

# 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 31<sup>st</sup> March 2018 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 judgment 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 Interest on delay payment of Tax since AY 2011-12 to AY 2018-19. As of now the matter is disposed by ITAT during Captioned year against auditee and If Management Challenges impugned order before High Court then no provision for Interest shall be required in the books.



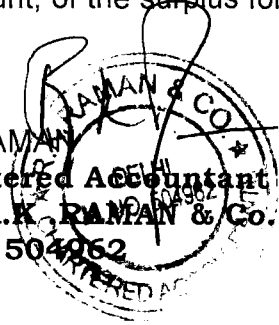
In our opinion and to the best of your information and explanations given to us, the financial statement read with Notes to accounts, gives a *True and Fair view* in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance Sheet, of the state of affairs of the Society as at **31<sup>st</sup> March 2018** 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<sup>th</sup> sep 2018

RK RAMAN  
Chartered Accountant  
For R.K. RAMAN & Co.  
MNo: 504062



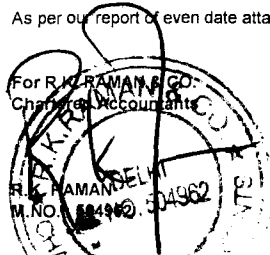
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)  
 Sectt.: C/o Central Electricity Regulatory Commission (CERC)  
 Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

BALANCE SHEET AS ON 31st MARCH, 2018

LIABILITIES	AMOUNT (in ₹)		ASSETS	AMOUNT (in ₹)	
	AS ON 31.03.2018	AS ON 31.03.2017		AS ON 31.03.2018	AS ON 31.03.2017
<b>GENERAL FUND</b>					
Opening Capital	161,09,402	114,03,812	Fixed Assets (SCHEDULE-1)		
Add: Excess of Income over Expenditure	<u>28,57,024</u>	<u>161,09,402</u>	Fixed Assets WDV as on 01.04.15	963	2,406
			Less: Depreciation during the year	<u>385</u>	<u>1,443</u>
			Net Fixed Assets	578	963
<b>CURRENT LIABILITIES</b>					
Audit Fees Payable	21,500	25,960	<b>CURRENT ASSETS</b>		
Advertising Expenses Payable	-	48,934	Fixed Deposits (FCRA Account)	106,07,396	92,57,979
Income Tax Refund Received (A.Y. 2014-2015)	85,370	85,370	Auto Sweep FDRs	66,54,733	87,31,000
Income Tax Refund Received (A.Y. 2015-2016)	4,82,800	4,82,800	Corporation Bank - SB A/c No. 185840	11,368	11,000
Income Tax Refund Received (A.Y. 2016-2017)	56,640	56,640	Corporation Bank - SB A/c No. 388195	29,035	25,437
Legal Fees Payable	5,000	5,000	Corporation Bank - SB A/c No. 000076	<u>1,340</u>	<u>8,293</u>
Salary Payable	73,300	66,550	LOANS & ADVANCES (SCHEDULE-6)	117,48,655	51,98,422
Meeting Expenses Payable	-	1,73,485			
Office Expenses Payable	14,76,031	-			
Professional Fees Payable	48,474	2,300			
Honorarium Payable (Staff)	8,750	-			
TDS Payable on Contractors	3,272	-			
Telephone Expenses Payable	-	1,212			
Travelling Expenses Payable	2,96,071	90,732			
Labour (outsourcing) Expense payable	3,49,488	1,82,324			
Provision for Tax (A.Y. 2012-2013)	2,98,038	2,98,038			
Provision for Tax (A.Y. 2013-2014)	10,93,221	10,93,221			
Provision for Tax (A.Y. 2014-2015)	2,08,450	2,08,450			
Provision for Tax (A.Y. 2015-2016)	5,91,840	5,91,840			
Provision for Tax (A.Y. 2016-2017)	16,06,602	16,06,602			
Provision for Tax (A.Y. 2017-2018)	21,04,234	21,04,234			
Provision for Tax (A.Y. 2018-2019)	<u>12,77,598</u>	<u>-</u>			
	100,86,679	71,23,692			
	<u>290,53,105</u>	<u>232,33,094</u>		<u>290,53,105</u>	<u>232,33,094</u>

Significant Accounting Policies & Notes on Account (Schedule-7)

As per our report of even date attached.

