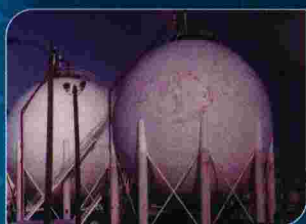
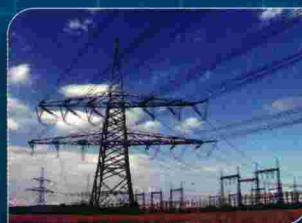


# Gujarat Electricity Regulatory Commission



**The 9th Annual Account for the  
Year 2007-08**

# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**Ninth Annual Account  
Financial Year  
2007-08**

**1<sup>st</sup> Floor, Neptune Tower, Opp. Nehru Bridge,  
Ashram Road, Ahmedabad 380 009**

# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**The Commission presents the ninth Annual Report for  
the FY 2007-08, as required under  
Section 104 (4) of the Electricity Act, 2003.**

**P. S. Shah, IAS  
Secretary  
The Gujarat Electricity  
Regulatory Commission**

# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

## **AHMEDABAD.**

### **SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 104 (2) OF THE ELECTRICITY ACT, 2003 ON THE ACCOUNTS OF GUJARAT ELECTRICITY REGULATORY COMMISSION FOR THE YEAR ENDED 31 MARCH 2008.**

We have audited the attached Balance Sheet of Gujarat Electricity Regulatory Commission as at 31st March 2008 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.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India on the accounting treatment only with regard to classification, conformity with best accounting practices, accounting standards, disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (propriety and regularity) and efficiency-cum-performance aspects, etc. if any, are reported through Inspection Reports

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) In our opinion, proper books of accounts and other relevant records as required in the Electricity Act, 2003 have been maintained by the Commission, in so far as it appears from our examination of books.
- (iv) We further report that:

#### **1. Income and Expenditure Account**

##### **Fees and Charges (Schedule 14) : Rs.5.45 crore**

As per notification dated 30 March, 2005, the Commission collects licence fees at 0.03 per cent of revenue from Distribution Licensees on the sale of electricity. The licence fees to be so recovered, shall be calculated based on the approved/estimated revenue from the sale of electricity for the ensuing financial year. It further provides that where the actual revenue from the sale of electricity differs from the approved/estimated level, the excess or shortfall shall be adjusted against the annual license fee for the following year. The income of the Commission towards licence fees for the year 2007-08 was inclusive of Rs.10.88 lakh (net of shortfall of Rs.0.50 lakh) which was in excess of actual income over estimated/approved level for the year 2005-06. The method of recognizing revenue has not been disclosed



## 2. General

As per the approved format of accounts the Gross and Net book value of fixed assets for current year and previous year should have been disclosed. However, the Commission has disclosed its fixed assets and depreciation figures, only for the current year and left out corresponding figure for the previous year in schedule 8 to the accounts.

3. A reference is invited to significant accounting policy no.6.1 (Schedule 24). The Commission has determined retirement benefit cost policy and made the provision for appropriate amount in the accounts. However, the method by which retirement benefit costs have been determined and provided for has not been disclosed. The disclosure is deficient to that extent.

- (v) Subject to our observations in the preceding paragraphs, we report that the Balance sheet and Income and Expenditure account dealt with by this report are in agreement with the books of accounts.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and subject to the significant matters stated above, give a true and fair view in conformity with accounting principles generally accepted in India:
  - a. In so far as it relates to the Balance Sheet, of the state of affairs of the Commission as at 31 March 2008; and
  - b. In so far as it relates to Income and Expenditure account, of the excess for the year ended on that date.

**For and on behalf of**

**The Comptroller & Auditor General of India**

**Place : Ahmedabad**

**Dated : 24 November 2008**

**Sd/-  
(Niranjan Pant)  
Principal Accountant General**

**GUJARAT ELECTRICITY REGULATORY COMMISSION**  
**FINANCIAL STATEMENT**  
**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2008**

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Amount – Rs.	
		2007-08	2006-07
CORPUS /GERC CAPITAL FUND	1	17,50,00,000.00	12,50,06,330.52
RESERVES AND SURPLUS	2	1,35,14,676.33	1,26,27,510.95
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	24,00,133.65	0.00
<b>TOTAL</b>		<b>19,09,14,809.98</b>	<b>13,76,33,841.47</b>
<b>ASSETS</b>			
FIXED ASSETS	8	45,51,810.21	53,41,086.21
INVESTMENTS -FROM EARMARKED / ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS	10	0.00	0.00
CURRENT ASSETS , LOANS , ADVANCES MISCELLANEOUS EXPENDITURE	11	18,63,62,999.77	13,22,92,755.26
<b>TOTAL</b>		<b>19,09,14,809.98</b>	<b>13,76,33,841.47</b>

