

AUDITOR'S REPORT

The Members of Executive committee of
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
New Delhi

We have audited the attached Balance sheet of **SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)** New Delhi, as at **31st March 2014** and the income and expenditure account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Society's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

There is an apprehension by the income tax department that society is an independent body & not covered by the judgement of Chemsford Club (SC) thus principle of mutuality does not exist. Although the management has taken a decision to contest the case till clarity is granted by government/ Court/Tribunal on this issue, *ipso fact* there exist a contingent liability on account of tax totaling Rs 13.8 lakh since AY 2011-12 to AY 2014-15. Since the matter is at appellate stage thus no provision has been made in the books for this liability.

In our opinion and to the best of your information and explanations given to us, the financial statement read with Notes to accounts, gives a *True and Fair* view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance Sheet, of the state of affairs of the Society as at **31st March 2014** and
- b) In the case of the Income & Expenditure Account, of the surplus for the year ended on that date.

Place : New Delhi
Date : 05/09/14


R.K. RAMAN
Chartered Accountant
For R.K. RAMAN & Co.
MNo: 504962

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
 Sectt.: C/o Central Electricity Regulatory Commission (CERC)
 Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

BALANCE SHEET AS ON 31st MARCH, 2014

LIABILITIES	AMOUNT (in ₹)		ASSETS	AMOUNT (in ₹)	
	AS ON 31.03.2014	AS ON 31.03.2013		AS ON 31.03.2014	AS ON 31.03.2013
GENERAL FUND			FIXED ASSETS (SCHEDULE-1)		
Opening Capital	7682488	4135261	Gross Fixed Assets	37590	53700
Add: Excess of Income over Expenditure	466146	8148634	Less: Depreciation	22554	16110
			Net Fixed Assets	15036	37590
CURRENT LIABILITIES			CURRENT ASSETS		
Audit Fees Payable	25000	25000	Cash-in-Hand	1000	1000
Conference Expenses Payable	-	706146	Corporation Bank - SB A/c No. 4499	-	-
Core Course Expenses Payable	175300	-	Corporation Bank - SB A/c No. 5129	3850760	4278355
Honorarium Expenses Payable	42431	-	Corporation Bank - SB A/c No. 5142	5559475	4268510
Legal Fees Payable	35000	36236		9410235	8546865
Meeting Expenses Payable	1075422	291709	LOANS & ADVANCES		
Office Expenses Payable	461657	324460	Forum of Indian Regulators	133147	-
Professional Fees Payable	3371	1685	Forum of Regulators	133147	117900
Telephone Expenses Payable	1057	15387	Refund Receivable from Corp. Bank	-	1687
Travelling Expenses Payable	660021	617142	Prepaid Expenses (Website)	815	31072
Website Expenses Payable	13356	-	Security Deposit (Vodafone)	10000	10000
Provision for Tax (A.Y. 2014-2015)	208450	-	Security Deposit (MTNL)	-	5000
	2701065	2017765	Tax Deducted at Source (AY 2010-11)	94821	94821
Membership Fee Received in Advance	-	150000	Tax Deducted at Source (AY 2012-13)	56618	56618
			Tax Deducted at Source (AY 2013-14)	46000	46000
			Tax Deducted at Source (AY 2014-15)	7000	-
			Self Assessment Tax (AY 2008-09)	343163	343163
			Self Assessment Tax (AY 2009-10)	373670	373670
			Self Assessment Tax (AY 2010-11)	184867	-
			Self Assessment Tax (AY 2013-14)	40180	184867
	10849699	9850253		1423428	1264798
				10849699	9850253

As per our report of even date attached.

For R.K. RAMAN & CO.

R.K. RAMAN
 Chartered Accountant
 Membership No.:504962

Date: 05th September, 2014
 Place: New Delhi

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULAT. (SAFIR)
Sectt.: C/o Central Electricity Regulatory Commission (CERC)
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01st APRIL,2013 to 31st MARCH, 2014

Description	Schedule	Amount (in ₹)		Description	Amount (in ₹)	
		AS ON 31.03.2014	AS ON 31.03.2013		AS ON 31.03.2014	AS ON 31.03.2013
Administrative Costs (Secretariat)	2	740270	564708	Subscription & Membership Fees	5620835	7310215
Salary, Establishment Expenses and other Services	3	1164926	1019380	Participation Fees (Core Course)	150000	350000
Steering Committee Expenses	4	2176125	2432224	Sponsorship/Conference Fee	-	2250000
Conclave/Conference Expenses	5	-	1325084	Interest Received from Savings Bank Account	415617	267294
Core Course Expenses	6	1409217	1459496	Interest Received from Income Tax Refund	-	2310
TDS Receivable Written Off		-	6000	Excess Provision Written Off	1236	190410
Depreciation		22554	16110			
Provision for Tax (A.Y. 2014-15)		208450	-			
Excess of Income over Expenditure		466146	3547227			
		6187688	10370229		6187688	10370229

As per our report of even date attached.

