

Gujarat Electricity Regulatory Commission

THE SIXTH ANNUAL ACCOUNTS FOR THE YEAR 2004-05



1st Floor, Neptune Tower, Ashram Road, Ahmedabad-380009.

GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

THE COMMISSION PRESENTS THE SIXTH ANNUAL
ACCOUNTS FOR THE YEAR 2004-05 AS REQUIRED UNDER
SECTION

The Sixth Annual Accounts For the Year 2004 - 2005

P. S. SHAH
Secretary

On Behalf of

The Gujarat Electricity
Regulatory Commission

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

1. Introduction:

Gujarat Electricity Regulatory Commission has been constituted under Section 17 of the Electricity Regulatory Commission Act 1998 by the Government of Gujarat and the same has been deemed to be first Commission established under Sub-Section (1) of Gujarat Electricity Industry (Reorganisation and Regulation) Act 2003. Further the same Commission along with its staff shall continue to hold office on the same terms and conditions on which they were appointed under those Act in term of Section 82 of "The Electricity Act-2003" (36 of 2003).

The Gujarat Electricity Regulatory Commission (Annual Accounts, Annual Report Budget) 2005 has been notified vide GHU-2005-105-GERC-2003-7977-N dated 24 October 2005 in exercise of the powers conferred by clauses

**THE COMMISSION PRESENTS THE SIXTH ANNUAL
ACCOUNTS FOR THE YEAR 2004-05, AS REQUIRED UNDER
SECTION 104 (4) OF THE ELECTRICITY ACT - 2003.**

2. Budget of the Commission:

2.1 The Commission as per Section 106 of the Electricity Act-2003 has prepared in such form and at such time in each Financial Year as prescribed by the Government of Gujarat its Budget for the Financial Year 2004-05 showing the estimated receipts and expenditure and forwarded the same to the State Government.

2.2 This is the Sixth Financial year of the Commission. The Budget provision was kept at Rs.2.32 Crores under Major Head 2801-Power-800-Other Expenditure Sub-head(8).

2.3 The Expenditure of the Commission including all salaries and allowances payable to or in respect of the Chairperson and the Members and staff is to be charged upon the consolidated fund of Gujarat.

3. Accounts and Audit of the Commission:

3.1 According to Section 104 of the Electricity Act-2003 the Commission is maintaining accounts and other relevant records in the form of statements of Accounts in such a form as prescribed by the Government of Gujarat in consultation with the Comptroller & Auditor General of India. The procedure, formats etc. has

P. S. SHAH

Secretary

On Behalf of

**The Gujarat Electricity
Regulatory Commission**

**GUJARAT ELECTRICITY REGULATORY COMMISSION
AHMEDABAD**

Annual Accounts and Audit Certificate thereon for the year 2004-05

1. Introduction:

Gujarat Electricity Regulatory Commission has been constituted under Section 17 of the Electricity Regulatory Commission Act, 1998 by the Government of Gujarat and the same has been deemed to be first Commission established under Sub-Section (1) of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003. Further the same Commission along with its staff shall continue to hold office on the same terms and conditions on which they were appointed under those Act in term of Section 82 of "The Electricity Act-2003" (36 of 2003).

The Gujarat Electricity Regulatory Commission (Annual Accounts, Annual Report Budget) Rules, 2005 has been notified vide GHU-2005-105-GERC-2003-7977-K dated 20th October, 2005 in exercise of the powers conferred by clauses (H), (J) and (I) of Section 182(2) read with Sections, 104, 105 and 106 of the Gujarat Electricity Act, 2003.

The Commission has started its functioning from 1-04-1999 and this is the 6th Financial Year Report for the year 2004-05 is submitted herewith.

2. Budget of the Commission:

- 2.1 The Commission as per Section 106 of the Electricity Act-2003 has prepared in such form and as such time in each Financial Year as prescribed by the Government of Gujarat its Budget for the Financial Year 2004-05 showing the estimated receipts and expenditure and forwarded the same to the State Government.
- 2.2 This is the Sixth Financial year of the Commission. The Budget provision was kept at Rs.2.52 Crores under Major Head 2801-Power-800-Other Expenditure Sub-head(8).
- 2.3 The Expenditure of the Commission including all salaries and allowances payable to or in respect of the Chairperson and the Members and staff is to be charged upon the consolidated fund of Gujarat.

