

# HRC RECREATION CHAMBERS



5th ANNUAL REPORT 2022-23

**Board of Stewards:**

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

**Mr. Ananth Kishen Rao**  
DIN : 01718621

**Mr. P. Anil Kumar Kishen**  
DIN: 00376819

**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: 00025151

**Chief Operating Officer: Dr. Veerendra Kaja**

**Auditors:** **Brahmayya & Co.,**  
**Chartered Accountants**  
Flat no. 403 & 404,  
Golden Green Apartments,  
Erra Manzil Colony,  
Hyderabad – 500 082  
Firm registration no. 000513 S

**Bankers:** **Kotak Mahindra 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:** U92490TG2018NPL126656

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## NOTICE OF ANNUAL GENERAL MEETING TO CLUB MEMBERS

**NOTICE** is hereby given that the 5<sup>th</sup> Annual General Meeting of the Members of the **HRC RECREATION CHAMBERS** (CIN: U992490TG2018NPL126656) will be held on Monday, August 14, 2023, at 4-00 PM at the Registered Office of the Company situated at D.No.16-10-1/A/1, Malakpet, Hyderabad, Telangana 500036 and also 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 an 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 HRC Recreation Chambers**

**Sd/-  
Dr. Veerendra Kaja  
Chief Operating Officer**

Place: Hyderabad  
Date: 19.07.2023

**Registered Office:**  
CIN: U992490TG2018NPL126656  
No. 16-10-1. A/1,  
Malakpet, Hyderabad,  
State of Telangana,  
INDIA – 500 036.  
☎: 040 – 2454 9491, 2454 9159  
E-Mail : secy@hydraces.com  
Website : www.hydraces.com

**NOTES:**

1. The Chambers is providing an alternative option to the members who will be unable to attend the AGM to be held at the registered office, to participate the same through the zoom video conferencing platform.
2. To support the Green Initiative, Members who have not yet registered/ updated their email addresses are requested to register the same with the Chambers by sending their details to [secy@hydraces.com](mailto:secy@hydraces.com).
3. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), to [secy@hydraces.com](mailto:secy@hydraces.com).
4. Members intending to ask any questions at the Annual General Meeting 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 **4<sup>th</sup> August 2023** addressed to

The Chief Operating Officer ,  
HRC RECREATION CHAMBERS  
C/o Hyderabad Race Club,  
D. No. 16-10-1/A/1,  
Race Course Road,  
Malakpet, Hyderabad – 500 036,  
Telangana State  
Email ID: [secy@hydraces.com](mailto:secy@hydraces.com)

5. **Speaker Registration during the 5<sup>th</sup> AGM session:** Members who would like to express their views/ask questions during the 5<sup>th</sup> AGM are requested to register themselves as a speaker member 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 **4<sup>th</sup> August 2023**. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 5<sup>th</sup> AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time as appropriate for the smooth conduct of the AGM.
6. However, the company reserves the right to allow the members who have not registered themselves as speaker member. Depending upon the availability of time at the AGM, the Chairman may allow such unregistered members to speak on his own discretion.
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. Disabled and outstation Members are encouraged to join the Meeting through Laptops/ Ipad for a better experience.
10. Further Members will be required to allow cameras and use the internet at a good speed to avoid any disturbance during the meeting.
11. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting Via Mobile Hotspot may experience Audio /Video loss due to fluctuations in their respective networks. Therefore, It is recommended to use stable Wifi or LAN connection to mitigate any aforesaid glitches.
12. The Board of Directors reserves the right to modify /alter the election process and the same shall be communicated to the members either by post or electronic means.
13. The instructions for joining the AGM through Zoom or E-Voting are as follows:

## II. 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](https://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](https://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](https://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](https://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 choice 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 HRC RECREATION CHAMBERS**

Sd/-

**Dr. Veerendra Kaja  
Chief Operating Officer**

Place: Hyderabad

Date: 19.07.2023

**Registered Office:**

**CIN: U992490TG2018NPL126656**

No. 16-10-1. A/1,

Malakpet, Hyderabad,

State of Telangana,

INDIA – 500 036.

