinary Resolution.

“RESOLVED THAT the Audited Balance Sheet, Statement of Income & Expenditure and Cash Flow Statement for the year ended March 31, 2023, and the Reports of Directors and Auditors thereon be and are hereby considered and adopted”.

2. To Elect/Re-appoint Mr R Surender Reddy (DIN:00083972), Chairperson & Director (Steward) who retires by rotation and being eligible offers himself for re-appointment by election process.
3. To Elect/Re-appoint Col S B Nair (DIN: 00534863), Director (Steward) who retires by rotation and being eligible offers himself for re-appointment by election process.
4. To Elect/Re-appoint Mr Hari Kishen Gupta (DIN: 01842810), Director (Steward) who retires by rotation and being eligible offers himself for re-appointment by election process.
5. To Elect/Re-appoint Mr V Krishna Das (DIN: 00377003), Director (Steward) who retires by rotation and being eligible offers himself for re-appointment by election process.
6. To Elect/Re-appoint Mr N. Venkataram Narasimha Reddy (DIN: 09244602), Director (Steward) who retires by rotation and being eligible offers himself for re-appointment by election process.
7. To Elect/Appoint Mr Madhukar Malgani (DIN: 10235675), as Director (Steward) by election process.
8. To Elect/Appoint Mr Thota Srinagesh (DIN: 10235852), as Director (Steward) by election process.

**By Order of the Board of Stewards
for Hyderabad Race Club**

Dr Veerendra Kaja
Chief Operating Officer

Place : Hyderabad
Date : 19.07.2023

Registered Office:
CIN: U92411TG1971NPL001403
No. 16-10-1. A/1,
Malakpet, Hyderabad,
State of Telangana,
INDIA – 500 036.
Telephones : 040-24549491/2
E-Mail : secy@hydraces.com
Website : www.hydraces.com



NOTES

1. In view of the continuing Covid pandemic, for maintaining social distancing norms, pursuant to General Circulars issued by the Ministry of Corporate Affairs (“MCA”) from time to time and in terms of Article 22 of the Articles of Association of the HRC, Outstation members and other disabled members will have the option to participate in the meeting through VC/ OAVM, without the physical presence at a common venue. Further, outstation members and other disabled members who have requested E-Voting for elections will only be provided with the E-Voting facility. In compliance with the provisions of the Companies Act, 2013 (“Act”), MCA Circulars and Articles of Association, the AGM of the HRC will also be held through VC / OAVM.
2. To support the ‘Green Initiative’, Members who have not yet registered/updated their email addresses are requested to register the same with the HRC by sending their details to secy@hydraces.com.
3. Members are requested to intimate changes pertaining to their name, postal address, email address, telephone/ mobile numbers, and Permanent Account Number (PAN) to secy@hydraces.com.
4. Members intending to ask any questions at the AGM are requested to submit such questions in writing or through E-Mail to the Chief Operating Officer at least 10 (Ten) days in advance before the Meeting i.e. on or before **August 4, 2023**, addressed to

The Chief Operating Officer

Hyderabad Race Club

D. No. 16-10-1/A/1, Race Course Road, Malakpet,

Hyderabad - 500 036, Telangana State

Email ID: secy@hydraces.com

5. **Speaker Registration during 52nd AGM Session:** Members who would like to express their views during the 52nd AGM are requested to register themselves as a speaker by mentioning the details in accordance with the registered membership details with the Club such as the Name, Permanent membership number and email ID. The Speaker registration should be submitted in writing or through E-mail to the Chief Operating Officer at least 10 days in advance before the AGM i.e. on or before **August 4, 2023** (date). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 52nd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time appropriate for the AGM’s smooth conduct. However, the company reserves the right to allow the members who have not registered themselves as speakers depending upon the availability of time at the AGM, Chairman on his own discretion may allow such unregistered members to speak.
6. Members may note that the Notice and Annual Report for the financial year 2022-2023 will also be available on the Company’s website <http://www.hydraces.com>.
7. Disabled Members and Outstation Members opting to attend the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act and Articles of Association of the Company.
8. The facility for joining the meeting shall be kept open 15 minutes before the time scheduled to start the meeting and shall be closed after the expiry of 15 minutes after the scheduled time.
9. The Board of Stewards reserves the right to modify/alter the election process from time to time and the same will be communicated to the members either by post or electronic means.
10. The club has decided to avail the services of Central Depository Services (India) Limited (“CDSL”) for providing an E-Voting platform for the purpose of elections for Disabled and outstation members.
11. Mr P Surya Prakash, Company Secretary in Whole-Time Practice of SPP & Associates, Company Secretaries, Hyderabad and Mr D Raghavendar Rao, Company Secretary in Whole-Time Practice of Ahaladarao V & Associates, Company Secretaries, Hyderabad have been appointed as the Scrutinizers to scrutinize the E-Voting and Poll process in a fair and transparent manner.
12. CDSL will be sharing the login credentials and instructions for e-voting to the disabled and outstation members who have raised a request up to July 31, 2023, 05.00 PM.



13. Disabled and Outstation Members are requested not to forward the e-mails received to anyone and are requested to cast their votes themselves. In case of any queries, CDSL can be reached at helpdesk.evoting@cdslindia.com or Mr Nitin Kunder at 022- 23058738 and Mr Rakesh Dalvi at 022-23058542/43.
14. The scrutinizers are entitled to obtain IP addresses (Systems from where e-voting was done) from CDSL in case of any complaints or malpractices.
15. Members are requested to kindly take note of the following dates:

a)	Last date of receipt of E-Voting request from outstation members and other members who are disabled	:	05.00 PM, Monday, 31 st July 2023
b)	Date and time of Commencement of E-Voting (For outstation members and other members who are disabled based on their request)	:	09.00 AM, Friday, 11 th August 2023
c)	Date and time of Conclusion of E-Voting (For outstation members and other members who are disabled based on their request)	:	05.00 PM, Sunday, 13 th August 2023
d)	Date of AGM	:	03.30 PM, Monday, 14 th August 2023
e)	Date and Time of polling	:	04.00 PM to 07.00 PM from Monday, 14 th August 2023

16. Members who have participated in E-Voting are not entitled to participate in the venue voting to be held on the date of the AGM from 04.00 PM to 07.00 PM in the premises of the club.
17. Scrutinizer shall allow only such members to participate in venue voting who have not participated in the E-Voting after verifying the voting data received from the CDSL.
18. Disabled and Outstation Members are encouraged to join the Meeting through Laptops / IPads for a better experience.
19. Further Members will be required to allow Cameras and use the Internet at a good speed to avoid any disturbance during the meeting.
20. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile hotspots may experience Audio/Video loss due to Fluctuations in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
21. The instructions for joining the AGM through Zoom and E-Voting are as follows:



INSTRUCTIONS FOR JOINING THE AGM

Below is the AGM Meeting ID which needs to be entered as per the instructions given:
Meeting ID: 881 0143 0169

1. Using Zoom Application on Desktop / Laptop

1. Open the Zoom desktop client.
2. Join a meeting using one of these methods:
 - Click **Join a Meeting** if you want to join without signing in.
 - Sign in to Zoom then click **Join**.
3. Enter the meeting ID number (which is given on top) and your display name in accordance with the registered membership name with the Club
 - If you're signed in, change your name to the registered membership name with the Club
 - If you're not signed in, enter a display name.
4. Select if you would like to connect audio and/or video and click **Join**.

2. Using Android Mobile

1. Open the Zoom mobile app. You can download the Zoom mobile app from the Google Play Store if you have not downloaded it yet.
2. Join a meeting using one of these methods:
 - Tap **Join a Meeting** if you want to join without signing in.
 - Sign in to Zoom then tap **Join**.
3. Enter the meeting ID number (which is given on top) and your display name in accordance with the registered membership name with the Club
 - If you're signed in, change your name to the registered membership name with the Club
 - If you're not signed in, enter a display name.
4. Select if you would like to connect audio and/or video and tap **Join Meeting**.

3. Using Web browsers

Google Chrome

1. Open Chrome.
2. Go to join.zoom.us.
3. Enter your meeting ID provided by the host/organizer (which is given on top).
4. Click **Join**.
 - If this is your first time joining from Google Chrome, you will be asked to open the Zoom client to join the meeting.
 - You can check **Always open these types of links in the associated app** to skip this step in the future.
 - Click **Open Zoom Meetings (PC)** or **Open Zoom.us (Mac)**.

**Safari**

1. Open Safari.
2. Go to join.zoom.us.
3. Enter your meeting ID provided by the host/organizer (which is given on top).
4. Click **Join**.
5. When asked if you want to open zoom.us, click **Allow**.

Microsoft Edge or Internet Explorer

1. Open Edge or Internet Explorer.
2. Go to join.zoom.us.
3. Enter your meeting ID provided by the host/organizer (which is given on top).
4. Click **Join**.

Mozilla Firefox

1. Open Firefox.
2. Go to join.zoom.us.
3. Enter your meeting ID provided by the host/organizer (which is given on top)..
4. Click **Join**.
 - If this is your first time joining from Firefox, you may be asked to open Zoom or the Zoom installer package.
 - To skip this step in the future, check **Remember my choose for zoom meeting links**.

4. Through Email

Zoom Meeting Link will also be sent to the email id's of the members who has registered their email id's with the Club.

Click the join link in your email or calendar invitation.

Join Zoom Meeting

<https://us06web.zoom.us/j/88101430169>

Meeting ID: 881 0143 0169

**By Order of the Board of Stewards
for HYDERABAD RACE CLUB**

Sd/-

Dr. Veerendra Kaja
Chief Operating Officer

Place : Hyderabad
Date : 19.07.2023



**BOARDS (STEWARDS) REPORT OF THE HYDERABAD RACE CLUB
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

To
The Members,
Hyderabad Race Club
Hyderabad

Your Directors (Stewards) have pleasure in presenting the 52nd Annual Report on the affairs of the Hyderabad Race Club (“Company/Club”) for the financial year 2022-23, together with the Audited Financial Statements and the Report of the Auditors’ thereon.

1. FINANCIAL RESULTS:

The performance of the Company during the year as compared with that during the previous year is summarized below:

(Amount in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Income from Operations (including other income),	17,399.41	13,223.99
Profit/(Loss) before Interest/Financial Charges, Depreciation and Tax	9,400.60	(528.33)
Depreciation	610.01	497.93
Interest/Financial Charges	2.09	2.10
Exceptional Item/Prior Period Adjustments	-	-
Provision for Taxes	(2,094.12)	100.71
Profit/(Loss) after Tax	6,694.38	(927.65)
Balance carried to Balance Sheet	6,694.38	(927.65)

2. BUSINESS OPERATIONS:

- (a) The turnover at the totalizators has recorded improvement compared to previous year. As the economies opened and mobility normalized post pandemic it could have done better but for the impact of the GST provisions, there still is a major suspension of horse racing business which has taken a severe toll on the horse racing industry.

(Amount in Lakhs)

Period	2022-23	2021-22	2020-21
Total Race Days for offline operations	253	171	109
Average Turnover Per day for offline operations	77.55	64.48	96.49
Total Turnover	35,326.00	27,737.87	10,516.99
Comparative Raise in Turnover	27.36%	163.74%	-79.83%

- (b) In the event of the rates under provisions of the GST pertaining to transactions on Horse Racing not being reviewed, there is a distinct possibility of turnover at the Totalizators reaching the levels of years prior to GST.
- (c) In all, the Company generated a total income of ₹17,399.41 lakhs including ₹1,309.44 lakhs from interest on Bank Deposits, as compared to the income of ₹13,223.99 lakhs, including ₹1,027.92 lakhs from interest on Bank Deposits in the previous year.
- (d) In the overall analysis, the Company has generated surplus of ₹ 6,694.38 lakhs, as compared to the deficit of ₹ 927.65 lakhs during the previous financial year 2021-22.
- (e) In the resultant situation, the Board proposes to transfer ₹ 6,694.38 lakhs to the General Reserve.



3. STATUS OF GST RELATED MATTERS:

- (a) The Race Clubs across the country collectively and individually continue to represent to the Authorities seeking levy of GST only in respect of commission, based on the premise that the role of the Race Club is primarily and technically that of a service provider.
- (b) The Company has challenged the validity of Rule 31A (3) of the CGST rules and corresponding provision in the Telangana and Andhra Pradesh Goods and Service tax Acts and the demand notices from the Government which require race clubs to pay GST on the entire bet value. The case was led by Mr. K. Vivek Reddy, Senior Advocate. The brief was settled and the High Court passed an interim order restraining the Government from taking any coercive steps against Hyderabad Race Club on the condition that HRC deposits 10% of the disputed Tax amount. .
- (c) Under the Guidance of Mr. K. Vivek Reddy, Senior Advocate, the Company filed multiple Writ Petition in the Hon'ble High Court of Judicature at Hyderabad, challenging Rule 31A(3) of the Central Goods and Service Tax Rules as unconstitutional and violative of Articles 14, 19(1)(g), 246 (A) and 265 of the Constitution of India, apart from challenging Circular No. 27/01/2018-GST dated 04.01.2018, as being ultra vires the Central Goods and Service Tax Act. These batch of writ petitions are now pending before the Telangana and Andhra Pradesh High Courts.
- (d) Subsequently Bangalore Turf Club and Mysore Race Club had taken initiative and filed writ petition before the Karnataka High court challenging payment of GST on the entire bet amount. This case was also led by Mr. K. Vivek Reddy, Senior Advocate. The Karnataka High Court passed the order in favor of Bangalore and Mysore Turf Clubs and declared rule 31A(3) as ultra vires and quashed the related provisions in the Act .
- (e) In the interim, the assessment orders passed by the Government of Telangana for the period January 2018 to March 2019 have been stayed by the Honorable High Court of Judicature at Hyderabad, subject to the Company depositing a sum equivalent to 10% of the disputed tax.
- (f) In similar orders issued by the Honorable High Court of Judicature at Hyderabad, the assessment orders passed by the Government of Andhra Pradesh for the period July 2017 to March 2019 have been stayed with a ruling that the assessment for the prior to 23rd January 2018, being the effective date of notification, is without jurisdiction.
- (g) During the pendency of the Writ Petitions and with a view to avoiding interest and penalty under the provision of the GST Acts, the plea of the Company to the Honourable High Court seeking permission to make payment out of the reserves of the Club, under protest, a voluntary deposit of the amount actually payable in the event of Rule 31A(3) being upheld, involving computation of tax on an inclusive basis (28/128) has been allowed by the Honourable High Court.
- (h) The Honourable High Court has also ruled that in the event of the Company succeeding in its legal challenge, it would be entitled to refund of the amount paid under protest along with the stipulated interest.
- (i) The applications separately filed by the Company with the State of Telangana and State of Andhra Pradesh seeking refund of GST calculated and earlier paid to the Departments on a legally erroneous premise during the period between August and November 2017, are pending disposal.