3. Accounts and Audit of the Commission:

- 3.1 According to Section 104 of the Electricity Act, 2003, the Commission is maintaining accounts and other relevant records and preparing Annual Statements of Accounts in such a form as prescribed by the State Government in consultation with the Comptroller & Auditor General of India. The procedure, formats etc. has

been notified by the State Government in consultation with the Comptroller and Auditor General and communicated by the State Government vide the notification No.GHU-2005-105-GERC-2003-7977-K dated 20th October,2005.

- 3.2 The Accounts of the Commission have been audited by the Comptroller & Auditor General of India for the Financial Year 2004-05. The expenditure incurred in connection with such audit fee is to be paid by the Commission to the Comptroller & Auditor General of India. The same will be paid on demand.
- 3.3 The Commission was allocated a budget of Rs.2.52 Crores during the year 2004-05. As against this the grant of Rs.1.25 Crores was released by the State Government. The total fund including all sources so available during the financial year was Rs.1.28 Crores and as against this the total expenditure of Rs.1.61 Crores was incurred by the Commission.
- 3.4 In exercise of powers conferred by Section 103(3) and Section 180(2)(g) of the Electricity Act,2003, the Government of Gujarat, Energy & Petrochemicals Deptt. vide Notification No.GHU-2005-(84)-GRC-2003-9688-K dated 2.8.2005 has notified for the Gujarat Electricity Regulatory Commission Fund rules,2005.
- 3.5 The State Accountant General (Audit)-I Ahmedabad had audited the accounts of the Commission for the year 2004-05 during September,2005. The Commission has received Audit Report together with Audit Certificate from the Accountant General, Ahmedabad and the same are placed at Appendix-I and Appendix-II respectively.

Appendix - I

Audit Report of the Comptroller and Auditor General of India on the accounts of Gujarat Electricity Regulatory Commission, Ahmedabad for the year ended 31st March 2005.

1. Introduction :

The Gujarat Electricity Regulatory Commission, (Commission) Ahmedabad was established under Section 17 (1) of the Electricity Regulatory Commission Act, 1998 since repealed by the Electricity Act, 2003. It started functioning from 19 April 1999.

The audit of the accounts of the Commission has been conducted under Section 104 (2) of the of the Electricity Act, 2003.

The Commission is financed by the State Government through provision in Budget which is charged on the Consolidated Fund of the State Government. However under Section 86 (g) of the new Act, the Commission is empowered to issue regulations regarding Fees, Fines and Charges and accordingly it has notified regulations during the year to achieve Financial independence. During the year. Commission has received Rs.1.25 crore from the State Government.

2. Organisational Set up :

The Commission comprises a Chairman and two Members. The Chairman is assisted by Secretary, Joint Director, Five Dy. Directors and Accounts Officer for regular functioning of the office.

3. Comments on Accounts

Income and Expenditure Account :

Interest earned Rs. 2.33 lakh

This dose not include Rs. 81,765 towards interest accrued and due resulting in oversstaement of losses and understatement of corpus fund by Rs.81,765.

4. General

(i) The Commission has changed the method of preparation of accounts from Cash bassis to Accrual basis from 2004-05. This fact has not been disclosed in accounts in violation of Accounting Standard 1 issued by the Institute of Chartered Accountants of India.

(ii) The note no.1 of Schedule 24 "Significant Accountion Policy" states that the Annual Accounts for the year 2004-05 have been prepared as per the format prescribed by the Comptroller & Auditor General of India. The correct position is that the Government of Gujarat has prescribed the format in consultation with the Comptroller & Auditor General of India.