☎: 040 – 2454 9491, 2454 9159

E-Mail : [secy@hydraces.com](mailto:secy@hydraces.com)

Website : [www.hydraces.com](http://www.hydraces.com)

**REPORT OF THE BOARD OF DIRECTORS OF THE HRC RECREATION CHAMBERS FOR THE  
FINANCIAL YEAR ENDED MARCH 31, 2023.**

To  
The Members  
HRC RECREATION CHAMBERS,  
HYDERABAD.

Your Directors have pleasure in presenting the 5<sup>th</sup> Annual Report on the operations of the HRC Recreation Chambers (“Chambers/Company”) and Audited Financial Statements for the year ended March 31, 2023 and Auditors report thereon.

**1. STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:**

(a) The financial performance of the Company is as under:

*(₹ In Lakhs)*

Particulars	2022-23	2021-22
Income	0.51	0.72
Expenses	9.24	2.99
Surplus/ (Deficit) before extraordinary items and tax	(8.73)	(2.27)
Tax Expenses written back	0.01	-
Surplus/ (Deficit) for the period	(8.72)	(2.27)

(b) The Company is the subsidiary of Hyderabad Race Club (“HRC”) and the holding Company has acquired around Acres 10.8.63 Guntas land at Sy. No.9, Alijapur Village, near Golconda Fort, Hyderabad.

(c) The said land is proposed to be leased to Chambers for setting up a Recreational Club for housing the Chambers.

**2. TRANSFER TO RESERVES:**

The Company has not transferred any amount to reserves.

**3. MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this report.

**4. AUDITORS’ REPORT:**

There are no qualifications or observations or remarks made by the Auditors in their Report.

**5. RISK MANAGEMENT:**

The Company does not have any risk management policy as the element of risk threatening the existence of the Companies is minimal.

**6. HOLDING/ SUBSIDIARY/ ASSOCIATE COMPANY:**

Hyderabad Race Club is the Holding Company of HRC Recreation Chambers, by virtue of control in the Management.

**7. STATUTORY AUDITORS:**

(a) The Statutory Auditors of the HRC Recreation Chambers, M/s. Brahmayya & Co., Chartered Accountants, were appointed for a period of five years at the 1<sup>st</sup> Annual General Meeting of HRC Recreation Chambers.

(b) The Audit Report issued by the Statutory Auditors for the financial year ended March 31, 2023 forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors which require explanation or comments from the Board.



## 8. MEETINGS:

### Board Meetings:

The Board of Directors duly met eight times during the financial year on - 13<sup>th</sup> April 2022, 23<sup>rd</sup> April 2022, 1<sup>st</sup> July 2022, 8<sup>th</sup> August 2022, 17<sup>th</sup> Sept 2022, 12<sup>th</sup> Oct 2022, 29<sup>th</sup> Dec 2022 and 11<sup>th</sup> Feb 2023.

### General Meetings:

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

## 9. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 134 (5) OF THE ACT:

Your Directors confirm that:

- (a) The applicable Accounting Standards have been followed with no material departure, in the preparation of the accounts for the financial year ended March 31, 2023.
- (b) The Accounting Policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the deficit of the Company for the year ended on that date.
- (c) Proper and sufficient care has been taken for the 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 fraud and other irregularities.
- (d) The Annual Accounts have been prepared on a going concern basis.
- (e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

## 10. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

The provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of Conservation of Energy and Technology Absorption are not applicable to the Company, as the Company is yet to commence its operations.

	2022-2023	2021-2022
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

## 11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

In terms of rule 8(5) (vii) of Companies (Accounts) Rules, 2014, there are no significant and material orders passed by the Regulators or Courts or Tribunals that are impacting the going concern status and Company's operations in future.

## 12. DEPOSITS:

The Company has not accepted any deposits from the public during the year, covered by the provisions of Section 73 of the Companies Act, 2013.

## 13. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee, as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate a policy on Corporate Social Responsibility.

**14. RELATED PARTY TRANSACTIONS:**

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 Company 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 14 of the financial statements during the year under review.

**15. EXTRACT OF ANNUAL RETURN:**

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ("the Act") read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is furnished in **Annexure-1** and is attached to this report.

**16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

- (a) The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.
- (b) All employees (permanent, contractual, temporary, trainees) are covered under this policy and the following is a summary of sexual harassment complaints received and disposed of during each Calendar year:
- No. of complaints received : Nil
  - No. of complaints disposed off : Nil

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the year under review, the Company has not advanced any loans/given guarantees/made investments.