For R.K. RAMAN AND CO.  
 Chartered Accountants  
  
 Date: 05th September, 2018  
 Place: New Delhi

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

  
 Hon. Secretary

  
 Hon. Treasurer

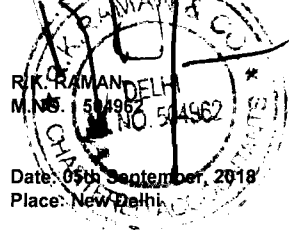
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)  
Sectt.: C/o Central Electricity Regulatory Commission (CERC)  
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD 01st APRIL, 2017 to 31st MARCH, 2018

Description	Schedule	Amount (in ₹)		Description	Amount (in ₹)	
		AS ON 31.03.2018	AS ON 31.03.2017		AS ON 31.03.2018	AS ON 31.03.2017
Administrative Costs (Secretariat)	2	27,44,323	17,05,602	Subscription & Membership Fees (TDS = ₹ 32,720/-)	93,01,771	87,12,846
Salary, Establishment Expenses and other Services	3	8,34,527	8,35,872	Participation Fees (Core Course) (TDS = NIL)	-	-
Steering Committee Expenses	4	14,84,945	4,92,633	Interest from Auto Sweeps FDRs (TDS = ₹ 32,643/-)	3,26,423	5,13,777
Core Course Expenses	5	12,48,057	-	Interest Received from Fixed Deposit (TDS = ₹ 66,433/-)	6,64,324	2,23,506
Depreciation		385	1,443	Interest Received from Savings Bank Account	26,286	2,64,176
Provision for Tax (F.Y. 2017-18)		12,77,598	21,04,234	Excess Provision Written Off (Net)	681	1,31,069
				Foreign Exchange Gain/Loss	1,27,374	-
<b>Excess of Income over Expenditure</b>		<b>28,57,024</b>	<b>47,05,590</b>			
		<b>104,46,859</b>	<b>98,45,374</b>		<b>104,46,859</b>	<b>98,45,374</b>

Significant Accounting Policies & Notes on Account 7  
As per our report of even date attached.

For R.K. RAMAN & CO.  
Chartered Accountants



For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

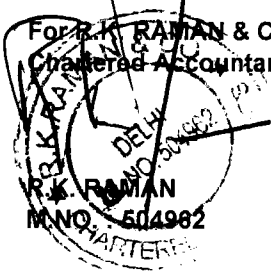
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)  
Sectt.: C/o Central Electricity Regulatory Commission (CERC)  
Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

**SCHEDULE-1**

**Fixed Assets Schedule as at 31st March 2018**

Particulars	Amount (in ₹)						
	WDV as on 01-04-2017	Additions during the year ( < 180 days)	Additions during the year ( > 180 days)	Sales/ Transfers	Total	Depreciation for the year	WDV as on 31-03-2018
Apple i-Pad	798	-	-	-	798	319	479
Printer	165	-	-	-	165	66	99
<b>Total</b>	<b>963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>963</b>	<b>385</b>	<b>578</b>
Figures for the previous year	2,406	-	-	-	2,406	1,443	963

As per our report of even date attached.

For R.K. RAMAN & CO.  
Chartered Accountants  
  
R.K. RAMAN  
MNO 504982

For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION



Hon. Secretary



Hon. Treasurer

Date: 05th September, 2018  
Place: New Delhi

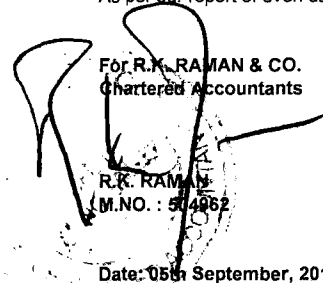
SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)  
 Sectt.: C/o Central Electricity Regulatory Commission (CERC)  
 Ground, 3rd & 4th FLOORS, CHANDERLOK BUILDING, 36 JANPATH, NEW DELHI - 110 001.

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018**

PARTICULARS	AMOUNT (in ₹)	AMOUNT (in ₹)
	AS ON 31.03.2018	AS ON 31.03.2017
<b><u>SCHEDULE - 2 (Administrative Costs Secretariat)</u></b>	<b>27,44,323</b>	<b>17,05,602</b>
Appeal Fee	-	1,050
Advertisement Expenses	16,419	48,934
Audit Fees	21,500	25,960
Bank Charges	5,565	1,368
Conveyance Expenses	500	420
e-TDS Filing Fees	358	352
Legal Fees	5,000	5,000
Meeting Expenses	1,146	-
Office Maintenance	25,47,195	13,95,238
Printing & Stationary	4,375	4,179
Professional Fees	45,732	2,315
Professional Fees (Staff Consultants)	-	95,161
Travelling Expenses	-	2,036
Telephone Expenses	6,729	18,626
Website Expenses	89,804	1,04,963
<b><u>SCHEDULE - 3 (Salary, Establishment Expenses and other Services)</u></b>	<b>8,34,527</b>	<b>8,35,872</b>
Salary	8,34,527	8,35,872
<b><u>SCHEDULE - 4 (Steering &amp; Executive Committee Expenses)</u></b>	<b>14,84,945</b>	<b>4,92,633</b>
Meeting Expenses	9,96,855	3,28,542
Travelling Expenses	4,88,090	1,64,091
<b><u>SCHEDULE - 5 (Core Course Expenses)</u></b>	<b>12,48,057</b>	<b>-</b>
Core Course Expenses	9,36,019	-
Travelling Expenses	3,12,038	-
<b>TOTAL (Schedule 2 to 5)</b>	<b>63,11,852</b>	<b>30,34,107</b>

As per our report of even date attached.