Sd/-

Pr. Accountant General

Appendix - II

AUDIT CERTIFICATE

We have audited the attached Balance Sheet of Gujarat Electricity Regulatory Commission as at 31st March 2005 and the Income and Expenditure Account for the year ended on that date annexed thereto under Section 104(2) of the Electricity Act, 2003. These Financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with applicable rules and the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) The Balance Sheet and Income and Expenditure Account dealt with in this report have been drawn up in the format prescribed by the Government of Gujarat in consultation with the Comptroller and Auditor General of India under Section 104(1).
- (iii) Subject to our detailed observations in the Separate Audit Report annexed herewith, we report that the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Income & Expenditure Account read together with the Accounting Policies and Notes thereon, and subject to matters mentioned in the Separate Audit Report annexed herewith, give a true and fair view.
- (a) In so far as it relates to the Balance Sheet of the state of affairs of the Board as at 31st March 2005 and
- (b) In so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

Place : Ahmedabad

Date : 3-1-2006

Sd/-

(ANUPAM KULSHRESHTHA)
PR.ACCOUNTANT GENERAL

GUJARAT ELECTRICITY REGULATORY COMMISSION

FINANCIAL STATEMENT

BALANCE SHEET AS ON 31ST MARCH, 2005			
<u>CORPUS / CAPITAL FUND AND LIABILITIES</u>	Schedule	Amount - Rs	
		2004-05	2003-04
CORPUS /GERC CAPITAL FUND	1	15006330.52	18285155.02
RESERVES AND SURPLUS	2	0.00	0.00
EARMARKED ENDOWMENT FUNDS	3	0.00	0.00
SECURED LOANS AND BORROWINGS	4	0.00	0.00
UNSECURED LOANS AND BORROWINGS	5	0.00	0.00
DEFERRED CREDIT LIABILITIES	6	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	7	175934.00	142922.00
TOTAL		15182264.52	18431077.02
<u>ASSETS</u>			
FIXED ASSETS	8	5696536.21	8246484.21
INVESTMENTS -FROM EARMARKED / ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS	10	0.00	0.00
CURRENT ASSETS , LOANS , ADVANCES	11	9485728.31	10184592.81
MISCELLANEOUS EXPENDITURE			
TOTAL		15182264.52	18431077.02
<div style="display: flex; justify-content: space-between; align-items: center;"> <div>Sd/- ACCOUNTS OFFICER</div> <div>Sd/- DY.DIRECTOR</div> <div>Sd/- SECRETARY</div> </div>			

GUJARAT ELECTRICITY REGULATORY COMMISSION

INCOME AND EXPENDITURE STATEMENT

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2005			
		Amount – Rs.	
	Schedule	2004-05	2003-04
INCOME			
Income from sales / service	12	0.00	0.00
Grants /Subsidies	13	12500000.00	13125000.00
Fees and charges	14	45530.00	8472552.00
Income from Investments (Income on Invest , from earmarked/ endow Funds transferred to Funds)	15	0.00	0.00
Income from Royalty , Publications etc.	16	0.00	0.00
Interest Earned	17	233556.00	87745.00
Other Income	18	85320.00	0.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
TOTAL (A)		12864406.00	21685297.00
EXPENDITURE			
Establishment Expenditure	20	5386221.50	5915730.00
Other Administrative Expenses etc.	21	7849025.00	6247046.00
Expenditure on Grants, subsidies etc	22	0.00	0.00
Interest	23	0.00	0.00
Depreciation (Net Total at the year end - corresponding to schedule -8)		2910984.00	0.00
TOTAL (B)		16146230.50	12162776.00
Balance being excess of Income over Expenditure (A-B)		-3281824.50	9522521.00
Transfer to Special Reserve (Specify each)		0.00	0.00
Transfer to / from General Reserve		0.00	0.00
Balance being surplus transferred to Balance Sheet		-3281824.50	9522521.00
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			
<div style="display: flex; justify-content: space-between; align-items: center;"> <div>Sd/- ACCOUNTS OFFICER</div> <div>Sd/- DY.DIRECTOR</div> <div>Sd/- SECRETARY</div> </div>			

