



All India Football Federation

**Audit for the year ended
31 March 2014**

B S R & Co. LLP

(Registered)
Chartered Accountants

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Independent Auditor's Report

To the Members of

All India Football Federation

1. Report on Financial Statements

We have audited the accompanying financial statements of All India Football Federation ('the Federation') which comprise the Balance Sheet as at 31 March 2014, the Income and Expenditure Account for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Society in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Basis for Qualified Opinion

- (i) Attention is invited to note 4 of schedule 19 which explains in detail the position regarding the following expenses and fixed assets noticed by us during the course of our audit and recorded by the Federation, primarily on account of tournament camps expenses, administrative expenses, meeting expenses and coaches salaries and remunerations, etc., included in Schedules 14 to 17 to the financial statements :

- expenses claims made by the State Associations, based on photocopy of supporting documents for amounts aggregating Rs 20,884,898
- expenses claims for which supporting documents are not available for amounts aggregating Rs. 9,297,384; and
- expenses amounting to Rs. 1,695,119 are paid in cash for distribution of prize money and other expenses.

The appropriateness of the above evidence and resultant impact, if any, on these financial statements could not be ascertained. This was a subject matter of qualification in our reports on the financial statements of the Federation for the years 2005-06 to 2012-13 also in relation to appropriateness of evidence for expenses aggregating Rs. 111,158,743 in those years. (Refer to note 4 of Schedule 19);

- (ii) in relation to grant amounting to Rs. 5,057,299 received from ESPN Sports Private Limited in the previous year ended 31 March 2009 and financial aid paid aggregating Rs. 5,000,000 to West Bengal Sports Association, we have not been provided with supporting evidence. (Refer to note 5 of Schedule 19);
- (iii) Attention is invited to Note 6 of Schedule 19, wherein it is indicated that the Federation has been following written down value method of depreciation on its fixed assets and has not kept detailed records of original cost of assets. As a result, the respective categories of fixed assets in Schedule 4 do not indicate original cost and accumulated depreciation, which is not in accordance with the Accounting Standard 6-Depreciation Accounting, issued by the Institute of Chartered Accountants of India; and
- (iv) Attention is invited to note 7 of Schedule 19 which explains in detail regarding advances aggregating Rs 16,675,689 (previous year Rs. 12,576,675), out of which Rs. 4,124,894 were provided in the previous years, based on a communication from The Indian Football Association that their records were destroyed in fire. In the absence of any evidence, the recoverability or otherwise of the above advances and their resultant impact, if any, on the financial statements of the Federation could not be ascertained.
- (v) Bank balances in Schedule 5 include Rs 992,414 (previous year Rs. 6,272,479) which is subject to confirmations from the respective banks. Adjustments, if any, which may arise consequent to the reconciliations/confirmation and the resultant impact on the financial statements cannot be ascertained at this stage. We are unable to express an opinion in the matter (Refer to note 9 of Schedule 19);

- (vi) Attention is invited to note 10 of Schedule 19 which is receivable from member associations of Rs. 38,855,115 (Previous year Rs. 26,593,804) which are subject to reconciliations in the absence of balance confirmations from the respective member associations and other parties. Adjustments, if any, which may arise consequent to the reconciliations/confirmation and the resultant impact on the financial statements cannot be ascertained at this stage. We are unable to express an opinion in the matter.

The matters covered in paragraph 4 (i) to (vi) above, to the extent covered herein above, were subject matter of qualifications in the audit report for the year ended 31 March 2013 also.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for matters stated in para in Basis for Qualified Opinion, the impact of which is not ascertained by the Federation, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Federation as at 31 March 2014; and
- (ii) in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

Further to our comment in para in Basis for Qualified Opinion above, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Federation so far as appears from our examination of those books; and
- c) the Balance Sheet and Income and Expenditure Account dealt with by this Report are in agreement with the books of account.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sd/-

Pravin Tulsyan

Partner

Membership No.: 108044

Place: Gurgaon

Date: 03 December, 2014

All India Football Federation

Balance Sheet as at 31 March 2014

(All amounts in Rupees)

	Schedule	As at 31 March 2014	As at 31 March 2013
<u>SOURCES OF FUNDS</u>			
General fund			
General fund and reserves	1	19,334,211	6,287,086
Earmarked funds	1a	25,979,335	40,380,722
Loan funds			
Secured borrowings	2	47,542,389	—
Unsecured borrowings	3	70,000,000	50,000,000
Income and Expenditure Account		(94,903,967)	(30,043,691)
		67,951,968	66,624,118
<u>APPLICATION OF FUNDS</u>			
Fixed assets (net)	4	45,535,940	34,919,573
Current assets, loans and advances			
Cash and bank balances	5	16,656,272	7,126,609
Other current assets	6	11,373,652	10,934,859
Loans and advances	7	234,083,090	219,718,888
Income receivable	8	16,540,941	117,935
		278,653,955	237,898,291
Current liabilities and provisions	9	256,237,927	206,193,746
Net current assets		22,416,028	31,704,545
		67,951,968	66,624,118

Significant accounting policies and notes to the accounts 19

The accompanying schedules form an integral part of the Balance Sheet

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W / W-100022

Sd/-
Pravin Tulsyan
Partner
Membership No.: 108044

Place : Gurgaon
Date : 03 December, 2014

For and on behalf of Executive Committee of
All India Football Federation

Sd/-
Kushal Das
General Secretary

Place: New Delhi
Date : 03 December, 2014

Sd/-
Praful M. Patel
President

Place: New Delhi
Date : 03 December, 2014