4. HRC RECREATION CHAMBERS ("Chambers"):

- (a) HRC Recreation Chambers was incorporated on 12th September 2018, limited by Guarantee.
- (b) Under the provisions of the Articles of Association, the Board of Directors of the Club shall be the Board of Directors of the Chambers till one year from the date of notification for admission of associate members at HRC Recreation Chambers. Accordingly, HRC Recreation Chambers is considered to be a subsidiary to Hyderabad Race Club, by virtue of its control over the composition of Board of the Chambers.
- (c) HRC Recreation Chambers is yet to commence its Club operations.
- (d) The subsidiary company is restricted from transferring its surplus to the parent company by virtue of the provisions of its Articles of Association and hence the financial statements of the HRC Recreation Chambers has been excluded from consolidation with the financial statements of the Company, in terms of Clause 11(b) of Accounting Standard 21 issued by the Ministry of Corporate Affairs.



5. DIVIDEND AND DEPOSITS:

The Club is registered under Section 8 of the Companies Act ,2013 (Section 25 under the Companies Act,1956) as a Company Limited by Guarantee and therefore no part of the profits of the Club is available for distribution to Members in the form of Dividends or otherwise.

The Club has not accepted any deposits from Public in terms of Section 73 of the Companies Act,2013 read with the Companies (Acceptance of Deposits) Rules,2014 during the year under review.

6. TRANSFER TO RESERVES:

(a) During the year under review, the Club has generated surplus of ₹ 6,694.38 lakhs which will be added to General Reserve in the financial year 2022-23.

(b) The General Reserve for the financial year March 31, 2023 of the Club is as under:

(Amount in Lakhs)

Particulars		2022-23	2021-22
Surplus in Income and Expenditure Account			
	Brought forward from previous year	Nil	Nil
	Transferred from Statement of Income & Expenditure	6,694.38	(927.65)
	Less: Transfer /Charged to General Reserve	6,694.38	(927.65)
General Reserve			
	Brought forward from previous year	19,300.61	20,228.25
	Transferred surplus/(deficit) from Statement of Income and Expenditure	6,694.38	(927.65)
Balance as on 31st March, 2023		25,994.99	19,300.61

7. GLOBAL HEALTH PANDEMIC FROM COVID-19:

We continue in our endeavor to fight waves of the COVID-19 pandemic, our priority remains the safety and well-being of our employees, horse racing community and racing enthusiasts. Club is taking all necessary health precautions as prescribed by the Government from time to time in conducting of the business and also the Club is precarious while carrying on its activities.

8. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments which happened subsequent to the closure of the financial year till the date of this report.

9. CHANGE IN THE NAME OF THE COMPANY:

During the year under review, there was no change in the name of the Company.

10. SHIFTING OF REGISTERED OFFICE:

The Registered Office of the Company is situated at D.No.16-10-1/A/1, Malakpet, Hyderabad, Telangana - 500 036 and there was no change in the Registered Office during the year under review.

11. CHANGE IN THE NATURE OF BUSINESS:

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

12. ALTERATION TO THE MOA AND AOA:

During the year under review, the Company has altered the Articles of Association vide special resolution of members dated April 29, 2022.

Further, after the closure of the financial year and till the date of this report, the Company vide special resolution of the members dated April 29, 2023 approved the Alterations to the Articles of Association along with Amendments to the resolutions which was later ratified by the Registrar of Companies, Hyderabad.



13. MEETINGS:

(a) Board:

The Board of Directors (Stewards) met **14 (Fourteen)** times during the financial year viz., 2022-2023 on 13th April 2022, 23rd April 2022, 27th April 2022, 19th May 2022, 06th June 2022, 1st July, 2022, 8th August 2022, 21st August 2022, 17th Sept 2022, 12th Oct 2022, 4th Nov 2022, 29th Dec 2022, 11th Feb 2023 and 27th March 2023.

The intervening gap between two meetings was within the period prescribed by the Companies Act, 2013.

(b) General Meetings:

The Annual General Meeting was held during the financial year on 16th September, 2022. One Extra-Ordinary General Meeting was held on April 29, 2022

14. DIRECTORS (STEWARDS) / KEY MANAGERIAL PERSONNEL:

(a) Changes in the Directorships:

The following are the changes in the Directorships of the Company:

S.No	Name of the Director/Steward	Designation	Appointment
1.	Mr. Manish Jaiswal	Director	Appointed w.e.f. 16 th September 2022
2.	Mr. R. Raghuram Reddy	Director	Appointed w.e.f. 16 th September 2022
3.	Mr. P.S. Reddy	Director	Appointed w.e.f. 16 th September 2022
4.	Mr. Ananath Kishen Rao	Director	Re-appointed w.e.f. 16 th September 2022
5.	Mr. R Rajesh	Director	Ceased w.e.f. 16 th September 2022
6.	Mr. K Bhupal Reddy	Director	Ceased w.e.f. 16 th September 2022
7.	Mr. C.S.Suresh	Director	Ceased w.e.f. 16 th September 2022

(a) Retirement by Rotation:

As per Article 21 of the Articles of Association, Mr. R Surender Reddy Mr. Hari Kishen Gupta, Mr. V Krishna Das, Col S B Nair and Mr. N. Venkataram Narasimha Reddy retire at the ensuing Annual General Meeting and are eligible for reappointment subject to filing of their nominations with the Club as per the Articles of Association

15. COMMITTEES:

The Board constituted various Committees and Sub-Committees from time to time by which the affairs of Club are managed effectively and efficiently. Members may note that for the purpose of bringing and implementing best practices and policies, the Board has requested various industry experts/ eminent professionals to join various Committees in the Club.

The following are the Committees which were constituted pursuant to the **Companies Act, 2013**.

STATUTORY COMMITTEES:

(a) Finance and Audit Committee:

- Mr. R. Surender Reddy - Chairperson, Board of Directors (Stewards)
- Col S B Nair - Member, Elected Director (Steward)
- Mr. V. Krishna Das - Member, Elected Director (Steward)
- Mr. Ramesh Gelli - Member, Ex Chairman, Vysya Bank
- Mr. S S R Koteswara Rao - Invitee

(b) Corporate Social Responsibility Committee:

- Mr. R. Surender Reddy -- Chairperson, Board of Directors (Stewards)
- Col. S. B. Nair -- Member, Elected Director (Steward)
- Mr. Hari Kishen Gupta -- Member, Elected Director (Steward)

During the year under review, there was no change in the constitution of CSR Committee.



OTHER COMMITTEES:

(c) Sub – Committee for General Administration and Business Promotion:

- Mr. R. Surender Reddy - Chairperson
- Mr. Ananth Kishen Rao - Member
- Col. S.B. Nair - Member
- Mr. V. Krishna Das - Member
- Lt. Col. S.L. Reddy - Member
- Mr. R.Raghuram Reddy - Member

(d) Sub-Committee for I.T. :

- Col S B Nair - Chairman
- Mr. R Surender Reddy - Member
- Mr. V Krishna Das - Member
- Lt Col S L Reddy - Member
- Mr. J Vikramdev Rao - Member

(e) Sub-Committee for Racing:

- Lt Col S L Reddy - Chairman
- Mr. V Krishna Das - Member
- Mr. N V R Narasimha Reddy - Member
- Mr. K. Bhupal Reddy - Member

(f) Sub-Committee for OCTC's incl. Malakpet Tote:

- Mr. V Krishna Das - Chairman
- Mr. Ananth Kishen Rao - Member
- Mr. Manish Jaiswal - Member
- Mr. N V R Narasimha Reddy - Member
- Mr. P.S. Reddy - Member

(g) Sub-Committee for Works:

- Mr. Hari Kishen Gupta - Chairman
- Mr. V Krishna Das - Member
- Mr. N V R Narasimha Reddy - Member
- Mr. R Raghuram Reddy - Member

(h) Sub-Committee for Employees Benefits and Policies & Cafeteria:

- Mr. Ananth Kishen Rao - Chairman
- Mr. Manish Jaiswal - Member

(i) Finance Sub-Committee for review of the Internal Auditors Reports:

- Col S B Nair - Chairman
- Mr. V Krishna Das - Member
- Lt Col S L Reddy - Member



(j) Committee for Construction of the Club House at Alijapur, Hyderabad:

➤ Mr. R Surender Reddy	-	Chairperson
➤ Mr. P Anil Kumar Kishen	-	Member
➤ Mr. Ananth Kishen Rao	-	Member
➤ Col S B Nair	-	Member
➤ Mr. Hari Kishen Gupta	-	Member
➤ Mr. V Krishna Das	-	Member
➤ Mr. N V R Narasimha Reddy	-	Member
➤ Mr. R Raghuram Reddy	-	Member
➤ Mr. Ahmed Alam Khan	-	Member
➤ Mr. B Krishnaiah	-	Member
➤ Mr. B.S Reddy	-	Member
➤ Mr. S P Reddy	-	Advisor
➤ Dr Veerendra Kaja	-	Convener

(k) Sub-Committee for Catering:

➤ Mr. P Prabhakar Reddy	-	Chairman
➤ Mr. Nitin S Jaiswal	-	Member
➤ Mr. Syed Nawaz Hussain	-	Member

16. RELATED PARTY TRANSACTION:

The disclosures relating to particulars of contracts or arrangements with related parties referred to in sub-section (1) of Sec.188 in **Form No. AOC-2** pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are not required as all the related party transactions which the Club entered during the financial year under review are neither the transactions which are not at arm's length, nor they are material in nature. However, related party transactions entered during the financial year are disclosed under Note 35 of the financial statements during the year under review.

17. INTERNAL AUDITORS:

M/s P Ramakrishna & Co., Chartered Accountants, Hyderabad, was appointed as Internal Auditors of the Company for FY 2022-23. The Board vide its resolution dated June 24, 2023, has re-appointed the firm as Internal Auditors for FY 2023-24.

18. AUDITORS AND AUDIT REPORT:

- (a) The Joint Statutory Auditors of the Club, M/s Sekhar & Co., Chartered Accountants, (Firm Reg. No. 003695 S) and M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Reg. No. 000459 S) were appointed for a period of five years at the 48th Annual General Meeting of HRC.
- (b) The Audit Report issued by the Statutory Auditors for the financial year ended March 31, 2023, forms part of this Report.

19. QUALIFICATIONS IN AUDITORS REPORT:

COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMERS:

(a) Internal Audit Report:

There are no qualifications or adverse observations in the Internal Audit Report issued by the Internal Auditors for the financial year ended March 31, 2023.



(b) Statutory Auditors:

As there is no qualification, reservation or adverse remark in the reports given by the Internal Auditors and Statutory Auditors, your directors need not provide any clarification on the same.

20. SECRETARIAL STANDARDS:

The Company confirms compliance with the requirements of Secretarial Standard I and Secretarial Standard II.

21. MEMBERSHIP:

As on March 31, 2023, there were 481 Club Members and 452 Stand Members. With deep regret, we record the sad demise of the following Club and Stand Members up to the date of this report

A. Club Members

01. Mr. N.K.Narang	10. Mr. Sunil Nair
02. Mr. D L Yadagiri	11. Mr. Raghubhale Rao
03. Mr. K. Mohan Reddy	12. Mr. G. Harish Chander
04. Mr. K.R Balakrishna	13. Mr. B. Rajendra Babu
05. Dr. A Narasimha Rao	14. Mr. K. Vijaya Rama Rao
06. Mr. S. Veeresham	15. Mr. J. S. Prasad
07. Mr. Sudhir K Mahon	16. Mr. Satish Kondalapudi
08. Mr. Chandrashekar Tatikonda	17. Mr. Ravi Kumar
09. Mr. Rakesh Jhunjhunwala	18. Mr. Sudash Chander Reddy

B. Stand Members

01. Mr. E. P Mathur	03. Mr. Mukundan S Chettiyappa
02. Mr. Enganti Jagapathi Rao	04. Mr. Rafi Ahmed Khan

22. DIRECTOR'S (STEWARDS) RESPONSIBILITY STATEMENT:

As per Section 134(3)(c) of the Companies Act, 2013, the Board of Directors (Stewards) makes the following statement:

- (a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (b) That the Directors (Stewards) have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company (Club) at the end of the financial year and of the surplus of the Company (Club) for that period.
- (c) That the Directors (Stewards) have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company (Club) and for preventing and detecting fraud and other irregularities.
- (d) That the Directors (Stewards) have prepared the Annual Accounts on a going concern basis, and
- (e) That the Directors (Stewards) had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is enclosed herewith and forms part of the report as **Annexure – I**.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

As the Company (Club) is not carrying out any manufacturing activity or any operations, the particulars prescribed under the provision of Section 134(3) (m) of the Companies Act, 2013 read with rules made there under is not applicable.

**(a) Conservation of energy:**

However, to conserve and optimize the use of energy, the Company (Club) has been installing energy efficient equipment and energy efficient lighting systems. Modernized mechanical devices/systems are installed for optimum usage of power and strict controls are exercised for optimum usage of power and fuel.

(b) Technology absorption:

- (i) The efforts made towards technology absorption: **Nil.**
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: **Nil.**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.
- (iv) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

25. FOREIGN EXCHANGE EARNING AND OUTGO:

In compliance with Section 134(3) (m) of the Companies Act, 2013, the information required to be given pertaining to Foreign Exchange earnings and outgo is given in the Notes on Accounts in Note 30

26. HUMAN RESOURCES:

- (a) The Company (Club) continues to enjoy an extremely healthy and cordial relationship with its employees and continues to receive their unstinted support in all matters and affairs of the Company (Club).
- (b) The Company has executed a Memorandum of Settlement with the Hyderabad Race Club Employees Union revising the service conditions of permanent employees covering the period between 1st April 2021 and 31st March 2024.
- (c) The disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the club.