SCHEDLE 1 - CORPUS / CAPITAL FUND		
	(Amount- Rs.)	
CORPUS / CAPITAL FUND	2004-05	2003-04
Balance as at the beginning of the year	18288155.02	8762634.02
Add: Contributions towards Corpus / Capital Fund		
Add / (Deduct): Balance of net income / (expenditure) transferred from the Income and Expenditure Account	-3281824.50	9522521
BALANCE AS AT THE YEAR-END	15006330.52	18288155.02

SCHEDULE 2-RESERVES AND SURPLUS		
RESERVES AND SURPLUS	2004-05	2003-04
NIL		

SCHEDULE-3 - EARMARKED / ENDOWMENT FUNDS					
		Amount - Rs			
		FUND WISE BREAK UP			TOTALS
		Fund	fund XX	Fund YY	
					2004-05 2003-04
NIL					

SCHEDULE -4 - SECURED LOANS AND BORROWINGS		
	Amount - Rs	
SECURED LOANS AND BORROWINGS	2004-05	2003-04
NIL		

SCHEDULE -5 UN SECURED LOANS AND BORROWINGS		
	Amount - Rs	
UN SECURED LOANS AND BORROWINGS	2004-05	2003-04
NIL		

SCHEDULE 6 DEFERRED CREDIT LIABILITIES :		
	Amount Rs	
	2004-05	2003-04
	NIL	

SCHEDULE-7 - CURRENT LIABILITIES AND PROVISIONS		
	Amount - Rs	
	2004-05	2003-04
A .CURRENT LIABILITES		
1. Interest Accrued but not due on,		
a) Secured Loans / borrowings	0.00	0.00
b) Unsecured Loans /borrowings	0.00	0.00
2 Statutory Liabilities		
a) Over due	0.00	0.00
b) Others	0.00	0.00
3 Other current Liabilities		
a) CPF of the staff to be remitted to AG office	175101.00	142089.00
b) HBA to GSTCL of staff	833.00	833.00
TOTAL (A)	175934.00	142922.00
B. PROVISIONS		
1. For Taxation	0.00	0.00
2 Gratuity	0.00	0.00
3. Superannuation /Pension	0.00	0.00
4. Accumulated Leave Encashment	0.00	0.00
5. Trade Warranties / Claims	0.00	0.00
6. Others (Specify)	0.00	0.00
TOTAL (B)	0.00	0.00
TOTAL (A+B)	175934.00	142922.00

SCHEDULE - 8 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year end	As at the beginning of the year	On additions during the year	On Deductions during the year	Total Up to the year end	As at the current year end	As at the previous year-end
1. FIXED ASSETSLAND a) Free Hold b) Lease Hold										
2. BUILDINGS a) On Freehold Land b) On Lease hold Land c) Ownership Flats/Premises d) Superstructures on Land not belonging to the entity										
3. PLANT MACHINERY & EQUIPMENT										
4. VEHICLES	1745452.00	403584.00	0.00	2149036.00	0.00	429807.00	0.00	429807.00	1719229.00	1745452.00
5. FURNITURE, FIXTURES	2422531.00	0.00	233324.00	2189207.00	0.00	328382.00	0.00	328382.00	1860825.00	2422531.00
6. OFFICE EQUIPMENT	908379.00	0.00	0.00	908379.00	0.00	136256.00	0.00	136256.00	772123.00	908379.00
7. COMPUTER/PERIPHERALS	3170122.21	190776.00	0.00	3360898.21	0.00	2016539.00	0.00	2016539.00	1344359.21	3170122.21
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS										
10. TUBEWELLS & W. SUPPLY										
11. OTHER FIXED ASSETS										
TOTAL OF CURREENT YEAR PREVIOUS YEAR CAPITAL WORK-IN PROGRESS										
TOTAL	8246484.21	594360.00	233324.00	8607520.21	0.00	2910984.00	0.00	2910984.00	5696536.21	8246484.21

Note : 1. No Depreciation was accounted for the period 1999-00 to 2003-04 as the accounts were maintained on Receipt and Payament basis.
2. Fixture items valuing Rs. 2,33,324/- was written off in 2004-05 out of assets acquired durisng 1999-00 and 2000-01. The fixtures thus written off are all unusable, redundant and worthless, in the opinion of the Commission.