For R.K. RAMAN & CO.  
Chartered Accountants



R.K. RAMAN  
M.NO. : 514962

Date: 05th September, 2018  
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.

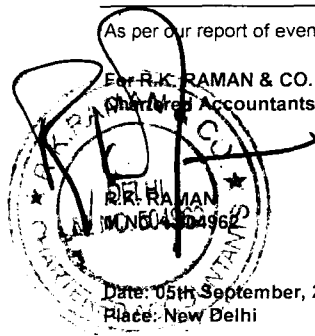
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018

Schedule - 6

Loans and Advances

PARTICULARS	Amount (in ₹)	Amount (in ₹)
	AS ON 31.03.2018	AS ON 31.03.2017
GST (INPUT)	12,602	-
Interest Accrued on Auto Sweep FDRs	3,01,644	68,963
Interest Accrued on FDs (FCRA Account)	15,090	1,88,176
Labour (Outsourcing) Expenses Receivable	7,04,536	5,00,632
Membership Fee Receivable	33,96,250	3,21,500
Prepaid Expenses (Website)	17,465	834
Salary Receivable	-	99,692
Security Deposit (Vodafone)	-	10,000
Travelling Advance	-	3,44,175
Provision for Income Tax (A.Y. 2010-2011)	29,647	29,647
<b>Tax Deducted at Source</b>		
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	16,453
Tax Deducted at Source (AY 2016-17)	49,124	49,124
Tax Deducted at Source (AY 2017-18)	73,771	73,771
Tax Deducted at Source (AY 2018-19)	1,31,796	-
Self Assessment Tax (AY 2008-09)	3,43,163	3,43,163
Self Assessment Tax (AY 2009-10)	3,73,670	3,73,670
Self Assessment Tax (AY 2010-11)	1,84,867	1,84,867
Self Assessment Tax (AY 2013-14)	40,180	40,180
Self Assessment Tax (AY 2014-15)	2,01,459	2,01,459
Self Assessment Tax (AY 2015-16)	5,75,400	5,75,400
Self Assessment Tax (AY 2017-18)	22,34,720	-
Advance Tax (AY 2016-17)	15,72,277	15,72,277
Advance Tax (AY 2018-19)	12,70,102	-
<b>Total</b>	<b>117,48,655</b>	<b>51,98,422</b>

As per our report of even date attached.



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.

**Bank Reconciliation Statement**

FROM 01-04-2017 TO 31-03-2018

CORPORATION BANK - SAVING A/c No. 520143000000076

Amount (₹)

DR                      CR

BALANCE AS PER BANK BOOK

1,340.21

Add: CHEQUES ISSUED, BUT NOT PRESENTED IN BANK:

DATE	PARTICULARS	CHEQUE NO.	Amount (₹)		Date of Clearance
28.03.2018	TDS Payable on Contract	336943	1,054.00	14,404.00	04.04.2018

BALANCE AS PER BANK STATEMENT

-

15,744.21





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 01-04-2017 TO 31-03-2018

CORPORATION BANK - SAVING A/c No. 520281000388195 (FCRA Rcpt. Account)	Amount (₹)	
	DR	CR
BALANCE AS PER BANK BOOK	29,035.06	-
BALANCE AS PER BANK STATEMENT	-	29,035.06



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 01-04-2017 TO 31-03-2018

CORPORATION BANK - SAVING A/c No. 520101071185840 (FCRA Expd. Account)	Amount (₹)	
	DR	CR
BALANCE AS PER BANK BOOK		11,368.00
BALANCE AS PER BANK STATEMENT		<u>11,368.00</u>



## **SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)**

**(Forming part of Balance Sheet as at 31st March, 2018)**

### **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.*

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, in general, 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 from time -to- time 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**

- (A) Similarly, Others incomes such as sponsorship fees, core course fees etc. are recognized as and when they are received by the Association.
- (B) Interest earned on the auto sweep/flexi deposits is being recognized on accrual basis by the Association.