27. DEPOSITS:

Your Company (Club) has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013, read together with the Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

28. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

- (a) The Company (Club) has not received any significant/material orders from the Statutory Regulatory Bodies/Courts/Tribunals which affect the operations/ status of the Company (Club).
- (b) Under the current structure of taxation on wagering in Horse Racing, the provisions relating to the definition of “business” under Clause 17(H) of Section 2 of the Central Goods and Services Tax have been amended and notified as detailed hereunder, effective from 1st February 2019:

EXISTING	REVISED
Services provided by a Race Club by way of Totalizator or a license to bookmaker in such Club.	Activities of a Race Club including by way of Totalizators or a license to bookmaker or activities of a licensed bookmaker in such Club.

29. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

- (a) Your Company (Club) believes that internal control is a necessary concomitant of the principle of governance. The freedom of management should be exercised within the framework of appropriate checks and balances. Your Company (Club) remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.



- (b) Your Company (Club) has a strong and effective Internal Audit carried out by an independent firm of Chartered Accountants which review the operational systems as well as Management Procedures periodically and also the effectiveness and efficiency of the internal control systems and their adequacy to ensure that all assets are protected and safe guarded against loss and that the financial operations and transactions are complete and accurate.
- (c) The Internal Audit functions cover the routine audit of all the departments at frequent and regular intervals depending on the nature of internal controls that are in place. This audit ensures promoting operational efficiencies and compliance with various legal and regulatory provisions. The Audit Reports of the Internal Auditor along with the actions taken/proposed to be taken by the Management are placed before the Audit Committee for their review and suggestions before placing the same before the board.

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

31. FINANCIAL PERFORMANCE / FINANCIAL POSITION OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES:

The disclosures in Form AOC-1 [Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014] is enclosed as Annexure-II. However, as informed in point 4 (d) of this Report, the Financial Statements of HRC Recreation Chambers are not required to be consolidated with the Company.

32. RISK MANAGEMENT POLICY:

- (a) The Company (Club) has a Risk Management Policy. However, in the view of the Management, the occurrence of risks threatening the existence of the Club is very minimal.
- (b) The impact of GST on wagering in Horse Racing poses a severe financial challenge to the Racing Industry both on a short term and long-term basis, striking at the very viability of Racing.

33. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

- (a) The Company has instituted process and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. The Company has zero tolerance towards any incident which contradicts its sustainability policies.
- (b) There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (c) The disclosure pertaining to Complaints are given under:

No. Of Complaints received during the year	: Nil
No. Of Complaints disposed- off during the year	: Nil
No. Of Complaints pending as on end of financial year	: Nil

34. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

35. HRC CHARITABLE TRUST:

The HRC Eye Center established through HRC Charitable Trust is functioning at the 2nd Floor of Ramdevrao Hospital, in terms of an understanding with 'Shivananda Rehabilitation Home' to run the Eye Centre. The Managing Committee of the HRC Eye Centre and the Trustees of the Hyderabad Race Club Charitable Trust record their deep appreciation and gratitude to all its members in the support extended for providing the best of eye care services to the poor and needy.



36. CORPORATE GOVERNANCE:

As part of good governance, the Club voluntarily complies with Corporate Governance Practices, detailed in Annexure-IV to this report.

37. GENERAL

Your directors state that no disclosure or reporting is required in respect of following items as there were no transactions on these items during the year under review:

- No frauds were reported by the Auditors during the year under review.
- Maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required by the Company.

38. RACING:

The horse to stake ratio offered at the Hyderabad Race Club is the highest in the country, during the monsoon season it was ₹ 3,07,801/- per horse participating in the race and in winter season it was ₹ 3,52,174/- per horse participating in the race. . The Race Club has been able to garner the support and sponsorship for the following races:

Hyderabad Monsoon Races 2022

- K Mahipathi Rao Memorial Golconda Juvenile Million by Mr. K T Mahi
- The Y Shanker Rao Memorial Deccan Fillies Championship Stakes (Grade -III) by M/s. Razor Gaming Private Limited
- The Race 2 Win.Com Deccan Colts Championship Stakes (Grade-III) by M/s. Razor Gaming Private Limited
- The Coromandel Gromor Deccan Derby (Grade -I) by M/s Coromandel International Limited

Hyderabad Winter Races 2022 – 2023

- The Dodla Pratap Chander Reddy Memorial Million by M/s Pratap Raceciment Private Limited
- The Deccan Bookmakers Association Darley Arabian Million (Grade -III) by M/s. Deccan Bookmakers Association
- The Wolf 777 Golconda Derby Stakes (Grade - I) by M/s. Wolf 777
- The Deccan Bookmakers Association Alcock Arabian Million (Grade -III) by M/s Deccan Bookmakers Association
- The Royal Arion Club Million by M/s Royal Arion Club

39. TRAINERS AND JOCKEYS:

- There were 22 'A' Licensed Trainers and 16 "B" Licensed Trainers at Hyderabad Race Club.
- Around 69 Jockeys including 31 'A' Licensees, 33 'B' Licensees and 5 Apprentice Jockeys were licensed to ride at Hyderabad.
- Some of the leading outstation Trainers and Foreign Jockeys are expected to participate in the Classic/Graded races during the 2023-24 season.
- The average stakes paid to Trainers and Jockeys at Hyderabad Race Club during the year 2022-23 was as follows: -

			(₹ in lakhs)	
			Average	
Trainers:	Days	Stakes	Per person	Per Racing day
Monsoon	25	118.87	4.75	4.24
Winter	27	151.47	5.61	5.04
Jockeys:				
Monsoon	25	89.15	3.57	3.18
Winter	27	113.61	4.21	3.79



40. APPRENTICE JOCKEYS TRAINING SCHOOL:

9 boys are undergoing training as apprentice jockeys in the HRC Apprentice Jockeys Training School, and this is one of its kind school in our country.

41. BREEDING ACTIVITY:

- (a) There was no breeding activity during the year.
- (b) In case of Horses bred by the Company and gifted Horses, the particulars are entered in the Horse Register, without any valuation and the proceeds/receipts are being accounted by the Company as and when they are sold/leased.

42. RACING AND OTHER ACTIVITIES:

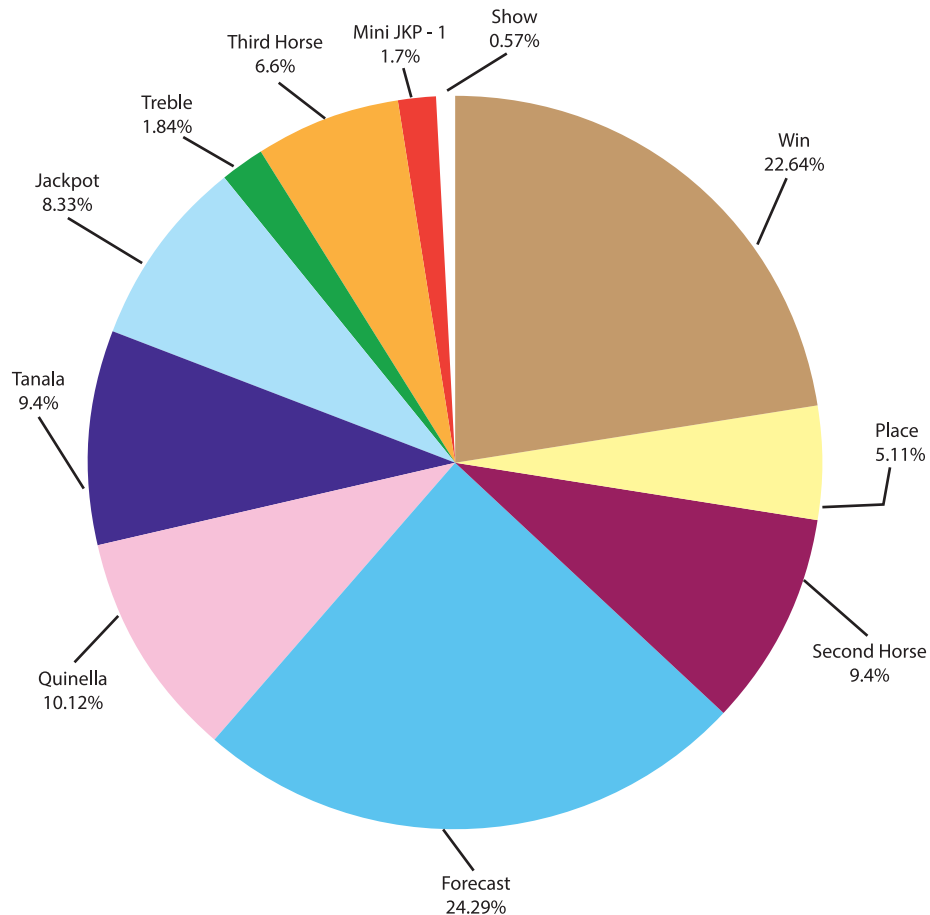
Statistical Highlights are as under:

a)	No. of Meetings:	2022-23	2021-22	2020-21	2019-20	2018-19
	Monsoon Race days	25	19	-	27	28
	Winter Race days	27	29	13	26	33
	Intervenue Betting	201	111	80	276	273
	Simultaneous IVB Races with Hyderabad Races					
	i) Pune	4	3	-	4	1
	ii) Mumbai	5	4	9	9	12
	iii) Kolkata	3	5	-	1	3
	iv) Delhi	1	-	-	3	5
	v) Madras	2	-	-	1	1
	vi) Mysore	-	-	-	-	1
	Total	268	171	102	347	357
b)	No. of Horses Participated:					
	Monsoon Races	408	416	-	467	470
	Winter Races	452	527	522	623	623
c)	Average Attendance:					
	Monsoon Races	2,258	4,299	-	5,994	6,141
	Winter Races	2,062	2,914	3,012	5,852	6,072
	Intervenue Betting	1,609	1,205	842	3,751	3,820
d)	Stakes/Subsidies/Concessions: (Amounts in Lakhs)					
	Stakes to owners	2,374.55	1,812.14	794.01	2,329.37	2,596.87
	Cups	36.95	25.40	6.50	49.38	66.71
	Subsidies/Concessions	71.00	64.94	235.62	98.08	59.52
	Turf Invitation Cup Expenses (Net)	-	-	1.25	-	26.79
	Contribution for Indian Turf Invitational Races	35.50	39.25	-	37.06	-
	Total	2,518	1,941.73	1,037.38	2,513.89	2,749.89



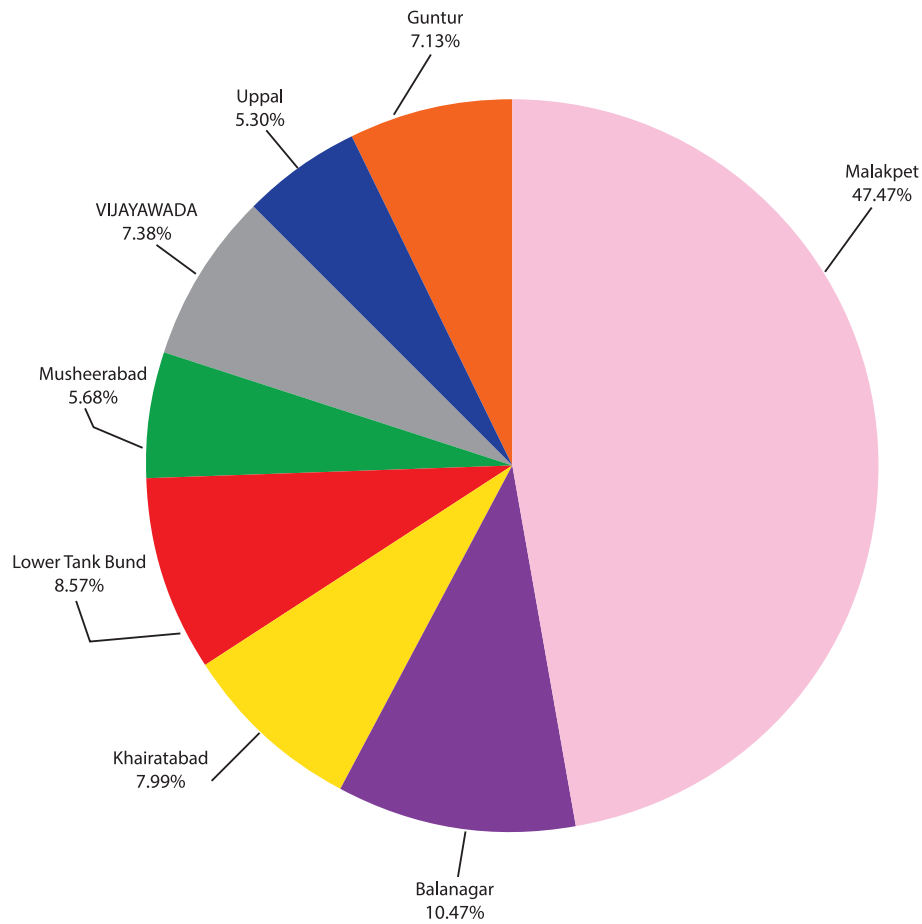
e) Gross Collections from:	2022-23	2021-22	2020-21	2019-20	2018-19
Totalizators	19,679.13	11,169.74	6,916.71	52,144.33	63,210.55
Online	15,706.27	16,626.43	3,600.29	-	-
Bookmakers	2,999.12	1,549.92	238.72	3,481.11	3,685.30
Total	38,384.52	29,346.09	10,755.72	55,625.44	66,895.85
f) Taxes Paid to State Government					
GST and Other Taxes	3,594.99	2,594.95	743.54	4,823.64	4,970.87
Total	3,594.99	2,594.95	743.54	4,823.64	4,970.87
g) Taxes paid to Central Government:					
Corporate Tax	2,095.84	1,554.46	150.00	1,075.94	5,089.83
Service Tax*		-	-	-	-
TDS on Horse Winnings & Others	437.72	365.28	187.21	337.87	360.93
Total	2,533.56	1,919.74	337.21	1,413.81	5,450.76

h) Receipts from Tote Pools for the year





i). Receipts from Tote Centers.



j) Sources and Application of Funds:(Amount in lakhs)

(a)	Sources of Income	2022-2023		2021-2022	
		in Lakh	%	in Lakh	%
1	Tote Pools Offline	6,903.61	39.68	3,142.85	23.77
2	Tote Pools Online App Based	2,384.39	13.7	4,453.74	33.68
3	Other Racing Income	5,372.11	30.88	3,126.87	23.65
4	Income from Investments and Others	2,263.94	13.01	2,045.12	15.47
5	Other Miscellaneous Income	475.36	2.73	455.41	3.43
	Total	17,399.41	100	13,223.99	100
(b)	Application of Income	2022-2023		2021 - 2022	
		in Lakh	%	in Lakh	%
1	Stakes & Subsidies	3,582.86	33.46	3,030.24	37.65
2	Establishment	1,370.10	12.8	1,151.99	14.32
3	Share of Income	160.31	1.5	11.26	0.14
4	Other Expenses	2,885.53	26.95	1,799.86	22.36
5	Finance Charges	2.09	0.02	2.1	0.02
6	Depreciation	610.01	5.7	497.93	6.19
7	Tax Provision	2,095.84	19.57	1,554.47	19.32
	Total	10,706.75	100	8,047.85	100



Stakes Earned		2022-23		2021-22		2020-21		2019-20		2018-19	
		No	%	No	%	No	%	No.	%	No.	%
1	Upto` 20,000	11	1.77	36	5.40	36	6.62	23	3.62	18	2.12
2	>` 20,000 to <` 40,000	19	3.05	27	4.05	28	5.15	25	3.94	27	3.18
3	40,000 & above	422	67.7	431	64.62	309	56.80	469	73.86	511	72.18
4	Not won any Stakes	171	27.48	173	25.94	171	31.43	118	18.58	155	21.89
Total		623	100	667	100	544	100	635	100	708	100

43. FUTURE OUTLOOK:

- (a) The Company is committed to extending the arrangement of retaining income earned on horse racing transactions conducted inter se on horse racing between Clubs with Bangalore Turf Club and Madras Race Club
- (b) The proposal of the Government of Telangana to relocate the Race Course is pending in the absence of suitable alternate location being identified by the Government.