**18. ALTERATION OF ARTICLES OF ASSOCIATION:**

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.

**19. INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

**20. CHANGE IN NATURE OF BUSINESS:**

The Company has not made any changes in nature of its business activities.

**21. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their sincere gratitude to the Members of Hyderabad Race Club, Government of Telangana, Registrar of Companies for their timely support and cooperation to the Company.

Your Directors also thank all the Stakeholders for their continued support and is hopeful of receiving the same in the years to come.

By the order of the Board of directors  
**For HRC Recreation Chambers**  
**R. Surender Reddy**  
 Chairperson  
 DIN: 00083972

Place: Hyderabad  
 Date: 24.06.2023

**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	:	U92490TG2018NPL126656
II	Date of Registration	:	12/09/2018
III	Name of the Company	:	HRC Recreation Chambers
IV	Category/Sub-Category of the Company	:	Company Limited by Guarantee/ Non-Government Company
V	Address of the Registered Office	:	Race Course, 16-10-1/A/1, Malakpet, Hyderabad, Telangana-500 036
VI	&Contact details	:	E-Mail ID: secy@hydraces.com
VII	Whether Company is listed	:	No
	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:

S. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
-NA-			

**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	Hyderabad Race Club	U92411TG1971NPL001403	Holding	---	Section 2(87) of the Companies Act 2013

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

- a. **Category-wise Share Holding:** Not Applicable as the Company is Limited by Guarantee.
- b. **Shareholding of Promoters:** Not Applicable as the Company is Limited by Guarantee.
- c. **Change in Promoters' Shareholding (please specify, if there is no change):** Not Applicable as the Company 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 Company is Limited by Guarantee.
- e. **Shareholding of Directors and Key Managerial Personnel:** Not Applicable as the Company 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

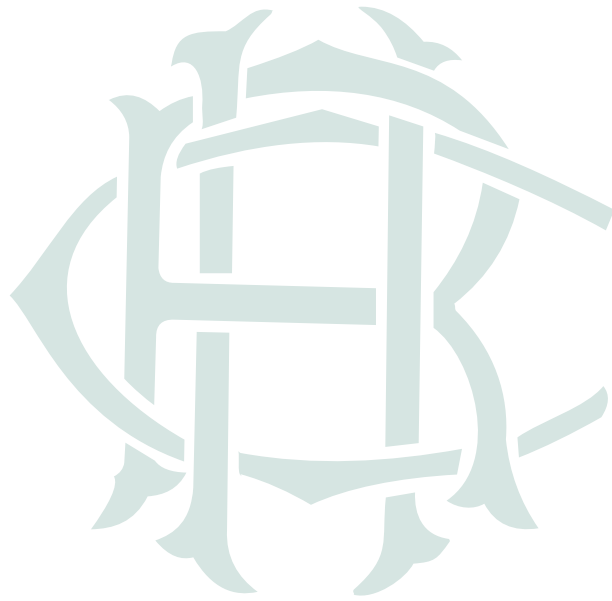
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :** Nil

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

**By the order of the Board of Directors  
for HRC Recreation Chambers**

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

**Place : Hyderabad  
Date : 24.06.2023**



# **Independent Auditors Report & Financial Statements**



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
HRC RECREATION CHAMBERS,  
HYDERABAD

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of HRC RECREATION CHAMBERS ("the Company"), which comprise the Balance sheet as at 31st March 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 the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Excess of Expenditure over Income and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or 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 during the course of our 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133

of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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. The report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Company, being a Section 8 Company.
2. As required by Section 143 (3) of the Act, 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.
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 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, we couldn't evaluate as Company didn't have any business operations during the year under review.
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 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 entity (“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;
  - c. Based on the 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 misstatement.
- v. The Company has not declared or paid any dividend during the year.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm’s Regn No. 000513 S