Sd/-  
**J. B. SHELAT**  
**ACCOUNTS OFFICER**

Sd/-  
**M. N. KHALYANI**  
**DY.DIRECTOR**

Sd/-  
**P. S. SHAH**  
**SECRETARY**

PLACE : AHMEDABAD  
DATE : 26/05/2008

**GUJARAT ELECTRICITY REGULATORY COMMISSION**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2008**

		Amount – Rs.	
		2007-08	2006-2007
<b>INCOME</b>	<b>Schedule</b>		
Income from sales / service	12	0.00	0.00
Grants /Subsidies	13	0.00	0.00
Fees and charges	14	5,45,15,709.46	7,67,79,175.00
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	1,68,50,459.31	78,42,080.12
Other Income	18	9,89,948.00	43,060.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
<b>TOTAL (A)</b>		<b>7,23,56,116.77</b>	<b>8,46,64,315.12</b>
<b>EXPENDITURE</b>			
Establishment Expenditure	20	1,11,91,043.50	72,34,262.00
Other Administrative Expenses etc.	21	94,65,527.41	93,49,926.00
Expenditure from Grants, subsidies etc	22	0.00	0.00
Interest paid	23	0.00	0.00
Depreciation (Net Total at the year end - corresponding to schedule -8)		8,18,711.00	2,82,813.00
<b>TOTAL (B)</b>		<b>2,14,75,281.91</b>	<b>1,68,67,001.00</b>
<b>Balance being excess of Income over Expenditure (A-B)</b>		<b>5,08,80,834.86</b>	<b>6,77,97,314.12</b>
Transfer to Corpus Fund		4,99,93,669.48	6,00,00,000.00
Transfer to General Reserve		8,87,165.38	77,97,314.12
Balance being surplus transferred to Balance Sheet		0.00	0.00
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	24		
<b>CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS</b>			

Sd/-  
**J. B. SHELAT**  
**ACCOUNTS OFFICER**

Sd/-  
**M.N. KHALYANI**  
**DY.DIRECTOR**

Sd/-  
**P. S. SHAH**  
**SECRETARY**

PLACE : AHMEDABAD  
DATE : 26/05/2008



### SCHEDULE - 1 CORPUS / CAPITAL FUND

	(Amount Rs.)	
<b>CORPUS / CAPITAL FUND :</b>	<b>2007-08</b>	<b>2006-07</b>
Balance as at the beginning of the year	12,50,06,330.52	6,50,06,330.52
Add: Contributions towards Corpus / Capital Fund	0.00	0.00
Add / Deduct: Balance of net income / expenditure transferred from the Income and Expenditure Account	4,99,93,669.48	6,00,00,000.00
<b>BALANCE AS AT THE YEAR-END</b>	<b>17,50,00,000.00</b>	<b>12,50,06,330.52</b>

### SCHEDULE - 2 RESERVES AND SURPLUS

	(Amount Rs.)	
<b>RESERVES AND SURPLUS</b>	<b>2007-08</b>	<b>2006-07</b>
Balance as at the beginning of the year	1,26,27,510.95	48,30,196.83
Add / Deduct: Balance of net income / expenditure transferred from the Income and Expenditure Account	8,87,165.38	77,97,314.12
<b>BALANCE AS AT THE YEAR-END</b>	<b>1,35,14,676.33</b>	<b>1,26,27,510.95</b>

### SCHEDULE-3 - EARMARKED / ENDOWMENT FUNDS

	(Amount Rs.)				
	FUND WISE UP BREAK UP			TOTALS	
	Fund	Fund	Fund	2007-08	2006 - 07
	NIL	NIL	NIL	NIL	NIL

### SCHEDULE-4 - SECURED LOANS AND BORROWINGS

	(Amount Rs.)	
<b>SECURED LOANS AND BORROWINGS</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL

### SCHEDULE-5 - UN SECURED LOANS AND BORROWINGS

	(Amount Rs.)	
<b>UN SECURED LOANS AND BORROWINGS</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL

### SCHEDULE-6 - DEFERRED CREDIT LIABILITIES :

	(Amount Rs.)	
<b>DEFERRED CREDIT LIABILITIES</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL



### SCHEDULE - 1 CORPUS / CAPITAL FUND

	(Amount Rs.)	
<b>CORPUS / CAPITAL FUND :</b>	<b>2007-08</b>	<b>2006-07</b>
Balance as at the beginning of the year	12,50,06,330.52	6,50,06,330.52
Add: Contributions towards Corpus / Capital Fund	0.00	0.00
Add / Deduct: Balance of net income / expenditure transferred from the Income and Expenditure Account	4,99,93,669.48	6,00,00,000.00
<b>BALANCE AS AT THE YEAR-END</b>	<b>17,50,00,000.00</b>	<b>12,50,06,330.52</b>