44. INFRASTRUCTURE DEVELOPMENT:

- (a) The Club has started the construction activity of the Club House buildings at the Alijapur site and the same is going on at full swing and the structure will be ready by December 2023 and thereafter the interior works will start and MEP works with a target to finish all works by October/November 2024. All the vendors/contractors are on board and for other packages vendor/contractor selection process is in progress. The total area of the project built up area is 6,25,000 sft.
- (b) The Club has introduced the Gmax Horse Monitoring System which is an advanced solution that efficiently tracks and monitors every horse in a race, providing real-time data such as speed, position, stride length, running order, and timing. Endorsed by racing regulators, this state-of-the-art system meets the demands of horse racing. With low-latency data streaming, the system enhances the spectator experience through dynamic graphics and animations on live TV, display boards, and mobile/internet platforms. It also offers valuable post-race insights for horse performance and welfare, benefiting owners, trainers and patrons. Recognized as the most widely deployed race monitoring system, Gmax Race is trusted by regulators, broadcasters, and racing professionals worldwide. Its data-driven approach revolutionizes the industry, facilitating informed decision-making and improving horse racing quality. Hyderabad Race Club takes pride in pioneering technologies that enhance user experience and deliver effective horse performance data by embracing innovations, the Club remains committed to providing top-notch services for horse enthusiasts in India, raising the bar for the industry and HRC is the first Club to bring this technology to India.
- (c) Hyderabad Race Club has recently implemented a notable change by replacing the old electronic entry gates with state-of-the-art stainless steel dual turnstile gates. These gates are meticulously crafted using premium-grade stainless steel materials, guaranteeing exceptional durability and top-notch quality. This upgrade has resulted in a remarkable improvement in the performance of the turnstile entry gates, contributing to a smoother and more efficient racing experience at the Club.
- (d) The Club has renovated all the restrooms in all the floors of Members Stand, renovated restrooms at the ground floor in Owners stand and in VIP area and provided new restrooms in Owners stand first floor. Also replaced the benches with new durable material in the Grand Stand first floor.
- (e) The Club has renovated three blocks of two-tier stables, each floor having a capacity of 70 stables with utility rooms and modern facilities.
- (f) Reconstruction of compound wall replacing old masonry wall with RCC walls for a length of 195 running meters has been done.
- (g) The Club has also undertaken painting for both internal and external areas of all Buildings and eight blocks of old two-tier Stables.
- (h) Furnished members stand and owners stand cafeteria with new furniture.



- (i) Replaced old lifts with new lifts in Members stand and Grand stand and work in progress for renovation of lifts in paddock building.
- (j) Renovated Sauna bath in Jockeys room.

45. RACING:

- (a) The Club has framed the highest number of race days and increased the stake money this year which is still the highest in the Country.

46. ACKNOWLEDGEMENT:

The Board of Directors (Stewards) wish to place on record their appreciation and thanks to the following sponsors for their support in sponsoring the races and events during the year 2022-23

1. Mr. K T Mahi
2. M/s. Razor Gaming Private Limited
3. M/s. Coromandel International Limited
4. M/s. Pratap Raceciment Private Limited
5. M/s. Deccan Bookmakers Association
6. M/s. Royal Arion Club



The Board of Directors (Stewards) extend their congratulations to the following for their achievement during the Hyderabad Monsoon Races 2022

Leading Owner:	Dr. M.A.M. Ramaswamy Chettiyar of Chettinad Charitable Trust Rep. by Dr. A. C. Muthiah
Leading Individual Owner: (Horses based at Hyderabad)	Dr. M.A.M. Ramaswamy Chettiyar of Chettinad Charitable Trust Rep. by Dr. A. C. Muthiah
Leading Joint Owners:	Mr. Rajan Aggarwal, M/s. Rapar's Galloping Stars LLP., Mr. Gautam Aggarwal, Mr. Joydeep Datta Gupta & M/s. Arun Alagappan Racing LLP
Leading Joint Owners: (Horses based at Hyderabad)	M/s. P Prabhakar Reddy & Rama Seshu Eyunni
Champion Trainer:	Mr. R. H. Sequeira.
Champion Jockey:	Mr. Akshay Kumar.
Champion Indian Jockey/Apprentice Jockey: (Claiming Allowance):	Mr. R.S Jodha
Horse of the Season:	dkb g (4 years) Black Onyx – R 72 (Stardan (IRE) – Dancing Dame) 5 wins – out of 5 starts
Owned by:	Mr. Rajeev Sharma
Trained by:	Mr. Magan Singh Parmar
Champion Horse:	b.c. SALENTO (3 years) R-78 (Speaking of which (IRE) – Peninsula)
Owned by :	Mr. Rajan Aggarwal, M/s. Rapar's Galloping Stars LLP, Mr. Gautam Aggarwal, Mr. Joydeep Datta Gupta & M/s. Arun Alagappan Racing LLP
Trained by :	Mr. Arjun Mangalorkar AND b.g. THEON (5 Years) R-120 (Multidimensional (IRE) – Fontainebleau)
Owned by:	Miss Ameeta Mehra & Mrs. Liane Luthria
Trained by :	Mr. P. Shroff



The Board of Directors (Stewards) extend their congratulations to the following for their achievement during the Hyderabad Winter Races 2022-23

Leading Owner:	Mr. Ravinder Reddy Male
Leading Individual Owner: (Horses based at Hyderabad)	Mr. Ravinder Reddy Male
Leading Joint Owners:	Mr. Rajan Aggarwal, M/s. Rapar's Galloping Stars LLP, Mr Gautam Aggarwal, Mr. Joydeep Datta Gupta & M/s.Arun Alagappan Racing LLP
Leading Joint Owners: (Horses based at Hyderabad)	Mr. Soma Raju Adipudi, Mr. Chitturi Krishna Kannaiah Mr. Sureshbabu Daggubati & Mr. Venkatesh Daggubati
Champion Trainer:	Mr. R.H Sequeria
Champion Jockey:	Mr. Akshay Kumar.
Champion Indian Jockey/Apprentice Jockey: (Claiming Allowance)	Mr. Kuldeep S Mr. Jodha R.S
Horse of the Season:	b c (3 years) HIGH COMMAND (Leitir Mor (IRE) – Heiress) 3 wins – out of 4 starts
Owned by :	Col.S.B. Nair
Trained by :	Mr.L.V.R Deshmukh
Champion Horse:	b.c SALENTO (4 years) R-78 (Speaking of which (IRE) – Peninsula)
Owned by :	Mr. Rajan Aggarwal, M/s. Rapar's Galloping Stars LLP, Mr. Gautam Aggarwal, Mr. Joydeep Datta Gupta & M/s. Arun Alagappan Racing LLP
Trained by :	Mr. Arjun Mangalorkar

We place on record our deep appreciation, gratitude and sincere thanks to all Members of the Club for their continued cordial support and co-operation throughout the year. We believe that this has resulted in the Club achieving high standards and reputation which it enjoys today and we seek your continued relentless support in future as well, to take the Club to greater heights.

The Board of Directors (Stewards) further thank all Racing Patrons for showing continued support towards horse racing sport at the, Malakpet Race Course and its Off-Course Tote Centers located in Andhra Pradesh, and the twin cities of Hyderabad and Secunderabad.



The Board of Directors (Stewards) place on record their deep appreciation and gratitude for the cooperation extended by the Central and State Government Authorities including Police, Local Bodies, all the Turf Authorities of India, Donors of Cups/Trophies, Bankers, Business Associates, Race Horse Owners, Racing Professionals, Service Providers, Advisors and Consultants.

The Board of Directors (Stewards) would wish to thank all the Bookmakers for their support and cooperation extended during the year.

The Board of Directors (Stewards) further wish to express their appreciation for the dedicated work rendered by the Officials and Staff in a harmonious and co-operative environment. It is through their efforts that the Club has reached greater heights and the racing fraternity has been able to enjoy good competitive racing at our center and we hope this will continue in the future.

In conclusion, the Board of Directors (Stewards) would finally wish to thank the Committee Members for their valuable guidance in implementing various policies, systems and procedures and also for their advice in various matters.

Your Directors thank the Banks, Financial Institutions, Business Associates, Customers, Government of India, State Governments in India, Regulatory and Statutory Authorities, Shareholders and the Society at large for their valuable support and co-operation.

Your Directors also thank the Employees of the Company for their continued contribution, commitment and dedication.

**By Order of the Board of Directors / Stewards
for Hyderabad Race Club**

Place: Hyderabad
Date: 24.06.2023

R. Surender Reddy
Chairperson
DIN: 00083972

**EXTRACT OF ANNUAL RETURN****FORM NO. MGT 9 as on financial year ended on 31.03.2023**

[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:

I	CIN	:	U92411TG1971NPL001403
II	Registration Date	:	15/04/1971
III	Name of the Company	:	Hyderabad Race Club
IV	Category/Sub-category of the Company	:	Company Limited by Guarantee/Non-Government Company
V	Address of the Registered office & contact details	:	Race Course, 16-10-1/A/1, Malakpet, Hyderabad, Telangana- 500036 Mail ID: secy@hydraces.com
VI	Whether listed Company	:	No
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Operation of sports facilities	93110	81.09

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1	HRC Recreation Chambers	U92490TG2018NPL126656	Subsidiary	-	2(87)

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

- (a) Category-wise Share Holding: Not Applicable as the Club is limited by guarantee.
(b) Shareholding of Promoters: Not Applicable as the Club is limited by guarantee.
(c) Change in Promoters' Shareholding (please specify, if there is no change: Not Applicable as the Club is limited by guarantee.
(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs): Not Applicable as the Club is limited by guarantee.
(e) Shareholding of Directors and Key Managerial Personnel: Not Applicable as the Club is limited by guarantee.

V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment: Nil**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

There were no penalties/punishments/compounding offences for the year ended March 31, 2023.

By Order of the Board of Directors / Stewards
for Hyderabad Race ClubR. Surender Reddy
Chairperson
DIN: 00083972Place: Hyderabad
Date: 24.06.2023

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A"- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	HRC Recreation Chambers
2.	The date since when subsidiary was acquired	September 12, 2018 ¹
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2022, to March 31, 2023 ²
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
5.	Share capital	Company limited by guarantee
6.	Reserves & surplus	(22.73)
7.	Total assets	10.56
8.	Total Liabilities	33.29
9.	Investments	Nil
10.	Turnover	Nil
11.	Surplus(Deficit) before taxation	(8.73)
12.	Provision for taxation written back	0.01
13.	Profit after taxation	(8.72)
14.	Proposed Dividend	Not Applicable ³
15.	% of shareholding	Not Applicable ⁴

Part "B"- Associates and Joint Ventures: Not Applicable

for and on behalf of the Board of Stewards

R SURENDER REDDY
Chairperson
DIN:00083972

Stewards

COL.S.B.NAIR
DIN: 00534863

LT.COL.S.L.REDDY
DIN:06836771

DR. VEERENDRA KAJA
Chief Operating Officer

CA. ARUNA DAGA
General Manager (F&A)

PLACE: Hyderabad
DATE: 24.06.2023

1. Subsidiary since incorporation by virtue of Control as per Articles of Association of HRC Recreation Chambers
2. Reporting period of HRC Recreation Chambers is the same as that of Hyderabad Race Club
3. Since HRC Recreation Chambers is a Section 8 Company which is restricted to transfer its surplus, if any
4. Since HRC Recreation Chambers is a Subsidiary by virtue of Control



**Annual Report on CSR Activities for Financial Year 2022-23
Commencing after 1st Day of April 2022**

1. Brief outline on CSR Policy of the Company: At Hyderabad Race Club, CSR is no mere acronym, is an integral part of the Hyderabad Race Club culture imbibed by one and all involved in the working of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate by actively contributing for health care, promoting education, sanitation and animal welfare. In doing, so to build a better, sustainable way of life for the weaker sections of society and raise the country’s human development index.