For R.K. RAMAN & CO.

R.K. RAMAN
Chartered Accountant
Membership No.:504962

Date: 05th September, 2014
Place: New Delhi

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
Sectt.: C/o Central Electricity Regulatory Commission (CERC)
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

SCHEDULE-1

Fixed Assets Schedule as at 31st March 2014

Particulars	Amount (in ₹)						
	WDV as on 01-04-2013	Additions during the year (< 180 days)	Additions during the year (> 180 days)	Sales/ Transfers	Total	Depreciation for the year	WDV as on 31-03-2014
Apple i-Pad	31150	0	0	0	31150	18690	12460
Printer	6440	0	0	0	6440	3864	2576
Total	37590	0	0	0	37590	22554	15036
Figures for the previous year	0	0	53700	0	53700	16110	37590

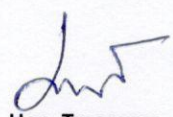
As per our report of even date attached.

For R.K. RAMAN & CO.

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION


R.K. RAMAN
Chartered Accountant
Membership No.:504962


Hon. Secretary


Hon. Treasurer

Date: 05th September, 2014
Place: New Delhi

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
Sectt.: C/o Central Electricity Regulatory Commission (CERC)
Group 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPAT NEW DELHI - 110 001.

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT (in ₹)	AMOUNT (in ₹)
	AS ON 31.03.2014	AS ON 31.03.2013
<u>SCHEDULE - 2 (Administrative Costs Secretariat)</u>	740270	564708
Audit Fees	25000	25000
Bank Charges	6787	2222
Conveyance Expenses	720	920
e-TDS Filing Fees	272	341
Legal Fees	36000	36236
Office Maintenance	583493	399025
Printing & Stationary	1548	455
Professional Fees	20618	1685
Telephone Expenses	21097	85522
Website Expenses	44735	13302
<u>SCHEDULE - 3 (Salary, Establishment Expenses and other Services)</u>	1164926	1019380
Salary	1164926	1019380
<u>SCHEDULE - 4 (Steering & Executive Committee Expenses)</u>	2176125	2432224
Honorarium Expenses	56274	-
Loss on Exchange Fluctuation	1917	-
Meeting Expenses	1123728	1377730
Travelling Expenses	994206	1054494
<u>SCHEDULE - 5 (Conclave/Conference Expenses)</u>	0	1325084
Meeting Expenses	-	1038
Conference Expenses	-	1324046
<u>SCHEDULE - 6 (Core Course Expenses)</u>	1409217	1459496
Core Course Expenses	762323	838411
Travelling Expenses	646894	621085
TOTAL	5490538	6800892

As per our report of even date attached.

For R.K. RAMAN & CO.

R.K. RAMAN
Chartered Accountant
Membership No.:504962

Date: 05th September, 2014
Place: New Delhi

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

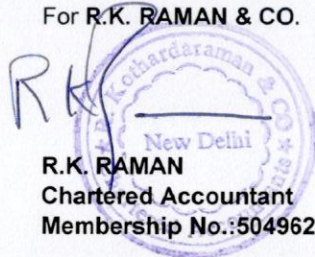
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
Sectt.: C/o Central Electricity Regulatory Commission (CERC)
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

TDS DETAILS FOR THE A.Y.2014-2015
(AS PER FORM NO. 26AS)

PARTICULARS	Amount (in ₹)	
	F.Y. 2013-2014	F.Y. 2012-2013
Bharat Heavy Electricals Limited	-	10000
Central Power Research Institute	-	-
GAIL India Limited	-	10000
NHPC Limited	5000	-
NTPC Limited	-	10000
Oil India Limited	1000	-
Petronet LNG Limited	-	5000
Power Finance Corporation Limited	1000	1000
Power Grid Corporation of India Limited	-	10000
Total	7000	46000

As per our report of even date attached.

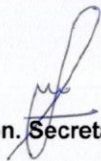
For R.K. RAMAN & CO.