**(K.SHRAVAN)**  
Partner  
**Membership No.215798**

**Place :** Hyderabad  
**Date :** 24.06.2023

**UDIN :** 23215798BGQQBS5209

**HRC RECREATION CHAMBERS**  
**CIN: U92490TG2018NPL126656**  
**BALANCE SHEET AS AT MARCH 31, 2023**

(₹ In Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	3	-	-
Reserves & Surplus	4	(22.73)	(14.01)
<b>Sub-Total</b>		<b>(22.73)</b>	<b>(14.01)</b>
<b>Non Current Liabilities</b>			
Non Current Liabilities	5	32.07	31.47
<b>Sub-Total</b>		<b>32.07</b>	<b>31.47</b>
<b>Current Liabilities</b>			
Other Current Liabilities	6	1.22	0.30
Short Term Provisions	7	-	0.01
<b>Sub-Total</b>		<b>1.22</b>	<b>0.31</b>
<b>TOTAL</b>		<b>10.56</b>	<b>17.77</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Current Assets</b>			
Cash & Cash equivalents	8	10.56	17.77
<b>Sub-Total</b>		<b>10.56</b>	<b>17.77</b>
<b>TOTAL</b>		<b>10.56</b>	<b>17.77</b>

Corporate Information and 1  
Significant Accounting Policies 2

Accompanying notes form an intergral part of Financial Statements

As per our Report of even date  
for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Reg. No. 000513 S

for and on behalf of Board of Directors

**R SURENDER REDDY**  
Chairperson  
DIN : 00083972

**K.SHRAVAN**  
Partner  
Membership No. 215798

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

**DR. VEERENDRA KAJA**  
Chief Operating Officer

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

Place : Hyderabad  
Date : 24.06.2023


**HRC RECREATION CHAMBERS**

CIN: U92490TG2018NPL126656

**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2023***(₹ In Lakhs)*

Other Expenses	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Other Income	9	0.51	0.72
<b>TOTAL</b>		<b>0.51</b>	<b>0.72</b>
<b>EXPENDITURE</b>			
Other Expenses	10	9.24	2.99
<b>TOTAL</b>		<b>9.24</b>	<b>2.99</b>
<b>Surplus/(Deficit) for the year before tax</b>		<b>(8.73)</b>	<b>(2.27)</b>
<b>Provision for Taxation</b>			
Less: Current Tax			-
Less : provision of earlier years written back		0.01	-
<b>Surplus/(Deficit) for the year after tax</b>		<b>(8.72)</b>	<b>(2.27)</b>

Corporate Information and                    1  
 Significant Accounting Policies            2

Accompanying notes form an intergral part of Financial Statements

As per our Report of even date  
 for BRAHMAYYA & CO.  
 Chartered Accountants  
 Firm Reg. No. 000513 S

for and on behalf of Board of Directors

**R SURENDER REDDY**  
 Chairperson  
 DIN : 00083972

**K.SHRAVAN**  
 Partner  
 Membership No. 215798

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

**DR. VEERENDRA KAJA**  
 Chief Operating Officer

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

Place : Hyderabad  
 Date : 24.06.2023






**HRC RECREATION CHAMBERS**
**CIN: U92490TG2018NPL126656**
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023**
**1. Corporate Information:**

HRC Recreation Chambers is a public company incorporated in India under Section 8 of Companies Act 2013 to carry on the activities of equestrian sports, recreation centre and clubs. The Company has no share capital and is Limited by Guarantee.

**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 by the Companies (Accounts) Rules, 2014, notified under Companies Act 2013.

**b) Use of Estimates**

Preparation of the Financial Statements is in accordance with IGAAP. 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 Plant, Property and Equipment. Difference between the actual results and the estimates are recognized in the period in which the results are known / materialize.

**c) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and revenue can be reliably measured, regardless of when the payment is being made.

Income from interest is recognized on time proportion basis.

Entrance fee received on admission of members will be taken to reserve as and when received.

**d) Property Plant and Equipment**

Property, Plant and Equipment are stated at Cost less Accumulated Depreciation. Cost includes all expenses incurred to bring the asset to its present location and condition to make it ready for intended use.

**e) Capital Work in progress**

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

**f) Depreciation**

The Company adopts the useful life of the Asset as prescribed under the Companies Act, 2013 and depreciation is charged under the Written Down Value Method.

**g) 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.

 **HRC RECREATION CHAMBERS****CIN: U92490TG2018NPL126656****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023****h) Investments**

No Investments were made by the Company as at the balance sheet date. Suitable policy will be put in place as and when Investments are acquired.

**i) Inventories**

Inventories are valued at lower of cost or market value. Cost is ascertained on weighted average basis.

**j) Current and Deferred Tax**

Provision for Current Tax is provided under the provisions of the Income Tax Act, 1961.