2. Composition of CSR Committee

S.No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Mr. R Surender Reddy	Chairperson	1	1
2	Mr. Hari Kishen Gupta	Member	1	1
3	Col. S. B. Nair	Member	1	1

3. Provide the web link where the Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – <https://www.hydraces.com>

4. Provide the executive summary along with web link (s) of the Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **Not Applicable**

- 5.
- a. Average net profit of the company as per section 135(5): Nil
 - b. Two percent of average net profit of the Company as per sub-section (5) of section 135: Nil
 - c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 - d. Amount required to be set off for the financial year, if any: Nil
 - e. Total CSR obligation for the financial year [5(b)+5(c)-5(d)]: Nil

- 6.
- a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): NIL
 - b. Amount spent in Administrative Overheads: Nil
 - c. Amount spent on Impact Assessment, if applicable: Nil
 - d. Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: Nil
 - e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in Rs. In lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
NIL	NIL	NA	NA	NIL	NA



f. Excess amount for set off, if any:

S. No	Particulars	₹ in lakhs
(1)	(2)	(3)
	Two percent of average net profit of the company as per section 135(5)	NIL
	Total amount spent for the Financial Year	NIL
	Excess amount spent for the financial year [1-2]	NIL
	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NIL
	Amount available for set off in succeeding financial years (3-4)	NIL

7. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)
S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under Section 135	Amount spent in the reporting Financial Year		Amount remaining to be spent in succeeding financial years.	Deficiency, if any
				Name of the Fund Amount (in Rs)	Date of transfer		
1	2019-20	83.12	NIL	NIL	NIL	NIL	-
2	2020-21	17.47	NIL	NIL	NIL	NIL	-
3	2021-22	NIL	NIL	100.59	05.01.2022	NIL	-
Total		100.59	NIL			NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
NA							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: The Company has incurred losses for the three preceding financial years 2019-20, 2020-21 and 2021-22.

SD/-
R Surender Reddy
Chairperson
DIN : 00083972

SD/-
Col. S. B. Nair
Member
DIN : 00534863



Corporate Governance Report

1. Company's philosophy on Code of Corporate Governance:

The Club has always been adhering to good corporate governance practices and maintaining the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations. The Club believes that high standards of Corporate Governance are critical to ensure success. We feel proud that we have laid a strong foundation stone for good governance long back. The Club has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. The Club's mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Club's philosophy on Corporate Governance aims at facilitating effective management in the conduct of business and in meeting the objectives of enhancing value of the Club to its stakeholders and to provide good management. The Club endeavors to achieve optimum performance at all levels of management by adhering to good corporate governance practices, namely, the following:

- A. Fair and transparent business practices.
- B. Effective management control by Board.
- C. Compliance of laws.
- D. Transparent and timely disclosure of financial and management information.
- E. The Management is the trustee of the stakeholders and not the owners;
- F. Clearly distinguish between personal conveniences and corporate resources;
- G. Have a simple and transparent Corporate structure driven solely by business needs;

We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company (Club). As on March 31, 2022, the Board consists of 11 Directors (Stewards) out of which Nine (9) Directors (stewards) are elected by the members, two (2) are nominated by the State Government of Telangana.

The practice of Corporate Governance in Hyderabad Race Club takes place at three interlinked levels:

- Strategic management by the Board of Directors (Stewards);
- Inputs on Strategic decisions to the Board of Directors (Stewards) by the respective sub-Committees;
- Executive management by the Executive Committee

The three-tier governance structure ensures that:

- (a) Strategic management (on behalf of the members), can be conducted by the Board with objectivity, thereby sharpening accountability of management;
- (b) Sub-Committees of the Club, uncluttered by the day-to-day tasks of executive management, remain focused and energized; and
- (c) Executive management of the Club, free from collective strategic responsibilities for the Club as a whole, focuses on enhancing the quality, efficiency and effectiveness of the administration of the Club.

The core roles of the key entities flow from this structure. The core roles, in turn determine the core responsibilities. In order to discharge such responsibilities, each department is empowered formally with requisite powers.

The structure, processes and practices of governance are designed to support effective management of multiple departments while retaining focus on each one of them.



2. Directors (Stewards)

Chairperson: The non-executive Chairperson of the Board ('The Chairperson') is the leader of the Board of Directors (Stewards). As Chairperson, he fosters and promotes the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company (Club) and all its stakeholders. The Chairperson primarily ensures that the Board provides effective governance for the Company (Club). In doing so, the Chairperson will preside at meetings of the Board and at meetings of the stakeholders of the Company (Club).

The Chairperson takes the lead role in managing the Board and facilitating effective communication among the Board Members. The Chairperson provides independent leadership to the Board, identify guidelines for the conduct and performance of Directors (Stewards), and oversees the management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

Board of Directors (Stewards): The primary role of the Board is that of trusteeship to protect and enhance member value through strategic supervision of the Race Club. The Board also provides direction and exercises appropriate control to ensure that the Club is managed in a manner that fulfills Members' aspirations and societal expectations.

Attendance of Directors (Stewards) at board meetings conducted between April 01, 2022 to March 31, 2023:

S. No	Name of the Director (Steward)	No of Meetings conducted	No. of Meetings Attended
1	Mr. R. Surender Reddy, Chairperson	14	14
2	Mr. Ananth Kishen Rao	14	10
3	Mr. P. Anil Kumar Kishen	14	01
4	Col. S. B. Nair	14	12
5	Mr. K Bhupal Reddy (Upto 16 th Sep 2022)	08	0
6	Mr. Hari Kishen Gupta	14	11
7	Mr. V. Krishna Das	14	09
8	Mr. N V R Narasimha Reddy	14	12
9	Mr R Raghuram Reddy (w.e.f 16 th Sep 2022)*	06	04
10	Mr. R. Rajesh (Upto 16 th Sep 2022)	08	06
11	Lt. Col. S. L. Reddy	14	12
12	Mr. C. S. Suresh (Upto 16 th Sep 2022)	08	06
13	Mr P S Reddy (w.e.f 16 th Sep 2022)*	06	05
14	Mr Manish Jaiswal (w.e.f 16 th Sep 2022)*	06	05

** Inducted to the Board w.e.f. 16th Sep 2022.*

3. Committees and Sub-Committees:

The details of Committees constituted under the **Companies Act, 2013** is detailed under point no.15 of the Report of the Board. The following are the other Sub-Committees for the operations of the club:

- Board of Appeal.
- Finance and Audit Committee
- Corporate Social Responsibility Committee
- Sub-Committee for General Administration & Business Promotion
- Sub-Committee for Information Technology (IT)
- Sub-Committee for Racing
- Sub-Committee for OCTC's including Malakpet Totalizer.
- Sub-Committee for Employee Benefits and Cafeteria.



- Sub-Committee for Works
- Committee for Construction of Club house at Alijapur, Hyderabad.
- Finance Sub-Committee for review of Internal Audit report
- Sub- Committee for catering.

The primary role of the above Sub-Committees is to provide strategic inputs to the Board in managing the Club's businesses and operate under the strategic supervision and control of the Board. These sub-Committees are constituted with Directors (Stewards), proficient members of the Club and eminent professionals:

Executive Committee (EC): The primary role of the Executive Committee is executive management of the business to realize tactical and strategic objectives in accordance with Board approved plan. Executive Committee is chaired with the higher officials of the Club.

The Board of Directors (Stewards) wish to place on record their deep appreciation for the advice and help rendered by the Members of the Committees/Sub-Committee and Internal Auditors.

**By Order of the Board of Directors / Stewards
for Hyderabad Race Club**

**R. Surender Reddy
Chairperson
DIN: 00083972**

**Place: Hyderabad
Date: 24.06.2023**



Independent Auditors Report & Financial Statements



SEKHAR & CO

Chartered Accountants
133/4, Rastrapathi Road
Secunderabad – 500 003

M.BHASKARA RAO & CO

Chartered Accountants
5-D, Fifth Floor, Kautilya,
6-3-652, Somajiguda,
Hyderabad – 500 082

INDEPENDENT AUDITORS' REPORT

To the Members,
Hyderabad Race Club
Malakpet,
Hyderabad - 500 036

Report on the Audit of Standalone Financial Statements

Opinion

We have audited accompanying standalone financial statements of **Hyderabad Race Club** (“the Company”), comprising of the Balance Sheet as at March 31, 2023, the Statement of Income and Expenditure and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Surplus for the year and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the standalone financial statements and Auditors' Report Thereon

The Company's management and Board of Directors (Stewards) are responsible for the other information. The other information comprises the information included in the Board's (Stewards) Report, Corporate Social Responsibility Report and Corporate Governance Report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we perform, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

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

The Company's Board of Directors (Stewards) are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 as amended framed thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to



events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. Since the Company is licenced to operate under Section 8 of the Act, the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act is not applicable to the Company. Accordingly, our report does not include a Statement on the matters specified in Paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Income and Expenditure and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rules issued thereunder.
 - e) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors of the Company, none of the directors (Stewards) are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; in our opinion the provisions of Section 197(16) are not applicable to the Company.
 - h) 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 24 to Financial Statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. The Company has not declared or paid any dividend during the year.
- vi. With respect to maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable since Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable with effect from 1st April 2023.

for Sekhar & Co
Chartered Accountants
Firm Regn No: 003695 S

Mrudulatha Devdas
Partner
Membership No. 229657

UDIN: 23229657BGXHHM2252

Place : Hyderabad
Date : June 24, 2023

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Regn No: 000459 S

M. V. Ramana Murthy
Partner
Membership No. 206439

UDIN: 23206439BGSWWV8260



ANNEXURE “A” TO Independent Auditors’ Report on the standalone financial statements (Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of Hyderabad Race Club)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Financial Statements of **Hyderabad Race Club** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date, (‘Financial Statements’)

Management’s Responsibility for Internal Financial Controls

The Board of Directors (Stewards) of the Company is responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting criteria established by the Company 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements of the Company 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 (ICAI) 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 with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 audit opinion on the internal financial controls system with reference to Financial Statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition 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 (Stewards) 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 with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023 based on the internal financial control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for Sekhar & Co
Chartered Accountants
Firm Regn No: 003695 S

Mrudulatha Devdas
Partner
Membership No. 229657

UDIN: 23229657BGXHHM2252

Place : Hyderabad
Date : June 24, 2023

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Regn No: 000459 S

M. V. Ramana Murthy
Partner
Membership No. 206439

UDIN: 23206439BGSWWV8260

**HYDERABAD RACE CLUB**

CIN : U92411TG1971NPL001403

BALANCE SHEET AS AT MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	---	---
Reserves and Surplus	4	28,369.89	21,312.51
Sub-Total		28,369.89	21,312.51
Non Current Liabilities			
Long Term Provisions	5	32,033.12	35,993.93
Sub-Total		32,033.12	35,993.93
Current Liabilities			
Trade Payables	6		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of Creditors other than micro enterprises and small enterprises		1,684.28	1,413.56
Other Current Liabilities	7	1,314.75	1,291.00
Short Term Provisions	8	3,706.22	3,038.09
Sub-Total		6,705.25	5,742.65
TOTAL		67,108.26	63,049.09
ASSETS			
Non Current Assets			
Property, Plant and Equipment and Intangible Assets	9		
Property, Plant and Equipment	9A	20,222.60	19,883.90
Intangible Assets	9B	13.69	28.77
Capital Work-in-progress	9C	2,584.18	898.34
Investments	10	10,054.36	9,263.72
Deferred Tax Asset (Net)	11	5,404.37	6,284.22
Long Term Loans and Advances	12	437.32	435.56
Other Non Current Assets	13	3,631.53	2,847.79
Sub-Total		42,348.05	39,642.30
Current Assets			
Inventories	14	144.32	123.54
Trade Receivables	15	1,036.36	709.90
Cash and Bank Balances	16	21,895.30	22,238.82
Short Term Loans and Advances	17	1,428.79	238.25
Other Current Assets	18	255.44	96.28
Sub-Total		24,760.21	23,406.79
TOTAL		67,108.26	63,049.09

Corporate Information and Significant Accounting Policies 1 & 2
Accompanying Notes form an integral part of the Financial Statements

As per our Report of even date
for **SEKHAR & CO.**,
Chartered Accountants
Firm Reg. No. 003695 S

for **M. BHASKARA RAO & CO.**,
Chartered Accountants
Firm Reg. No. 000459 S

for and on behalf of the Board of Stewards
R SURENDER REDDY
Chairperson
DIN:00083972

MRUDULATHA DEVDAS
Partner
Membership No. 229657

M V RAMANA MURTHY
Partner
Membership No. 206439

Stewards
COL.S.B.NAIR
DIN: 00534863

CA. ARUNA DAGA
General Manager (F&A)

DR. VEERENDRA KAJA
Chief Operating Officer

LT.COL.S.L.REDDY
DIN:06836771

PLACE: Hyderabad
DATE: 24.06.2023



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2023
 (All Amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No	Year Ended March 31, 2023	Year Ended March 31, 2022
INCOME			
Revenue from Operations	19	14,660.11	10,723.46
Other Income	20	2,739.30	2,500.53
TOTAL		17,399.41	13,223.99
EXPENDITURE			
Stakes, Subsidies/Concessions & Other Racing Expenses	21	3,582.86	3,030.24
Share of Income to other Centers		160.31	11.26
Establishment	22	1,370.10	1,151.99
Finance Charges		2.09	2.10
Other Expenses	23	2,885.53	1,799.86
Depreciation	9	610.01	497.93
GST Provision (Refer Note 26)		---	7758.97
TOTAL		8,610.90	14,252.35
"Surplus / (Deficit) for the year before Tax"		8,788.50	(1,028.36)
Provision for Taxation			
- Current Tax		(2,095.84)	(1,554.47)
- Deferred Tax		(879.85)	1,655.18
- Prior Years Tax		881.58	---
Surplus / (Deficit) for the year after Tax		6,694.38	(927.65)

Corporate Information and Significant Accounting Policies 1 & 2
 Accompanying Notes form an integral part of the Financial Statements

As per our Report of even date

for **SEKHAR & CO.,**
 Chartered Accountants
 Firm Reg. No. 003695 S

for **M. BHASKARA RAO & CO.,**
 Chartered Accountants
 Firm Reg. No. 000459 S

for and on behalf of the Board of Stewards
R SURENDER REDDY
 Chairperson
 DIN:00083972

MRUDULATHA DEVDAS
 Partner
 Membership No. 229657

M V RAMANA MURTHY
 Partner
 Membership No. 206439

Stewards
COL.S.B.NAIR
 DIN: 00534863

CA. ARUNA DAGA
 General Manager (F&A)

