

REPORT ON THE INSPECTION CARRIED OUT ON 3rd MAY 2017 OF RECORDS RELATING TO THE BIOGAS PROJECT UNDERTAKEN BY ACCION FRATERNA (SAHAJEEVAN TRUST) PURSUANT TO THE EMISSION REDUCTIONS PURCHASE AGREEMENT (ERPA) DATED 26TH SEPTEMBER 2014 WITH FAIR CLIMATE SERVICES PRIVATE LIMITED (FCS)

I. Project Progress

Sahajeevan Trust has received an amount of Rs. 4,12,41,295/- as project advance during the period up to 31st March 2017, out of the Rs. 4,77,12,933/- earmarked for the first three years in the ERPA.

II. Bank Account and Books of Account:

1. As mandated by clause 5.5 a. of the ERPA, the designated bank account has been used exclusively for the receipt and utilisation of funds under the ERPA. The only credits to the account are the remittances from FCS, and interest earned thereon.
2. As required under clause 5.5 b. to f. of the ERPA, Sahajeevan Trust is maintaining separate books of account for the project using Tristle Transact, and the Tristle Biogas Monitoring Solution, wherein only transactions directly related to activities covered under the ERPA are recorded.

No material discrepancies were found on verification of the books of account and related records.

The staff comprising Case Workers, the Desk Worker (Accounts), and the CDM Manager were found to be conversant and comfortable with using the software application.

3. As per clause 5.5 g. of the ERPA, 'no loans or advances, unless directly related to the implementation of activities covered under this ERPA, shall be given out from this set of books, using moneys received from the Buyer'. This requirement has been adhered to.
4. The books of account up to 31st March 2016 have been audited by a Chartered Accountant, and the audited financial statements along with notes thereon and the reports of the auditor are available in the files of the organisation. No qualifications have been made in the report of the auditor. The auditor has not, however, given a management report.
5. As per clause 5.5 i. of the ERPA, manual stock registers of materials purchased in bulk are to be maintained, and should be identically reflected in the Tristle Transact Biogas Monitoring Solution.

A stock register is being maintained for stock of cement held. The cement is stored in a designated area in a godown belonging to Rural Development Trust (RDT).

A manual stock register is also being maintained in respect of other items of stock. Physical verification of stock done on 3rd May 2017 revealed the following discrepancies:

Item	Physical stock (nos.)	Stock as per register (nos.)	Entries made in the register up to
Books	14	8	21/09/2016
Stoves	88	113	11/04/2017
Safety grills	47	62	11/12/2016
Gas pipe rolls	38	45	11/04/2017

As can be seen above, the updation of stock records is irregular and inaccurate. It is to be ensured that all receipts and issues of items of stock are recorded immediately in the stock register, and the balances are updated on a daily basis.

Stock records are not updated in the Tristle Transact Biogas Monitoring Solution.

III. Information:

1. As per clause 7.2 c. of the ERPA, Sahajeevan Trust has to supply to FCS 20 case studies quarterly of individual end users, and/or their communities, illustrating the beneficial results of the project. However, this has not been done till the date of inspection.
2. As mandated by clause 11. 1. f. of the ERPA, Sahajeevan Trust has been sending periodic reports to FCS in the prescribed format. The CDM Manager sends a report on operations monthly, and the Finance Manager sends financial data on a bi-weekly basis.

IV. Field Visit:

Unit ID	End User	Village	Stage of completion	Remarks
2688	Saraswathi	Lingareddypalli	Commissioned	Functional, and being used
1232	Lakshmidevi	Anantasagaram	Commissioned	Functional, and being used
1088	Padmavati	Malyavantham	Commissioned	Functional, and being used
2784	Narasamma	Malyavantham	Commissioned	Not being used as the end-user has no cattle

V. Other issues:

The Super Report generated by the Transact Monitoring Solution shows units constructed in excess of the 2500 as per the ERPA, whereas as per the information and explanations given to us, only 2500 units have been constructed. The cause of this discrepancy is to be identified and corrected.

Place: Bangalore
Date: 16th June 2017



G. S. Ravikumar
Chartered Accountant
M. No. 18524

