



ANNEXURE - 5

WEST BENGAL ELECTRICITY REGULATORY COMMISSION



Ref No. WBERC/A-14/7/31 0282

Dated, Kolkata, the 22nd May, 2017

From:

T.K. Mukherjee,
Dy. Director (Admin.)

To:

The Secretary,
Forum of Regulators for Eastern and North-Eastern States (FORENS),
C/o-Odisha Electricity Regulatory Commission (OERC),
Plot No. 4, Chunokoli, Sailashree Vihar,
Bhubaneswar-751021

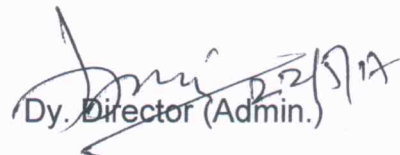
Sub: Minutes of the 7th meeting of the Regional Forum of Regulators for Electricity for the Eastern & North-Eastern States (FORENS) held from 27th - 30th April, 2017 at Gangtok (Sikkim)

Ref: FORENS Memo No.Secy/FORENS(Vol.III)/721 dated 15.05.2017

Sir,

In inviting a reference to the above, I am directed to forward the observations of the Commission on the Audited Accounts for the years 2013-14, 2014-15 and 2015-16 of FORENS.

Yours faithfully,


Dy. Director (Admin.)

Encls: Observation on Accounts



19(A)

7th FORENS Meeting-Gangtok,Sikkim -27th to 30th April

Comments on Audited Accounts for the years 2013-14 to 2015-16

1. The liability side of the Balance Sheet shows a Subscription Fund but there is no mention regarding the nature of subscriptions received as regards whether it is comprised of maiden subscription or recurring annual subscription. No General Fund has been created. It appears from the Accounts of three consecutive years that the subscriptions may also include amount received as annual subscriptions which are of recurring nature.
- ✓ 2. The maiden subscription may be directly booked to General Fund which needs to be created.
- ✓ 3. However, the recurring annual subscriptions should be booked under Subscription Account and should be transferred to Income & Expenditure Account of the respective year. If properly booked, this may change the figures reported under the head of 'Excess of expenditure over income' both in the Income & Expenditure Account as well as in the Balance Sheet.
- ✓ 4. A schedule of subscriptions indicating nature of subscriptions may be prepared .
- ✓ 5. A schedule of meeting expenses, being the major head of expenditure, may be prepared.
- ✓ 6. The head TDS expenses needs clarification. If it relates to tax deducted at source, it should be incorporated in the Balance Sheet and not in the Income & Expenditure account alone. A suitable provision may be made in Income & Expenditure Account for the year. The account should be closed after assessment of Income Tax. If exemption is sought for, then TDS should be reported in the Balance sheet under receivables within Current Assets with footnote in Balance Sheet.

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22/07/17