The Association owns fixed assets depreciated using W.D.V. Method of Depreciation, at the rates prescribed in the Income Tax Rules, 1962.

#### **c. Fixed Assets and Depreciation**

The Association owns fixed assets which are initially recognized as per AS-10 & subsequently written-off over the span of life of Asset, as per AS-6 using W.D.V. Method of Depreciation.

#### **d. Events occurring after the Balance Sheet date**

No significant events which could affect the financial position as on 31.03.2018 to a material extent has been reported by the Association, after the balance sheet date till approval of Accounts.

**For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION (SAFIR)**

**Secretary**

**Treasurer**



## Significant Accounting Policies & Notes on Accounts (Contd.)

### 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. Investments

Investments are stated at cost and the interest accrued on the same is shown under the Current Assets.

### j. Taxation

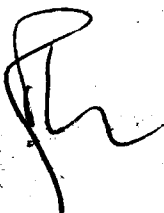
#### Direct Tax

In respect of A.Y. 2010-11, the Assessing Officer has taken a contrary view & rejected management contention. This led to a disputed demand which has been upheld by CIT (A) too and the case was further appealed with the next higher authority, i.e. Income Tax Appellate Tribunal (ITAT). Now, the ITAT has also rejected SAFIR's appeal. The Tax Consultant appeared before the Appellate Authority on 06th October, 2017, with respect to the Miscellaneous Petition in the ITAT. The case was heard by the Accountant Member and an order dismissing SAFIR's plea for exemption, has been passed. SAFIR further filed a Miscellaneous Petition requesting the case to be heard by Two Member Bench, against the order of the Single Member Bench and an order dismissing SAFIR's plea for exemption, has been passed.

Further, in respect of A.Y. 2010-11, the AO has issued a penalty order under section 271(1)(c) of the I.T. Act, 1961, imposing a penalty of Rs. 1,97,646/-. Against the same, SAFIR has paid an amount of Rs. 29,647/- (i.e. 15% of the demand amount) and has filed an appeal with the CIT(A) for stay of the aforesaid order. The Tax Consultant appeared before the CIT(A) on 04th October, 2017, with respect to the deletion of demand. The order of the CIT(A), in this respect, is pending to be received.

In respect of A.Y. 2011-12, the Assessing Officer (AO) has taken a contrary view & rejected management contention. This led to a disputed demand u/s 271(1)(c) of the Income tax Act, 1961, amounting to ₹ 49,420/-, which was paid by SAFIR during the F.Y. 2014-2015. Against the order of the AO, SAFIR filed an appeal with the CIT(A), who also rejected SAFIR's appeal and the demand was duly paid.

Pending the resolutions, the TDS and Self-Assessment Tax for the earlier years, to be adjusted accordingly.



## Significant Accounting Policies & Notes on Accounts (Contd.)

### j. Taxation (Contd.)

#### Direct Tax (Contd.)

For the A.Ys. 2014-15&2015-16, SAFIR filed its return, claiming its income as exempt under the "Principle of Mutuality". The Income Tax Department processed the returns u/s 143(1) of Income Tax Act, 1961 and the income tax refund was duly paid to SAFIR. Therefore, although the refunds have been duly received, but the same have been shown under the head Current Liabilities.

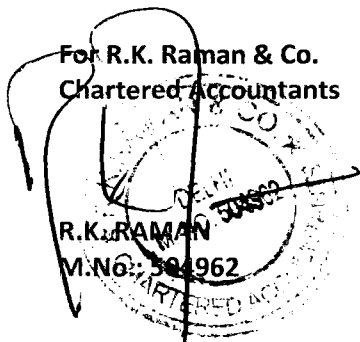
Further, for the A.Ys. 2016-17 & 2017-18, SAFIR had filed its return, without claiming its income as exempt under the "Principle of Mutuality", based on the decision of the ITAT (Single Member Bench).

The amount of Contingent Liability in respect of interest that may arise in the event of not getting Income Tax exemption has not been ascertained and provided for.

#### Indirect Tax

With effect from 01st July, 2017, Service Tax Act has been replaced by Goods & Service Tax (GST) Act, 2017. As FOR is not exempted under the GST Act, 2017, it has registered itself under the GST Act & is duly complying with the necessary formalities with respect to the filing of the GST returns with effect from January, 2018. Regarding the service tax applicability, before 01st July, 2017, the amount of Contingent Liability that may arise in the event of no exemption has not been ascertained and provided for.

k. Figures have been regrouped and rearranged wherever necessary.



For SOUTH ASIA FORUM FOR INFRASTRUCTURE REGULATION

Hon. Secretary

Hon. Treasurer

Date: 05th September, 2018

Place: New Delhi