

A.K. AWASTHI & CO.
CHARTERED ACCOUNTANTS

118/170, SHIV MARKET
GUMTI NO.5, KANPUR.
PHONE : 0512-2295905
CELL : 09936505999

To,

The Members of Executive Committee,
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR),
Sectt.: C/o Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building, 36 Janpath,
New Delhi - 110 001.

AUDITOR'S REPORT

We have audited the attached Balance sheet of **SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)** New Delhi, as at **31st March 2015** 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. 13.91 lakhs for AY 2012-13 & AY 2013-14. 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 2015**, and
- b) In the case of the Income & Expenditure Account, of the surplus for the year ended on that date.

**For A.K. Awasthi & Co.
Chartered Accountants**




(A.K. Awasthi)
Partner

Membership No.: 072519

**Place : New Delhi
Dated : 27th August, 2015**

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.

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01st APRIL, 2014 to 31st MARCH, 2015

Description	Schedule	Amount (in `)		Description	Amount (in `)	
		AS ON 31.03.2015	AS ON 31.03.2014		AS ON 31.03.2015	AS ON 31.03.2014
Administrative Costs (Secretariat)	2	1,168,496	740,270	Subscription & Membership Fees (TDS = ` 1,000-)	8,351,850	5,620,835
Salary, Establishment Expenses and other Services	3	1,278,780	1,164,926	Participation Fees (Core Course) (TDS = ` 10,000-)	150,000	150,000
Steering Committee Expenses	4	3,101,250	2,176,125	Interest from Auto Sweeps FDRs (TDS = ` 5,453/-)	52,755	-
Conclave/Conference Expenses	5	-	-	Interest Received from Savings Bank Account	425,376	415,617
Core Course Expenses	6	1,507,207	1,409,217	Excess Provision Written Off	121	1,236
Depreciation		9,022	22,554			
Income Tax Paid for A.Y. 2011-12		49,420	-			
Interest on Self Assessment Tax paid		19,541	-			
Provision for Tax for A.Y. 2015-16 / (F.Y. 2014-15)		591,840	208,450			
Excess of Income over Expenditure		1,254,546	466,146			
		8,980,102	6,187,688		8,980,102	6,187,688

Significant Accounting Policies & Notes on Account 8
 As per our report of even date attached.

For A.K. AWASTHI & CO.
 Chartered Accountants

A.K. AWASTHI
 (Partner)
 M.NO.: 072519



Date: 27th August, 2015
 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 2015

Particulars	Amount (in `)						
	WDV as on 01-04-2014	Additions during the year (< 180 days)	Additions during the year (> 180 days)	Sales/ Transfers	Total	Depreciation for the year	WDV as on 31-03-2015
Apple i-Pad	12,460	-	-	-	12,460	7,476	4,984
Printer	2,576	-	-	-	2,576	1,546	1,030
Total	15,036	-	-	-	15,036	9,022	6,014
Figures for the previous year	37,590	-	-	-	37,590	22,554	15,036

As per our report of even date attached.

For **A.K. AWASTHI & CO.**
Chartered Accountants

A.K. AWASTHI
(Partner)
M.NO. : 072519



For **SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION**

Hon. Secretary

Hon. Treasurer

Date: 27th August, 2015
Place: New Delhi

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AMOUNT (in `)	AMOUNT (in `)
	AS ON 31.03.2015	AS ON 31.03.2014
<u>SCHEDULE - 2 (Administrative Costs Secretariat)</u>	1,168,495	740,270
Advertisement Expenses	335,065	-
Audit Fees	25,080	25,000
Bank Charges	2,270	6,787
Conveyance Expenses	590	720
e-TDS Filing Fees	310	272
Honorarium Expenses	35,000	-
Legal Fees	23,636	36,000
Office Maintenance	631,274	583,493
Printing & Stationary	4,080	1,548
Professional Fees	36,763	20,618
Telephone Expenses	30,106	21,097
Website Expenses	44,322	44,735
<u>SCHEDULE - 3 (Salary, Establishment Expenses and other Services)</u>	1,278,780	1,164,926
Salary	1,278,780	1,164,926
<u>SCHEDULE - 4 (Steering & Executive Committee Expenses)</u>	3,101,250	2,176,125
Honorarium Expenses	-	56,274
Loss on Exchange Fluctuation	-	1,917
Meeting Expenses	1,789,506	1,123,728
Travelling Expenses	1,311,744	994,206
<u>SCHEDULE - 5 (Conclave/Conference Expenses)</u>	-	-
Meeting Expenses	-	-
Conference Expenses	-	-
<u>SCHEDULE - 6 (Core Course Expenses)</u>	1,507,207	1,409,217
Core Course Expenses	1,185,205	762,323
Travelling Expenses	322,002	646,894
TOTAL (Schedule 2 to 6)	7,055,733	5,490,538

As per our report of even date attached.