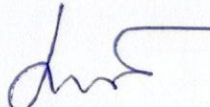


R.K. RAMAN
Chartered Accountant
Membership No.:504962

Date: 05th September, 2014
Place: New Delhi

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION


Hon. Secretary


Hon. Treasurer

Bank Reconciliation Statement
FROM 01-04-2013 TO 31-03-2014

CORPORATION BANK - SAVING A/c No. 209900101005129

Amount (₹)

DR CR

BALANCE AS PER BANK BOOK

3850759.97

Add: CHEQUES ISSUED, BUT NOT PRESENTED IN BANK

DATE	PARTICULARS	CHEQUE NO.	Amount (₹)	Date of Clearance
31.03.2014	TDS Payable on Salary	211218	20800.00	07.04.2014
31.03.2014	TDS Payable on Contract	211219	457.00	- 07.04.2014
BALANCE AS PER BANK STATEMENT			<u>3872016.97</u>	<u>-</u>



SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
Sectt.: C/o Central Electricity Regulatory Commission (CERC)
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

Bank Reconciliation Statement
FROM 01-04-2013 TO 31-03-2014

CORPORATION BANK - SAVING A/c No. 209900116005142 (FCRA Account)	Amount (₹)	
	DR	CR
BALANCE AS PER BANK BOOK	5559475.00	-
BALANCE AS PER BANK STATEMENT	<u>5559475.00</u>	<u>-</u>



SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)
(Forming part of Balance Sheet as at 31st March, 2014)

Background of SAFIR

The South Asia Forum for Infrastructure Regulation (SAFIR) was established in May, 1999 with the support of World Bank. It is an Association of Person (AOP). It exists for the benefit of members inter se. Thus, it is attracted to principle of mutuality and following the guidelines laid down by the Apex Court in the case of CHELMSFORD CLUB reported in 243 ITR 89. Accordingly, the entire income of SAFIR is claimed to be exempt and no tax is payable.

SAFIR aims to:

- Provide a platform for experience sharing amongst the regulators in the sectors like electricity, natural gas, telecommunications, water, transport, etc. of the region;
- Build regulatory decision-making and response capacity in South Asia ;
- Facilitate the regulatory process;
- Conduct training programmes to serve regulatory agencies and other stakeholders;
- Spur research on regulatory issues; and
- Provide a databank of information relating to regulatory reform processes and experiences.

Significant Accounting Policies & Notes on Accounts

a. Method of Accounting

Accounts are being prepared under the fundamental Assumption of Accrual basis, Going concern and Consistency. Also the mandatory Accounting Standards issued by ICAI & notified by the Govt. of India are materially complied.

b. Recognition of Income

(i) Recognition of Membership Fees

Association charges membership fees from each member, year on year basis as prescribed from time to time. Such fees are recognized in the books of accounts on receipt basis.

(ii) Recognition of Other Incomes

Others incomes such as sponsorship fees, interest, etc. are recognized as and when they are received by the Association.

c. Fixed Assets and Depreciation

The Association owns fixed assets which are initially recognized as per AS-10 & subsequently depreciated over the span of life of Asset, as per AS-6 using W.D.V. Method of Depreciation, at the rates prescribed in the Income Tax Rules, 1962.

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)


Hon. Secretary


Hon. Treasurer

Contd...2...

Significant Accounting Policies & Notes on Accounts (Contd.)

d. Events occurring after the Balance Sheet date

No significant events which could affect the financial position as on 31.3.2014 to a material extent has been reported by the Association, after the balance sheet date till approval of Accounts.

e. Prior period and Extraordinary Items

Errors and omission in the preparation of the financial statements for the one or more period of past years shall be dealt as per AS-5.

f. Overall Valuation Policy

The accounts have been prepared on historical cost basis and on the assumption of going concern.

g. Foreign Exchange Transactions

The foreign currency transactions are recorded as per Accounting Standard 11.

h. Retirement Benefits

All employees are on contractual basis. Based on the terms of their contract, no retirement benefit is payable to them and hence not provided for.

i. Taxation

No provision of tax has been made, because according to the understanding of the management, based on the opinion of Tax Consultant, SAFIR is exempted under the Income Tax Act, 1961, under the "**Principle of Mutuality**" as claimed by SAFIR in its return from A.Y. 2010-11 onwards as per the decision of the Apex Court CHEMSFORD CLUB LTD.

However, in respect of A.Y. 2010-11, the Assessing Officer has taken a contrary view & rejected our contention. This led to a disputed demand which has been upheld by CIT (A) too. Management shall proceed to next level of appeal before the ITAT for seeking justice.

j. Contingent Liability

The possible tax liability on the basis of the admitted income in respect of A.Y.2011-12 and onwards, assuming the "Principle of Mutuality" has not been considered by Income Tax Authorities. The total liability with the year wise breakup is shown as under, however, the same has not been provided in the books, as its occurrence is less probable according to the management.

<u>ASSESSMENT YEAR</u>	<u>AMOUNT (in Rs.)</u>
2011-2012	NIL
2012-2013	2,98,038/-
2013-2014	10,93,221/-

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)

Hon. Secretary

Hon. Treasurer