Sd/-
ACCOUNT OFFICER

Sd/-
DY. DIRECTOR (ADMN. & Accts)

Sd/-
SECRETARY

SCHEDULE -9 INVESTMENT FROM EARMARKED ENDOWMENT FUNDS

Amount (Rs)		
	2004-05	2003-04
NIL		

SCHEDULE -10 - INVESTMENTS- OTHERS

Amount (Rs)		
	2004-05	2003-04
NIL		

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.

Amount (Rs)		
	2004-05	2003-04
A CURRENT ASSETS		
1. Sundry Debtors :		
a) Debts Outstanding for a period exceeding six months		
b) Others		
2 Cash balances in Hand (Including cheques / drafts and imprest	5330.00	8737.00
3 Bank Balances:		
a) With Scheduled Banks		
On current Accounts	2208834.31	1242038.81
On Deposit Accounts (includes margin money)	6885494.00	8560297.00
On Savings Accounts	0.00	0.00
b) With non- scheduled banks		
On current Accounts		
On Deposit Accounts (includes margin money)		
On Savings Accounts		
4 Post Office - Savings Accounts		
TOTAL - (A)	9099658.31	9811072.81

SCHEDULE 11-B. LOANS , ADVANCES AND OTHER ASSETS	2004-05	2003-04
1. Loans :		
a) Staff	9000.00	2700.00
b) Other Entities engaged in activities/ objectives similar to that of the Entity		
c) Other (Deposits)		
i. Petrol Pump	30000.00	30000.00
ii. Telephone	31000.00	31000.00
iii. Staff Quarters	0.00	37500.00
iv. LPG Gas	3100.00	3100.00
v. Office building	252700.00	252700.00
vi. AEC	16520.00	16520.00
vii. IIM	20000.00	0.00
viii. Govt. Quarters	0.00	0.0
2. Advances and other amounts recoverable in cash or in kind or for value to be received		
a) On Capital Account		
b) Prepayments		
c) Others		
3) Income Accrued :		
a) On investments from Ear marked / Endowment Funds		
b) On Investments - Others		
c) On Loans and Advances		
d) Others (Includes income due unrealized Rs)		
4) Claims Receivable (TDS Receivable from IT Dept.)	23750.00	0.00
TOTAL (B)	386070.00	373520.00
TOTAL (A+B)	9485728.31	10184592.81

SCHEDULE -12 -INCOME FROM SERVICES		
	Amount Rs	
INCOME FROM SERVICES	2004-05	2003-04
NIL		

SCHEDULE -13 GRANTS / SUBSIDIES		
GRANTS / SUBSIDIES	Amount Rs	
	2004-05	2003-04
1) Central Government	0.00	0.00
2) State Government	12500000	13125000
3) Government Agencies	0.00	0.00
4) Institutions /Welfare bodies	0.00	0.00
5) International Organizations	0.00	0.00
6) Others (specify)	0.00	0.00
TOTAL	12500000	13125000

SCHEDULE -14 FEES /SUBSCRIPTIONS		
FEES /SUBSCRIPTIONS	Amount Rs	
	2004-05	2003-04
1) Entrance Fees	0.00	
2) Annual Fees / Subscription	0.00	
3) Seminar / Program fees	0.00	
4) Consultancy Fees	0.00	
5) Others (Specify)	0.00	
a) Consent fees)	45530.00	8472552.00
TOTAL	45530.00	8472552.00

SCHEDULE 15 - INCOME FROM INVESTMENTS				
(Income on Invest. From Earmarked / endowment funds transferred to Funds)	Investment from Earmarked Fund		Investment - others	
	2004-05	2003-04	2004-05	2003-04
NIL				