For A.K. AWASTHI & CO.
Chartered Accountants

A.K. AWASTHI
(Partner)
M.NO.: 072519



Date: 27th August, 2015
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 FORMING PART OF BALANCE SHEET

Schedule - 7
Loans and Advances

PARTICULARS	Amount (in `)	
	AS ON 31.03.2015	AS ON 31.03.2014
Forum of Indian Regulators	147,617	133,147
Forum of Regulators	147,617	133,147
Prepaid Expenses (Website)	1,425	815
Security Deposit (Vodafone)	10,000	10,000
Interest Accrued on Auto Sweep FDRs	45,684	-
Meeting Expenses Receivable	9,914	-
Travelling Advance	20,000	-
<u>Tax Deducted at Source</u>		
Tax Deducted at Source (AY 2010-11)	94,821	94,821
Tax Deducted at Source (AY 2012-13)	56,618	56,618
Tax Deducted at Source (AY 2013-14)	46,000	46,000
Tax Deducted at Source (AY 2014-15)	7,000	7,000
Tax Deducted at Source (AY 2015-16)	16,453	-
Self Assessment Tax (AY 2008-09)	343,163	343,163
Self Assessment Tax (AY 2009-10)	373,670	373,670
Self Assessment Tax (AY 2010-11)	184,867	184,867
Self Assessment Tax (AY 2013-14)	40,180	40,180
Self Assessment Tax (AY 2014-15)	201,459	-
Total	1,746,488	1,423,428

As per our report of even date attached.

For A.K. AWASTHI & CO.
Chartered Accountants

A.K. AWASTHI
(Partner)
M.NO.: 072519



For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

Date: 27th August, 2015
Place: New Delhi

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.2015-2016
(AS PER FORM NO. 26AS)

PARTICULARS	Amount (in `)	
	F.Y. 2014-2015	F.Y. 2013-2014
Central Power Research Institute	1,000	-
Corporation Bank	5,453	-
NHPC Limited	-	5,000
NTPC Limited	5,000	-
Oil India Limited	-	1,000
Power Finance Corporation Limited	-	1,000
Rural Electrification Corporation	5,000	-
Total	16,453	7,000

As per our report of even date attached.

For A.K. AWASTHI & CO.
Chartered Accountants

A.K. AWASTHI
(Partner)
M.NO. : 072519



For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION


Hon. Secretary


Hon. Treasurer

Date: 27th August, 2015
Place: New Delhi

SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)

Schedule NO: 8 (Forming part of Balance Sheet as at 31st March, 2015)

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 was claimed to be exempt.

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 Account

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 recognized in the books of accounts on receipt basis.

(ii) Recognition of Other Incomes

Others income 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.

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 31.03.2015 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 transaction 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

Direct Tax

No provision for tax has been made till A.Y. 2013-14, because according to the understanding of the management, based on the opinion of Tax Consultant, SAFIR was 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 in the case of 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 and the case has further been appealed with the next higher authority, i.e. Income Tax Appellate Tribunal, the hearing of which is pending.

Further, in respect of A.Y. 2011-12 also, the Assessing Officer has taken a contrary view & rejected our contention. This further, led to a disputed demand, which was paid by SAFIR in current year.

In view of the above TDS and Self-Assessment Tax for the earlier years, needs to be adjusted.

Indirect Tax

In our opinion an expert view should be taken for the applicability of Service Tax on receipt of subscription & membership fees from its members.

j. Contingent Liability

The possible tax liability on the basis of the admitted income in respect of A.Y. 2012-13 and onwards, assuming the "Principle of Mutuality" which has not been considered by Income Tax Authority, 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>
2012-2013	2, 98,038/-
2013-2014	10, 93,221/-

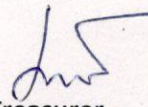
k. Figures have been regrouped and rearranged wherever necessary.

For A.K. AWASTHI & CO
Chartered Accountants


A.K. AWASTHI
(Partner)
M.NO. : 072519

FOR SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION


Hon. Secretary


Hon. Treasurer

Date: 27th August, 2015
Place: New Delhi