In accordance with Accounting Standard 22, 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 is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**k) Foreign Currency Transactions**

Earnings / Expenditure in foreign currencies are converted 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.

**l) Leases**

The Company's Lease Agreements are mainly operating leases for the premises.

**m) 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 will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation on Balance Sheet date. They are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the Notes.

Contingent Assets are neither recognized nor disclosed in the Financial Statements.


**HRC RECREATION CHAMBERS**

CIN: U92490TG2018NPL126656

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

(₹ In Lakhs)

Note	Particulars	As at March 31, 2023		As at March 31, 2022	
<b>3</b>	<b>SHARE CAPITAL:</b>				
	The Company is registered under the provisions of Section 8 of the Companies Act, 2013. 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 amongst themselves.		---		---
	<b>Total</b>		---		---
<b>4</b>	<b>RESERVES AND SURPLUS:</b>				
	<b>GENERAL RESERVE:</b>				
	As per last Balance Sheet	(14.01)		(11.74)	
	Add: Surplus/(Deficit) for the year	(8.72)	(22.73)	(2.27)	(14.01)
	<b>Total</b>		(22.73)		(14.01)
<b>5</b>	<b>NON CURRENT LIABILITIES:</b>				
	Advance Received		32.07		31.47
	Note: Advance received in above note no: 5 from related party of Rs. 32.07 Lakhs (PY 31.47 Lakhs). Refer Note No. 14 for related party transaction)				
	<b>Total</b>		32.07		31.47
<b>6</b>	<b>OTHER CURRENT LIABILITIES:</b>				
	i) Statutory Dues - TDS Payable		0.10		0.10
	ii) Other Payables		1.12		0.20
	<b>Total</b>		1.22		0.30
<b>7</b>	<b>SHORT TERM PROVISIONS:</b>				
	for Income Tax		-		0.01
	<b>Total</b>		-		0.01
<b>8</b>	<b>CASH &amp; CASH EQUIVALENTS:</b>				
	Balance in Savings Bank Account		10.56		17.77
	<b>Total</b>		10.56		17.77




**HRC RECREATION CHAMBERS**
**CIN: U92490TG2018NPL126656**
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**11. Deferred tax Asset:**

The Company is yet to commence activities for which it is incorporated, "Hence considering deffered tax does not arise".

**12. Additional Information:**

- i. The Company do not have any Benami property and neither any proceeding have been initiated or is pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. 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
  - b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. 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
  - b. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The Company has not taken any loan during the year and no outstanding loans at the beginning of the year.

**13. Contingent Liabilities and disputed cases against the Company not Provided for in respect of:**

- i) Claims against the Company not acknowledged as debts: - Nil
- ii) Capital Commitments – Nil
- iii) Expenditure in foreign currency – Nil



**14. Related Party Disclosure:**

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

a. Holding Company

- HYDERABAD RACE CLUB, By virtue of common control

**A. Transactions with related party:**

Particulars	31 March 2023	31 March 2022
Reimbursement of expenses	(0.60)	(0.28)

**B. Balances outstanding (Debit/Credit):**

Particulars	31 March 2023	31 March 2022
HYDERABAD RACE CLUB	32.07	31.47

**15. Ratios to the extent applicable are given below:**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% Change
Current ratio	Current Assets	Current Liabilities	8.59	57.32	-85.01
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	NA	NA	NA
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	NA	NA	NA
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	NA	NA	NA
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	NA	NA	NA
Return on Investment	Interest (Finance Income)	Investment	NA	NA	NA

\*Decrease in current ratio is on account of decrease in Bank Balance for the year ended March 31, 2023.

 **HRC RECREATION CHAMBERS**

**CIN: U92490TG2018NPL126656**

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

16. Figures have been rounded off to the nearest Lakh rupees.

As per our Report of even date

for **BRAHMAYYA & CO.**  
**Chartered Accountants**  
Firm Reg. No. 000513 S

**K.SHRAVAN**  
Partner  
Membership No. 215798

**DR. VEERENDRA KAJA**  
Chief Operating Officer

Place : Hyderabad  
Date : 24.06.2023

**for and on behalf of Board of Directors**

**R SURENDER REDDY**  
Chairperson  
DIN : 00083972

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

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





## **HRC RECREATION CHAMBERS**

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web : [hydraces.com](http://hydraces.com)