SCHEDULE - 16 INCOME FROM ROYALTY, PUBLICATION ETC.		
	Amount Rs	
	2004-05	2003-04
NIL		

SCHEDULE -17- INTEREST EARNED		
INTEREST EARNED		Amount – Rs.
	2004-05	2003-04
1) On Term Deposits		
a) With Scheduled banks	233556.00	87745.00
b) With Non Scheduled Banks	0.00	0.00
c) With Institutions	0.00	0.00
d) Others	0.00	0.00
2) On Savings Accounts		
a) With Scheduled banks	0.00	0.00
b) With Non Scheduled Banks	0.00	0.00
c) Post Office Savings Account	0.00	0.00
d) Others	0.00	0.00
3) On Loans		
a) Employees / Staff	0.00	0.00
b) Others	0.00	0.00
4) Interest on Debtors and Other Receivables	0.00	0.00
TOTAL	233556.00	87745.00

SCHEDULE -18 OTHER INCOME			
OTHER INCOME		Amount Rs	
		2004-05	2003-04
i.	Recovery of Printing Charges	47530.00	0.00
ii.	Recovery of Visa fees from staff	37790.00	0.00
TOTAL		85320.00	0.00

SCHEDULE - 19 INCREASE / DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS		
	Amount Rs	
	2004-05	2003-04
NIL		

SCHEDULE -20 ESTABLISHMENT EXPENSES		
Amount Rs.		
	2004-05	2003-04
a) Salaries and Wages		
1) Salaries of the Commission Members	1564779.00	2306200.00
2) Salaries to office Staff	3636802.50	3492612.00
3) to wages	0.00	0.00
4) TO Bonus	0.00	0.00
b) Allowances and Bonus		
c) Contribution to Provident Fund	77425.00	74887.00
d) Contribution to Other Fund (specify)		
e) Staff Welfare Expenses Medical Facility and Reimbursement	107215.00	42031.00
f) Expenses on Employees' Retirement and Terminal Benefits		
1) gratuity		
2) Leave Salary		
g) Others (Specify)		
TOTAL:	5386221.50	5915730.00

SCHEDULE -21 OTHER ADMINISTRATIVE EXPENSES ETC

OTHER ADMINISTRATIVE EXPENSES ETC	Amount Rs.	
	2004-05	2003-04
a) General Expenses		
i) Electricity	199262.00	127005.00
ii) Vehicle Running Expenses Fuel etc.	378477.00	181186.00
iii) Advertisements and Publicity	35743.00	0
iv) Water charges	0.00	0
v) Vehicle Insurance Expenses	40430.00	29619.00
vi) Meeting Expenses and Conference charge	0.00	0
vii) Other Office Expenses	278491.00	408998.00
viii) Write off of Old fixtures (1999-2000)	233324.00	0
TOTAL:	1165727.00	746808.00
b) Repairs and Maintenance		
i) Building	0.00	0.00
ii) Furniture and Office Equipment	168249.00	148899.00
iii) Vehicles	153841.00	40272.00
iv) Electrical	0.00	0.00
TOTAL:	322090.00	189171.00
c) Rent , Rates and Taxes		
i) Rent (office)	1863421.00	1780679.00
ii) Rent (Residence)	39072.00	117216.00
iii) Municipal Taxes	248531.00	243858.00
TOTAL:	2151024.00	2141753.00
d) Postage , telephone and Communication Charges		
i) Postage charges	39418.00	30179.00
ii) Telephone charges	343997.00	315269.00
iii) Website charges	4455.00	0.00
iv) Internet charges	28101.00	0.00
TOTAL:	415971.00	345448.00
e) Printing and stationary		
i) Printing and Stationery	383106.00	105358.00
f) Traveling and Conveyance Expenses		
i) Traveling Expenses for domestic tour	474166.00	442813.00
ii) Traveling allowances for domestic tour	59296.00	94964.00
iii) Traveling Expenses Foreign Tour	0.00	0.00
iv) Conveyance expenses	11444.00	8411.00
v) Leave Travel Concession	0.00	0.00
TOTAL:	544906.00	546188.00