DR. VEERENDRA KAJA
 Chief Operating Officer

LT.COL.S.L.REDDY
 DIN:06836771

PLACE: Hyderabad
 DATE: 24.06.2023

**HYDERABAD RACE CLUB**

CIN : U92411TG1971NPL001403

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A) Cash Flow from Operating Activities		
Surplus/ (Deficit) before Tax	8,788.50	(1,028.36)
Adjustments for:		
Depreciation	610.01	497.93
(Profit) / Loss on Sale of Investments	(808.70)	(702.52)
Profit / Loss on Sale of Assets / Investments	0.20	10.91
Bad Debts Written back	0.13	0.77
Interest Income	(1,445.92)	(1,341.74)
Finance Charges and others	2.09	2.40
Rental Income from Building	(185.78)	(159.90)
Entrance Fee received	363.00	250.24
Donations	(2.00)	0
Operating Profit before Working Capital changes	7,321.54	(2,470.27)
Adjustments for changes in:		
Inventories	(20.78)	31.34
Trade Receivables	(326.59)	(384.47)
Loans & Advances	(1,192.30)	(114.68)
Current Liabilities & Provisions	(3,666.87)	8,282.21
Cash generated from Operations	2,115.00	5,344.13
Income Tax (Paid) / Refunds	(1,329.34)	1,365.55
Net cash generated from operating activities	785.65	6,709.68
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,619.85)	(1,424.91)
Proceeds from Sale of Assets	0.17	6.60
Interest received on Deposits	1,286.76	1,597.64
Increase in Deposits maturing beyond 3 months	(8,788.27)	(213.31)
Proceeds from sale of investments	18.07	(2,731.00)
Rental Income	185.78	159.90
Net cash used in / (generated from) investing activities	(9,917.34)	(2,605.08)
C) Cash Flow from Financing Activities		
Net cash used in / from financing activities	---	---
Net change in Cash & Bank Balances (A+B+C)	(9,131.69)	4,104.57
Cash & Cash equivalents as at April 1, (Opening Balance)	17,697.63	13,593.06
Cash & Cash equivalents as at March 31, (Closing Balance)	8,565.94	17,697.63
Net Cash Inflow	(9,131.69)	4,104.57
Components of Cash & Cash Equivalents are as under:		
Cash in hand	7.71	7.67
Balances in Scheduled Banks	8,558.23	17,689.96
Total	8,565.94	17,697.63

Corporate Information and Significant Accounting Policies 1 & 2
 Accompanying Notes form an integral part of the Financial Statements

As per our Report of even date
for SEKHAR & CO.,
 Chartered Accountants
 Firm Reg. No. 003695 S

for M. BHASKARA RAO & CO.,
 Chartered Accountants
 Firm Reg. No. 000459 S

for and on behalf of the Board of Stewards
R SURENDER REDDY
 Chairperson
 DIN:00083972

MRUDULATHA DEVDAS
 Partner
 Membership No. 229657

M V RAMANA MURTHY
 Partner
 Membership No. 206439

Stewards
COL.S.B.NAIR
 DIN: 00534863

CA. ARUNA DAGA
 General Manager (F&A)

DR. VEERENDRA KAJA
 Chief Operating Officer

LT.COL.S.L.REDDY
 DIN:06836771

PLACE: Hyderabad
 DATE: 24.06.2023



HYDERABAD RACE CLUB
CIN : U92411TG197INPL001403

Notes to Financial Statements for the Year ended March 31, 2023

(All amounts are Rupees in Lakhs, unless otherwise stated)

1. Corporate Information:

Hyderabad Race Club ('the Club' or 'the Company') is a public Company incorporated in India U/s 25 of Companies Act 1956 (now Section 8 of Companies Act 2013). The Company has no share capital and is limited by guarantee.

The Company is engaged in conducting horse racing at Hyderabad and, on reciprocal basis conducts Inter Venue Betting (IVB) on races held at other Race Clubs in India.

2. Statement of Significant Accounting Policies:

a) Basis of Preparation

Financial Statements are prepared on a going concern basis under the historical cost convention on accrual basis of accounting, unless otherwise stated and in accordance with the Accounting Standards notified under Section 133 of Companies Act 2013 and Companies (Accounts) Amendment Rules, 2021.

b) Use of Estimates

Management is required to make estimates and assumptions that affect the reported balances of Assets and Liabilities and disclosures relating to Contingent Liabilities as at the date of the Financial Statements and reported amounts of Income and Expenses during the period.

Examples of such estimates include provisions for Employee Retirement Benefit plans, Provision for Direct and Indirect Taxes, and relating to the useful life of Property Plant and Equipment. Difference between the actual results and the estimates are recognized in the period in which the results are known / materializes.

c) Revenue Recognition

Revenue from Tote is recognized when the race is completed and results are declared as per the rules of the respective Turf Clubs.

Income from interest is recognized on accrual basis.

Entrance fee received on admission of members is capitalized to the capital reserve as and when received.

Share of income from other clubs is recognised based on information received from respective clubs.

d) Property Plant and Equipment and Intangible Assets

(i) Property Plant and Equipment are stated at Cost less Accumulated Depreciation. Costs include all expenses incurred to bring the asset to its present location and condition and is ready for intended use. In case of revaluation of any of the assets, the increase in the value of assets is credited to Revaluation Reserve.

(ii) Intangible assets purchased are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and impairment losses, if any. Intangible assets are amortised over their estimated useful lives, from the date that they are available for use.

(iii) Depreciation / Amortisation

Depreciation over Property, Plant and Equipment is charged over the useful life of the asset under Schedule II to the Companies Act, 2013 and depreciation is charged under the Written down Value Method.

Computer Software is amortised over a period of 8 years on Written down Value Method.

(iv) Capital Work in progress

Tangible assets/ intangible assets which are not yet ready for their intended use are stated at amounts expended up to the date of Balance Sheet



e) Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Income and Expenditure Account in the year in which the asset is identified as impaired.

f) Investments

Long Term Investments are stated at Cost. Provision for diminution in the value of Long-term Investments is made only if such decline is other than temporary in the opinion of the Management. Current Investments are stated 'at Cost or net realizable value, whichever is lower'.

g) Inventories

Inventories are stated at cost. Cost is ascertained on weighted average basis.

h) Current and Deferred Tax

Provision for Current Tax is made taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from 'timing difference' between Book and Taxable Profit is accounted for, using the tax rates and laws that are enacted or substantively enacted as on the date of Balance Sheet. The Deferred Tax asset on unabsorbed business losses and unabsorbed depreciation is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

Deferred tax asset other than unabsorbed business loss on timing differences is recognised based on reasonable certainty of availability of taxable profit in future.

i) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the respective transaction. The balances as at Balance Sheet date are restated at the rates prevailing as at Balance Sheet date. The gain / loss on account of restatement is recognized in Statement of Income and Expenditure. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise

j) Leases

The Company's Lease Agreements are mainly operating leases for the premises. The Lease Agreements range from 11 (eleven) months to 3 (three) years generally and are usually cancellable / renewable by mutually agreed terms and conditions. The aggregate lease rents payable are charged as Rent in the Statement of Income and Expenditure.

k) Employee Benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service at the undiscounted amount of the benefits expected to be paid.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Income and Expenditure in the periods during which the related services are rendered by employees.



Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Statement of Income and Expenditure. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Income and Expenditure.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Income and Expenditure. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Compensated absences is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the balance sheet date, carried out by a qualified independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the Statement of Income and Expenditure. Remeasurement of defined benefit plans in respect of post-employment are charged to Statement of Income and Expenditure.

Contributions to Provident Fund (Defined Contribution Plan) which is administered by the Regional Provident Fund Commissioner, and Superannuation Scheme administered through Life Insurance Corporation of India are charged to the Statement of Income and Expenditure. Liability towards Gratuity and Leave Encashment benefit are determined and accounted for, based on valuation by an independent Actuary as at the Balance Sheet date, as per Accounting Standard 15.

l) Cash flow statement

Cash flows are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

m) Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it satisfies any of the following criteria:

- It is expected to be realised or intended for sale or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting year; or



- It is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include the current portion of non-current liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that out flow of resources is required to settle the obligation in respect of which a reliable estimate can be made.

A contingent liability is:

(a) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) a reliable estimate of the amount of the obligation cannot be made..

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent Assets are neither recognized nor disclosed in the Financial Statements.



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	As at March 31, 2023		As at March 31, 2022	
3	SHARE CAPITAL				
	The Company is registered under the provisions of Section 25 of the Companies Act, 1956. Every Member of the Company undertakes to contribute to the assets of the Company such amount as may be required not exceeding ₹ 100/- (Rupees One Hundred only), in the event of its being wound up while he is a member or within one year after he ceases to be a member for payment of debts and liabilities of the Company contracted before he ceases to be a Member and the cost, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.		---		---
	Total		---		---
4	RESERVES AND SURPLUS:				
	Capital Reserve				
a)	Land Revaluation Reserve				
	As per last Balance Sheet		999.76		999.76
	(Revalued by an Approved Valuer on March 31, 1986)				
b)	Entrance Fee for Membership				
	As per last Balance Sheet	1,012.14		761.90	
	Add: Received during the year	363.00	1,375.14	250.24	1,012.14
	General Reserve				
	As per last Balance Sheet	19,300.61		20,228.25	
	Add: Transferred from Income and Expenditure Account	6,694.38	25,994.99	(927.65)	19,300.61
	Income & Expenditure Account				
	As per last Balance Sheet	---		---	
	Add: Surplus / (Deficit) for the year	6,694.38		(927.65)	
		6,694.38		(927.65)	
	Less: Transfer to General Reserve	6,694.38	---	(927.65)	---
	Total		28,369.89		21,312.51
5	LONG TERM PROVISIONS				
	Provisions for contingencies (Refer Note 5.1)		6,980.84		6,980.84
	GST Provision (Net) (Refer Note 26)		24,845.24		28,798.68
	Provision for Employee Benefits		207.04		214.41
	Total		32,033.12		35,993.93
5.1	Considering that these litigations are likely to be long drawn and may impact the activities of the Company in the event of unfavourable decision, the Company has decided to make adequate provisions to meet contingencies that may arise out on completion of adjudication process. In the assessment of Management the provisions made as at the year end is adequate to meet such contingencies				



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	As at March 31, 2023		As at March 31, 2022	
6	Trade Payables				
	Total outstanding dues of micro enterprises and small enterprises		---		---
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		1,684.28		1,413.56
	Total		1,684.28		1,413.56

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment				Total	
	For the year ending 31.03.2023	Less than 1 Year	1-2 years	2-3 years		More than 3 years
(i) MSME		---	---	---	---	
(ii) Others		1,595.44	46.46	28.10	14.28	1,684.28
(iii) Disputed dues - MSME		---	---	---	---	---
(iv) Disputed dues - Others		---	---	---	---	---
Total		1,595.44	46.46	28.10	14.28	1,684.28

Particulars	Outstanding for following periods from due date of payment				Total	
	For the year ending 31.03.2022	Less than 1 Year	1-2 years	2-3 years		More than 3 years
(i) MSME		---	---	---	---	---
(ii) Others		1,332.37	36.12	45.06	0.01	1,413.56
(iii) Disputed dues - MSME		---	---	---	---	---
(iv) Disputed dues - Others		---	---	---	---	---
Total		1,332.37	36.12	45.06	0.01	1,413.56

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and has been relied upon by the Auditors. Hence, no additional disclosures are required to be given.

Note	Particulars	As at March 31, 2023		As at March 31, 2022	
7	OTHER CURRENT LIABILITIES				
	Expenses Payable		150.78		98.59
	Statutory Payables		281.73		484.14
	Security Deposits		615.89		470.15
	Fees received in Advance		211.58		210.82
	Employee Payables		54.77		27.30
	Total		1,314.75		1,291.00
8	SHORT TERM PROVISIONS				
	Employee Benefits		19.11		19.64
	Taxation		3,687.11		3,018.45
	Total		3,706.22		3,038.09



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403
9A PROPERTY PLANT AND EQUIPMENT - TANGIBLE ASSETS
 (All Amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Electrical Fittings	Computers	Vehicles	Live Stock (Horses)	Grand Total
A Gross Block									
As at 01.04.2021	14,966.33	5,349.39	1,102.76	484.94	1,520.13	2,155.16	145.14	4.61	25,728.46
Additions	297.92	49.30	22.54	1.90	13.84	393.55	28.00	---	807.05
Disposals/ adjustments	(2.76)	---	---	---	---	(198.45)	(4.05)	(4.61)	(209.87)
As at 31.03.2022	15,261.49	5,398.69	1,125.30	486.84	1,533.97	2,350.26	169.09	---	26,325.64
Additions	689.94	78.24	---	15.28	104.25	46.30	---	---	934.01
Disposals/ adjustments	---	---	---	---	(7.37)	---	---	---	(7.37)
As at 31.03.2023	15,951.43	5,476.93	1,125.30	502.12	1,630.85	2,396.56	169.09	---	27,252.28
B Depreciation									
As at 01.04.2021	---	1,933.03	705.69	369.75	1,036.90	1,995.69	123.49	---	6,164.55
For the year	---	187.00	70.06	29.58	91.96	84.88	6.07	---	469.55
On Disposals/ adjustments	---	---	---	---	---	(188.52)	(3.84)	---	(192.36)
As at 31.03.2022	---	2,120.03	775.75	399.33	1,128.86	1,892.05	125.72	---	6,441.74
For the year	---	183.80	62.79	20.19	69.47	249.47	9.22	---	594.94
On Disposals/ adjustments	---	---	---	---	(7.00)	---	---	---	(7.00)
As at 31.03.2023	---	2,303.83	838.54	419.52	1,191.33	2,141.52	134.94	---	7,029.68
C Net Block									
As at 31.03.2023	15,951.43	3,173.10	286.76	82.6	439.52	255.04	34.15	---	20,222.60
As at 31.03.2022	15,261.49	3,278.66	349.55	87.51	405.11	458.21	43.37	---	19,883.90

Note: (i) Value of Land includes Rs. 999.76 lakhs being Revaluation done by Approved Valuer on 31.03.1986.