g) Subscription Expenses		
i) Subscription of Newspapers and Magazines	55418.00	47784.00
ii) Purchase of Books	37540.00	33780.00
iii) Subscription of books	0.00	0.00
TOTAL:	92958.00	81564.00
h) Expenses on Seminar/ work shop		
i) Seminars	0.00	0.00
ii) Trainings fees	21400.00	74000.00
TOTAL:	21400.00	74000.00
i) Auditors Remuneration	30555.00	6525.00
j) Hospitality Expenses	0.00	0.00
k) Consultancy charges / Professional charges		
i) Retainer Services	0.00	355000.00
ii) Legal Consultancy	85000.00	48000.00
iii) Professional Consultancy / Charges	2486288.00	1407231.00
iv) Honorarium	0.00	0.00
v) Annual Fees	150000.00	200000.00
TOTAL:	2721288.00	2010231.00
l) Deposits / investments		
i) Loans and Advances		
Interest Bearing loans and Advances		
a) Car / Motor cycle advance		
b) House Building Advance		
c) IIM deposit		
ii) Interest free loans and advances'		
a) Food Grain Advance		
b) Festival Advance '		
TOTAL: (a to l)	7849025.00	6247046.00

SCHEDULE: 22 EXPENDITURE ON GRANTS, SUBSIDIES, ETC.

2004 - 05	2003 - 04
NIL	

SCHEDULE-23 : INTERESTS

2004 - 05	2003 - 04
NIL	

Schedule 24

Significant Accounting Policies

1. Annual Accounts for the year 2004-2005 have been prepared as per the formats prescribed by C & AG of India vide its Letter no. 967/AC-II/GJ/GERC/2003-04/75-04 dated 31.08.2004.

2. ACCOUNTING CONVENTION

The financial statement are prepared on the basis of historical cost convention, unless otherwise stated and on the accrual method of accounting.

3. INVESTMENTS

- 3.1 Investments classified as "long term investments" are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investments.
- 3.2 Investments classified as "Current" are carried at lower of cost and fair value. Provision for shortfall on the value of such investments is made for each investment considered individually and not on a global basis.
- 3.3 Cost includes acquisition expenses like brokerage, transfer stamps.

4. FIXED ASSETS

- 4.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion) form part of the value of the assets capitalized.
- 4.2 Fixed Assets received by way of non-monetary grants, (other than towards the Corpus Fund), are capitalized at values stated, by corresponding credit to Capital Reserve.

5. DEPRECIATION

- 5.1 Depreciation is provided on straight – line method as per rates specified in the Income –tax Act, 1961 except depreciation on cost adjustment rising on account of conversion of foreign currency liabilities for acquisition of fixed assets, which is amortized over the residual life of the respective assets.
- 5.2 In respect of additions to/deduction from fixed assets during the year, depreciation is considered on pro-rata basis.

6. MISCELLANEOUS EXPENDITURE

- 6.1 Deferred revenue expenditure is written off over a period of 5 years from the year it is incurred.

7. GOVERNMENT GRANTS/SUBSIDIES

- 7.1 Government grants of the nature of contribution towards capital cost of setting up projects are treated as Capital Reserve.
- 7.2 Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of related assets.
- 7.3 Government grants / subsidy are accounted on realization basis.

8. FOREIGN CURRENCY TRANSACTION

- 8.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.
- 8.2 Current assets, foreign currency loans and current liabilities are converted at the exchange rates prevailing as, at the year end and the resultant gain /loss is adjusted to cost of fixed assets, if the foreign currency liability relates to fixed assets, and in other cases is considered to revenue.

9. TAXATION

GERC being statutory commission established under The Electricity Act, 2003 and is carrying statutory and regulatory function as laid down in the Act.

Hence, all its functions are functions of State and in view of same, the surplus, if any is considered exempt from the provisions of the Income-tax Act, 1961.

- 10 Corresponding figures for the previous figures have been regrouped / rearranged, wherever necessary.
11. Schedules 1 to 24 are annexed to and form an integral part of the Balance Sheet as at 31st March 2005 and the Income and Expenditure Account for the year ended on that date.



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