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403
9B INTANGIBLE ASSETS

(All Amounts are in Rupees Lakhs, unless otherwise stated)

	Computer Software		
A	Gross Block		
	As at 01.04.2021		287.71
	Additions		---
	Deductions		---
	As at 31.03.2022		287.71
	Additions		---
	Deductions		---
	As at 31.03.2023		287.71
B	Depreciation		
	As at 01.04.2021		230.56
	For the year		28.38
	on Deductions		---
	Up to 31.03.2022		258.94
	For the year		15.08
	on Deductions		---
	Up to 31.03.2023		274.02
C	Net Block		
	As at 31.03.2023		13.69
	As at 31.03.2022		28.77

Note	Particulars	Buildings under construction
9C	CAPITAL WORK IN PROGRESS	
	Balance as at 01 April 2021	280.46
	Additions during the year	617.86
	Capitalised during the year	---
	Balance as at 31 March 2022	898.32
	Additions during the year	1,764.09
	Capitalised during the year	(78.23)
	Balance as at 31 March 2023	2,584.18
	Project Status as on 31.03.2023	
	Date of commencement of Excavation works	28-03-2022
	Date of Commencement of Civil works	24-11-2022
	Projected date of Project completion	31-08-2024
	% completion as on 31.03.2023	7.85%
	Civil Works was delayed by 2 months but will be adjusted in over all completion period.	



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Capital Work in progress ageing schedule

As at March, 31 2023	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Building Under Construction	1,764.09	617.86	202.23	---	2,584.18
Total	1764.09	617.86	202.23	---	2,584.18
As at March, 31 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Building Under Construction	617.86	52.73	227.73	---	898.32
Total	617.86	52.73	227.73	---	898.32

Note	Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
10.	INVESTMENTS (Refer note no 31)				
	Non Current Investments - Quoted (at Cost)				
	Tax free bonds		---	1,363.28	
	Mutual funds - Balanced Growth , Liquid Funds Structured Funds	10,054.36	10,054.36	7,900.44	9,263.72
	Total		10,054.36		9,263.72
	Market value of Quoted Investments		10,115.50		9,263.72
11.	DEFERRED TAX ASSET/ LIABILITY (NET)				
	A. Liabilities				
	Timing difference on Account of Depreciation		(107.11)		(103.52)
	Sub total		(107.11)		(103.52)
	B. Assets				
	Provision for GST liability including interest		5,465.93		6,335.71
	Provision for employee benefits		45.55		52.03
	Sub total		5,511.48		6,387.74
	Deferred Tax Asset in Balance Sheet (net)		5,404.37		6,284.22
12.	LONG TERM LOANS AND ADVANCES				
	Unsecured, Considered Good				
	Advance to HRC Recreation Chambers (refer note : 35)		32.07		31.57
	Deposit with Government Authorities		265.32		264.06
	Others		139.93		139.93
	Total		437.32		435.56
13.	OTHER NON CURRENT ASSETS				
	Income Tax refunds Receivable		3,630.47		2,846.73
	Deposits with Banks with more than 12 months maturity		1.06		1.06
	Total		3,631.53		2,847.79



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
14.	INVENTORIES				
	Stores (at Weighted Average Cost)		144.32		123.54
	Total		144.32		123.54
15.	TRADE RECEIVABLES				
	Considered good - unsecured		1,036.36		709.90
	Doubtful	0.13		1.08	
	Less : Provision	(0.13)	-	(1.08)	-
	Total		1,036.36		709.90
	(Dues from Stewards as on 31.03.2023: Rs.NIL; 31.03.2022: Rs.NIL)				

Trade receivables ageing schedule for the year ended March 31, 2023 and March 31, 2022

	Detail for year ending 31-03-2023	Outstanding for following periods from due date of payment			
		Less than 6 months	1-2 years	2-3 years	Total
(i)	Undisputed trade receivables - considered good	989.90		9.98	1,036.49
(ii)	Undisputed trade receivables - considered doubtful	---	---	---	---
(iii)	Disputed trade receivables - considered good	---	---	---	---
(iv)	Disputed trade receivables - considered doubtful	---	---	---	---
(v)	Less : Allowance for loss	---	---	0.13	0.13
	Total	989.90	---	9.85	1,036.36
	Detail for year ending 31-03-2022	Outstanding for following periods from due date of payment			
		Less than 6 months	1-2 years	2-3 years	Total
(i)	Undisputed trade receivables - considered good	680.56	---	11.92	709.90
(ii)	Undisputed trade receivables - considered doubtful	---	---	1.08	1.08
(iii)	Disputed trade receivables - considered good	---	---	---	---
(iv)	Disputed trade receivables - considered doubtful	---	---	---	---
(v)	Less : Allowance for loss	---	---	1.08	1.08
	Total	680.56	---	11.92	709.90



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
16.	CASH AND BANK BALANCES		
(a)	Cash and Cash Equivalents		
	(i) Cash on hand	7.71	7.67
	(ii) Balances with Scheduled Banks		
	- in Savings Bank Accounts	8,474.13	17,597.34
	- in Current Account	84.10	92.62
	(iii) In Deposit Account with original maturity of less than 3 months	---	---
(b)	Other Cash and Bank Balances	----	----
	Fixed Deposits (Under Lien) (31.03.2023 ₹ 171.00 lakhs; 31.03.2022 ₹ 193.14 lakhs) with Bank for issue of Bank Guarantee to Commercial Tax Office	179.36	201.19
	Fixed Deposits (Unencumbered)		
	In Deposit accounts with remaining maturity of less than 12 months	13,151.06	4,341.06
	Less : Bank balances shown under Non Current Assets	(1.06)	(1.06)
	Total (A+B)	21,895.30	22,238.82
17.	SHORT TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Capital Advances	902.00	---
	Pre-paid Expenses	69.81	66.93
	Advances to Employees	13.97	19.68
	Advance tax/ TDS /TCS Receivable	329.90	45.41
	Others	113.11	106.23
	Total	1,428.79	238.25
18.	OTHER CURRENT ASSETS		
	Interest accrued on Deposits	255.44	96.28
	Total	255.44	96.28
19	REVENUE FROM OPERATIONS:		
	a) From Offline Tote Pools	6,903.61	3,142.85
	b) From Online Tote Pools	2,384.39	4,453.74
	c) Other Racing Income	5,372.11	3,126.87
	Total	14,660.11	10,723.46

**HYDERABAD RACE CLUB**

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
20	OTHER INCOME:		
	a) Interest on Bank Deposits	1,309.44	1,027.92
	b) Interest on Income Tax Refunds & Others	---	252.55
	c) Income from Investments	945.17	764.65
	d) Members' Subscription	9.33	8.90
	e) Profit on Sale of Assets	---	1.06
	f) Miscellaneous Income	475.36	445.45
	Total	2,739.30	2,500.53
21	STAKES, SUBSIDIES/CONCESSIONS & OTHER RACING EXPENSES:		
	a) Stake Money	2,374.56	1,812.18
	b) Cups and Trophies	46.71	25.57
	c) Subsidy/Concessions	99.10	86.13
	d) Contribution for Indian Turf Invitational Races	35.50	39.26
	e) Racing Expenses	1,026.99	1,067.10
	Total	3,582.86	3,030.24
22	ESTABLISHMENT:		
	a) Salaries, Wages & Bonus etc.	936.90	812.00
	b) Contribution to Provident & Other Funds	62.02	52.97
	c) Contribution to Group Gratuity Fund (Refer note 28)	31.45	2.00
	d) Contribution to Superannuation Fund	12.50	8.00
	e) Employees Welfare Expenses	46.05	34.42
	f) Leave Travel Concession	13.98	15.65
	g) Out-sourcing Expenses	267.20	226.95
	Total	1,370.10	1,151.99



HYDERABAD RACE CLUB
CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts are in Rupees Lakhs, unless otherwise stated)

Note	Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
23	OTHER EXPENSES:				
	a) Power & Fuel		262.46		223.53
	b) Rent		295.16		193.61
	c) Rates & Taxes		90.11		100.66
	d) Water Charges		38.74		40.57
	e) Insurance		20.49		5.33
	f) Repairs & Maintenance - Buildings		1,086.60		305.21
	g) Repairs & Maintenance - Machinery		44.12		18.89
	h) Repairs & Maintenance - Electronic Equipment & Software		131.40		113.72
	i) Track Maintenance		99.06		97.96
	j) Office maintenance and Housekeeping		172.70		103.07
	k) Printing & Stationery		34.24		20.57
	l) Communication Expenses		17.13		29.72
	m) Equine Hospital Expenses		231.89		221.90
	n) Remuneration to Auditors				
	i) Audit Fee	10.00		10.00	
	ii) Tax Audit Fee	0.60		0.60	
	iii) Reimbursement of Expenses	1.37	11.97	0.62	11.22
	o) Professional Charges		50.12		53.15
	p) CCTV / Live Telecast Expenses		70.50		60.85
	q) Race Day Expenses		25.96		4.60
	r) Miscellaneous Expenses		200.55		181.07
	s) Bad Debts Written off		0.13		1.08
	t) Loss on Sale of Assets/Investments		0.20		12.85
	u) Donations		2.00		0.30
	Total		2,885.53		1,799.86

**HYDERABAD RACE CLUB**

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

24. Contingent Liabilities and disputed cases against the Company not provided for in respect of**a) Claims against the Company not acknowledged as debts: -**

Particulars	March 31, 2023	March 31, 2022
Disputed Vacant Land Tax where Company is in Appeal	678.00	678.00
Interest on delayed payments to ESIC relating to earlier years	9.61	9.61
Labour and other matters on Appeal	2.83	2.83
Totalizator Tax on Second Horse Pool- case pending before Telangana High Court	171.00	171.00
VAT on sale of Oats pending petition filed before Telangana High Court	17.50	17.50
Fee for carrying mobile phones liable to admission tax for the period 2011-12 to 2016-17	407.79	407.79
Service Tax Cases:		
Disputed service tax on the value of taxable service provided during the period 2009-10 to 2013-14.	323.11	323.11
Disputed service tax on short payment during the period 2012-13 and 2013-14.	630.22	630.22
Disputed service tax on the value of taxable service provided during the period from April 2014 to March 2015	403.50	403.50
Disputed service tax on the value of taxable service provided during the period from April 2015 to June 2017 (excluding interest).	1,097.27	1,097.27
Total of claims against the Company not acknowledged as debts	3,740.83	3,740.83

b) Income Tax Cases for which the Department is in appeal:

The Income tax Department has raised demands u/s 201 and 201A for non-deduction of tax on distributions of winning money, stake money and on royalty payment to other clubs U/S 194BB, 194H and 194B for AY 2005-06 to AY 2013-14. Disputes were decided in favour of the company by Hon'ble Income Tax Appellate Tribunal (ITAT), Hyderabad. Aggrieved by the order of the ITAT, the Department has filed an appeal before the Hon'ble High Court Telangana which are pending for disposal. The year wise details of the cases are tabulated below -



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

- i. Income Tax Assessments have been completed up to Assessment Year 2021-22. From Assessment Year 2010-11 to 2018-19 the Department had been making adhoc disallowance in respect of payments to punters. The Appeals have been decided in favour of the company by CIT (A) up to AY 2017-18 and by the ITAT up to AY 2016-17. Aggrieved by such orders the Department is in appeal before Hon'ble High court for Assessment years 2012-13 to 2016-17. The amount of tax under dispute :

Assessment Year	As at March 31,2023	As at March 31,2022
2010-11	2,451.11	2,451.11
2011-12	2,790.14	2,790.14
2012-13	3,479.63	3,479.63
2013-14	4,158.83	4,158.83
2014-15	4,395.73	4,395.73
2015-16	4,781.57	4,781.57
2016-17	6,358.16	6,358.16
2017-18	6,960.53	6,960.53
2018-19	2,670.48	2,670.48
Ad-hoc Disallowance of 15% on payment to Punters less than ` 2,500/- (amended to ` 5,000/- with effect from 01.07.2010) (including interest) for the Assessment Years 2002 – 03 to 2009 – 10 for which Appeal has been filed in the Hon'ble High court by the Income Tax Department for Assessment Years 2004-05, 2005-06, and 2009-10	10,295.59	10,295.59
ii. TDS related matters For Assessment years 2007-08 to 2010-11 the Department has raised demands U/s 194BB with respect to distribution of winning money to punters and the applicability of threshold limit for deduction of tax. The appeal has been decided in favour of the Company in ITAT. Aggrieved by the ITAT Order the Department is in appeal before the Hon'ble High Court of Telangana.	1,385.60	1,385.60
For Assessment year 2009-10 to 2013-14 the Department has raised demands U/s 194B in respect of stake money distributed to the horse owners. The dispute is decided in favour of the Company by the ITAT. Aggrieved by the ITAT Order the Department is in appeal before the High Court of Telangana.	4,923.90	4,923.90
For Assessment year 2005-06, 2007-08 to 2009-10 the Department has raised demand U/s 194H in respect of TDS on share of Income payable to other Clubs. The dispute is decided in favour of the Company by the ITAT. Aggrieved by the ITAT Order the Department is in appeal before the High court of Telangana	321.36	321.36
iii. Commercial Tax case Revision in betting tax rate pending disposal of our waiver petition.	210.31	210.31
Total	55,182.94	55,182.94



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

25. Commitments:

Estimated amount on Contracts remaining to be executed on Capital Account and not provided for with respect to HRC Recreation chambers is ₹ 11,755.38 lakhs (31.03.2022 –NIL)

26. Provision for Goods and Services Tax (GST):

Upon promulgation of Goods and Services Tax Act ('GST') effective from 01.07.2017, the Company has been regular in remitting GST collected on commission earned by the Company from racing activity. Consequent to introduction of Rule 31A of the CGST/SGST Rules ('Rules') through a notification dated 23.01.2018, the Company received Orders from the State Government of Telangana and Andhra Pradesh demanding GST on the total value of bet as stated in Rule 31A (3). While the Telangana State Government issued Orders prospectively from 23.01.2018, the Andhra Pradesh State Government issued Orders demanding levy of tax on total bet value from 01.07.2017. The Company has filed Writ Petitions in the High Court of Telangana and Andhra Pradesh -

- To declare Rule 31A(3) as unconstitutional and violative of the Constitution;
- To quash Circular 27/01/2018-GST dated 04.01.2018 as ultra vires, illegal and unsustainable;
- To set aside Orders issued by jurisdictional offices demanding tax on total bet value and consider the same as illegal, arbitrary, violative of principles of natural justice and fundamental rights under the Constitution;
- To declare that the Company is liable to pay GST only on the commission and not on the total value of the bet as stated in impugned Rule 31 A (3).

Further, the Company has filed petition for stay of demand issued by jurisdictional offices demanding levy of tax pending disposal of above-mentioned Writ Petitions.

The Hon'ble High Courts of Telangana and Andhra Pradesh have passed interim Orders staying the levy of GST on total bet value on the condition that the petitioners deposit 10% of the disputed tax from 23.01.2018 onwards. The Hon'ble High Court of Andhra Pradesh and Telangana granted interim stay of demand relating to the period from July 2017 to January 2018. Further, the High Court has issued an interim direction to the effect that:

- The Company is directed to make a voluntary deposit under protest out of its own funds, forthwith
- The deposit made by the Company is not treated as giving up its challenge to any of the impugned Orders or Rules

In effect, the Hon'ble High Courts of Telangana and Andhra Pradesh have stayed the collection/ payment of such GST, by the Department.

The Hon'ble High Court of Karnataka on a similar issue, has decided the matter in favour of the Bangalore Turf Club ('BTC').

The Company, as a measure of prudence, made a provision of ₹ Nil (Previous Year ₹ 7,758.97 lakhs) towards GST out of its own funds. Aggregate amount of such provision including interest as at the year-end was ₹ 49726.94 lakhs (As at 31.03.2022 ₹ 49,726.94 lakhs). Based on the assessment made by the Management, the Board had concluded that the provision made upto the year end is adequate to meet the future tax liability in the event of any adverse order against the Company and hence no provision is considered necessary for the current year.

The Company, in pursuance of Orders of High Courts and voluntarily, has deposited ₹ 24,881.81 lakhs and (as at 31.03.2022 ₹ 20,928.27 lakhs) against the provision made towards the disputed GST up to 31.03.2023.



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

27. Online pool income from races:

The Company introduced online streaming of races and betting by the Public in the year 2020-21. The computer applications, providing services such as live streaming, online betting, receipt/payment through gateway facility, settlement of transactions, were outsourced to a third-party service provider. The Company has a contractual right to access such facility for the purpose of ensuring confidentiality, completeness and correctness of transactions entered through online facility. The Company has obtained a report from an independent expert on the operating effectiveness of controls of the said third party service provider in so far as they relate to the operations of the Company of such contractual rights.

28. Employee Benefits

As per Accounting Standard 15, the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expenditure for the year as under:

(All Amounts in Lakhs)

Employers' Contribution to	2022-23	2021-22
1. Provident Fund	54.40	47.96
2. Superannuation Scheme	12.50	22.96

Defined Benefit Plan:

The Employees Gratuity Fund Scheme for permanent employees of the Company, managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment (unfunded) and the Gratuity for Temporary Race Day Staff (unfunded) are also recognized as per actuarial valuation

I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	Permanent Employees Gratuity (Funded)		Temporary Race Day Staff Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Obligations at period beginning.	280.79	279.16	126.00	142.19	129.04	129.99
Service Cost	13.60	14.14	20.18	22.18	6.85	9.00
Interest Cost	16.04	15.04	7.58	8.11	7.28	7.03
Liability due to change in plan	---	---	---	---	---	---
Benefits settled	(52.48)	(56.85)	(11.40)	(14.08)	(1.40)	(25.64)
Actuarial (gain) / loss	(17.21)	29.31	(31.80)	(32.41)	(26.92)	8.66
Obligations at period end	240.74	280.79	110.48	126.00	114.85	129.04



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

II. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	Permanent Employees Gratuity (Funded)		Temporary Race Day Staff Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Plan assets at period beginning.	279.97	290.28	---	---	---	---
Expected return on plan assets	17.77	19.24	---	---	---	---
Actuarial gain/(loss)	(0.6)	1.3	---	---	---	---
Contributions	0.24	26	---	---	---	---
Benefits settled	(52.48)	(56.85)	(11.48)	(14.08)	(1.40)	(25.64)
Plan assets at period end, at fair value	244.90	279.97	---	---	---	---

III. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	Permanent Employees Gratuity (Funded)		Temporary Race Day Staff Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fair value of plan assets at the end of the year	244.90	279.97	---	---	---	---
Present value of the defined benefit obligations at the end of the period	240.74	280.79	110.48	126.00	114.85	129.04
Amount recognized in the Balance Sheet	(4.16)	0.82	110.48	126.00	114.85	129.04

IV. Actuarial Assumptions:	Permanent Employees Gratuity (Funded)		Temporary Race Day Staff Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Interest rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Discount factor	7.10%	6.30%	7.10%	6.30%	7.10%	6.30%
Estimated rate of return on plan assets	7.00%	7.00%	—	—	—	—
Salary Increase	7%	7%	6%	6%	7%	7%
Attrition rate	—	—	—	—	—	—
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years

Actuarial and other relevant factors such as supply and demand factors in the employment market

29. Statement of Inventory of Horses:

During the year, the Company has not carried out any breeding activity.

30. Expenditure in Foreign Currency:

	2022-23	2021-22
(i) Dope Testing charges	35.73	22.15
(ii) Horse Tracking System	27.78	---
(iii) Commission	---	21.09
Total	63.51	43.24



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

31. Investments

S. no	Particulars of funds	As at 31 March 2023		As at 31 March 2022	
		No of Units	Rs.	No of Units	Rs.
	SECTORAL EQUITY MUTUAL FUNDS				
1	DSP Healthcare Fund - Reg - Growth	2,40,280.18	50	2,40,280.18	50
2	Franklin Infotech Fund (G)	17,974.96	50	17,974.96	50
3	ICICI Pru Technology Fund Growth	45,111.88	50	45,111.88	50
4	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D) Fund Growth	2,59,323.13	50	2,59,323.13	50
5	SBI Healthcare Opportunities Fund Regular Growth	22,914.46	50	22,914.46	50
6	SBI Technology Opportunities Fund Regular Growth	44,946.38	50	44,946.38	50
	EQUITY MUTUAL FUNDS				
1	Canara Robeco Flexi Cap Fund	15,441.75	32	15,441.75	32
2	Canara Robeco Bluechip Equity Fund	83,134.32	32	83,134.32	32
3	DSP BlackRock Mid Cap Fund	67,997.60	60	67,997.60	60
4	Kotak Equity Opportunities	17,471.14	32	17,471.14	32
5	Kotak Emerging Equity Scheme	59,404.15	40	59,404.15	40
6	Mirae Asset Large Cap Fund	55,128.59	40	55,128.59	40
7	Franklin India Bluechip Fund	4,793.56	32	4,793.56	32
8	ICICI Prudential Focused Equity Fund	89,621.33	40	89,621.33	40
9	SBI Focused Equity Fund	27,841.60	60	27,841.60	60
10	HDFC Flexi Cap Fund	3,557.91	32	3,557.91	32
	DEBT MUTUAL FUNDS				
1	Axis Strategic Bond Fund - Growth	-	-	9,25,802.48	200
2	Kotak Floating Rate Fund Growth (Regular Plan)	-	-	16,928.89	200
3	ICICI Prudential All Seasons Bond Fund - Growth	-	-	7,02,155.38	200
4	HDFC Medium Term Debt Fund - Regular Plan G	-	-	4,50,249.45	200
5	IDFC Gilt 2027 Index Fund Regular Plan-Growth	20,29,559.90	215	-	-
6	Aditya Birla Sun Life Crisil Ibx Gilt - April 2026 Index Fund	19,73,533.60	200	-	-
7	Aditya Birla SL Crisil IBX Gilt Apr 2029 Index Fund-Reg(G)	19,50,855.50	200	-	-
8	SBI Crisil IBX Gilt Index - Apr 2029 Index fund	21,89,272.04	224	-	-
9	Aditya Birla SL Crisil IBX Gilt Apr 2029 Index Fund-Reg(G)	48,65,936.75	500	-	-
10	SBI Crisil IBX Gilt Index - June 2036 Index fund	48,58,513.04	500	-	-
11	SBI Crisil IBX Gilt Index - June 2036 Index fund	16,99,257.63	175	-	-
12	Aditya Birla SL CRISIL IBX Gilt Apr 2029 Index Fund-Reg(G)	17,01,653.60	175	-	-

**HYDERABAD RACE CLUB**

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

S no	Particulars of funds	As at 31 March 2023		As at 31 March 2022	
		No of Units	Rs.	No of Units	Rs.
	GOLD FUNDS				
1	HDFC Gold Fund-Growth	13,33,899.90	200	13,33,899.90	200
2	Kotak Gold Fund - Growth	10,16,530.62	200	10,16,530.62	200
3	Nippon India Gold Savings Fund -Growth	10,38,872.78	200	10,38,872.78	200
4	SBI Gold Fund -Growth	13,58,584.44	200	13,58,584.44	200
	TAX FREE BONDS				
1	INDIAINF 7.19 - 22-1-2023			35,000.00	354
2	PFC 7.19- 4-1-2023			1,00,000.00	1,010
	PERPETUAL BOND				
1	TATA 8.35% Perp Bond	5.00	500	50.00	500
	STRUCTURED PRODUCTS				
1	Nifty Accelerator - 662 - 100%	960.00	1,200	960.00	1,200
2	Nifty Magnifier - 578- 80%	960.00	1,200	960.00	1,200
3	Protected Call -423	160.00	200	160.00	200
4	Nifty Magnifier 155 7 years	400.00	500	1,200.00	1,500
5	Nifty Accelerator - 587	400.00	500	400.00	500
6	Nifty Magnifier - 506	1,812.00	2,265	400.00	500
	Total		10,054		9,263

32. Contribution to Corporate Social Responsibility:

The Company has incurred losses for the financial years 2019-20, 2020-21 and 2021-22, and hence, not liable to contribute under the provisions of Section 135 of the Companies Act 2013 along with Rules as amended.

33. Other Statutory Information:

- The Company has not revalued any of its property, Plant and Equipment or intangible assets during the year.
- There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

- 34. (a)** No funds have been advanced or invested (either from borrowed funds or any other sources or kind of funds) by the Company, during the year, to or in any other person(s) or entity(ies), including foreign entities ("Intermediates"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) No Funds have been received by the Company, during the year, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35. Related Party Disclosure

1. Names of the related parties and relationship with the Company

a. Subsidiary Company

- HRC RECREATON CHAMBERS by virtue of common control

A. Transactions with related party:

Particulars	31 March 2023	31 March 2022
Reimbursement of expenses	(0.50)	(0.28)

B. Balances outstanding (Debit/Credit):

Particulars	31 March 2023	31 March 2022
HRC Recreation Chambers	32.07	31.57

36. Key Ratios to the extent applicable are given below:

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% Change	Reasons for variance
Current ratio	Current Assets	Current Liabilities	3.69	5.47	(32.50)	Due to no provision for GST made during the year
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	16.79	20.7	(18.89)	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.82	0.56	46.46	Due to increase in turnover during the year
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	45.66	(8.65)	54.31	Increase in profit due to increase in turnover and no provision being made for GST, during the year
Return on Capital Employed	Earnings Before Interest & Taxes	Capital Employed=Tangible Networth+Total Debt+Deferred Tax Liability	15	(5)	10	
Return on Investment	Interest (Finance Income)	Investment	9.40	22	(12.60)	



HYDERABAD RACE CLUB

CIN : U92411TG1971NPL001403

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees Lakhs, unless otherwise stated)

37. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.

As per our Report of even date

For SEKHAR & Co.
Chartered Accountants
Firm Reg. No.003695 S

For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Reg. No.000459 S

**for and on behalf of
Board of Stewards
R. SURENDER REDDY**
Chairman
DIN: 00083972

MRUDULATHA DEVDAS
Partner
Membership No.229657

M V RAMANA MURTHY
Partner
Membership No. 206439

**Stewards
COL.S.B.NAIR**
DIN:00534863

CA. ARUNA DAGA
General Manager (F&A)

DR. VEERENDRA KAJA
Chief Operating Officer

LT.COL.S.L.REDDY
DIN:06836771

Place: Hyderabad
Date: 24.06.2023



Mr. R. Surender Reddy Chairperson, Hyderabad Race Club,
Presenting cup to Trainer Sulaiman S Attaollahi,
Winner of Y. Shanker Rao Memorial Deccan Fillies Championship Stakes



The Coromandel Gromor Deccan Derby (Grade-1)
Mr. R. Surender Reddy Chairperson, Hyderabad Race Club Presenting cup to the winner
Mr. Arun Alagappan, Executive Vice Chairman, Coromandel International Limited.



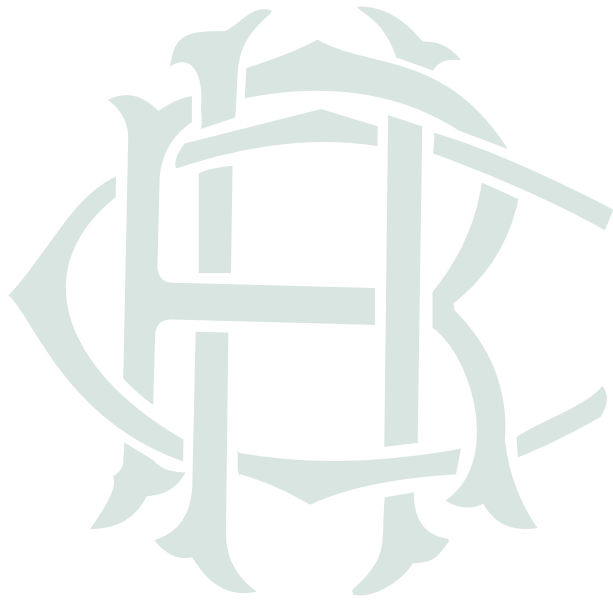
The Indian Navy Rolling Challenge Trophy
Mr. R. Surender Reddy, Chairperson, Hyderabad Race Club
Welcoming Vice Admiral Dinesh K Tripathi AVSM, NM. Chief of Personnel, IHQ MOD (NAVY)



Presentation Ceremony of the N. Nari Reddy Memorial Million Trophy



Ms. Swetha Presenting Cup to the Trainer
Mr. L.D. Silva, winner of the Royal Arion Club Million Trophy.





HYDERABAD RACE CLUB

D.No. 16-10-1/A/1, Malakpet,
Hyderabad - 500 036, Telangana, India

Ph: 24549491, 24549159

E-mail : secy@hydraces.com

web : www.hydraces.com

Playon → play.hydraces.com