### SCHEDULE - 2 RESERVES AND SURPLUS

	(Amount Rs.)	
<b>RESERVES AND SURPLUS</b>	<b>2007-08</b>	<b>2006-07</b>
Balance as at the beginning of the year	1,26,27,510.95	48,30,196.83
Add / Deduct: Balance of net income / expenditure transferred from the Income and Expenditure Account	8,87,165.38	77,97,314.12
<b>BALANCE AS AT THE YEAR-END</b>	<b>1,35,14,676.33</b>	<b>1,26,27,510.95</b>

### SCHEDULE-3 - EARMARKED / ENDOWMENT FUNDS

	(Amount Rs.)				
	FUND WISE UP BREAK UP			TOTALS	
	Fund	Fund	Fund	2007-08	2006 - 07
	NIL	NIL	NIL	NIL	NIL

### SCHEDULE-4 - SECURED LOANS AND BORROWINGS

	(Amount Rs.)	
<b>SECURED LOANS AND BORROWINGS</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL

### SCHEDULE-5 - UN SECURED LOANS AND BORROWINGS

	(Amount Rs.)	
<b>UN SECURED LOANS AND BORROWINGS</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL

### SCHEDULE-6 - DEFERRED CREDIT LIABILITIES :

	(Amount Rs.)	
<b>DEFERRED CREDIT LIABILITIES</b>	<b>2007-08</b>	<b>2006-07</b>
	NIL	NIL

## SCHEDULE - 7 - CURRENT LIABILITIES AND PROVISION

	(Amount Rs.)	
	2007-08	2006-07
<b>A. CURRENT LIABILITIES</b>		
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		
<b>TOTAL (A)</b>	<b>0.00</b>	<b>0.00</b>
<b>B. PROVISIONS</b>		
1. For Taxation	0.00	0.00
2. Gratuity	8,14,240.65	0.00
3. Superannuation / Pension	0.00	0.00
4. Accumulated Leave Encashment	12,00,000.00	0.00
5. Trade Warranties / Claims	0.00	0.00
6. Others ( Specify)	0.00	0.00
7. Unpaid Expanance	3,85,893.00	0.00
<b>TOTAL (B)</b>	<b>24,00,133.65</b>	<b>0.00</b>
<b>TOTAL (A+B)</b>	<b>24,00,133.65</b>	<b>0.00</b>

## SCHEDULE - 8 - FIXED ASSETS

DESCRIPTION	DEPRECIATION RATE*	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		Opening/Valuation of the year	Additions during the year up to 30.09.07	Additions during the year up to 01.10.07	Total Additions during the year	Deductions during the year	Cost / Valuation at the year end	As at the Beginning of the year	Deductions during the year	On Deduction during the year	Total Up to Year end	As at the Current year - end	As at the Previous year-end
1. FIXED ASSETS LAND													
a) Free Hold													
b) Lease Hold													
2. BUILDINGS													
a) On Free hold Land													
b) On Lease hold land													
c) Ownership Flats/Premises													
d) Superstructures in Land not belonging to the entity													
3. PLANT MACHINERY & EQUIPMENT													
4. VEHICLES	15%	3779882.00	0.00	0.00	0.00	0.00	3779882.00	1151519.00	394254.00	0.00	1545773.00	2234109.00	2628363.00
5. FURNITURE, FIXTURES	10%	2367264.00	29435.00	0.00	29435.00	0.00	2396699.00	696438.00	170026.00	0.00	866464.00	1530235.00	1670826.00
6. OFFICE EQUIPMENT	10%	1037277.00	0.00	0.00	0.00	0.00	1037277.00	295864.00	74141.00	0.00	370005.00	667272.00	741413.00
7. COMPUTER/PERIPHERALS	60%	3593414.21	0.00	0.00	0.00	0.00	3593414.21	3292930.00	180290.00	0.00	3473220.00	120194.21	300484.21
8. ELECTRIC INSTALLATIONS													
9. LIBRARY BOOKS													
10. TUBEWELL & W. SUPPLY													
11. OTHER FIXED ASSETS													
TOTAL OF CURRENT YEAR													
PREVIOUS YEAR													
CAPITAL WORK-IN-PROGRESS													
TOTAL		10777837.21	29435.00	0.00	29435.00	0.00	10807272.21	5436751.00	818711.00	0.00	6255462.00	4551810.21	5341086.21

\* Note : Description rate as per appendix I or IT Rules 1962 and Incometax Act 1961.

**SCHEDULE-9 - INVESTMENT FROM EARMARKED ENDOWMENT FUNDS**

	(Amount Rs.)	
	2007-08	2006 - 07
	NIL	NIL

**SCHEDULE-10 - INVESTMENT - OTHERS**

	(Amount Rs.)	
	2007-08	2006 - 07
	NIL	NIL

**SCHEDULE - 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.**

	(Amount Rs.)	
	2007-08	2006 - 07
<b>A CURRENT ASSETS</b>		
1 Sundry Debtors :		
a) Debts Outstanding for a period exceeding six months	0.00	0.00
b) Others	0.00	0.00
2 Cash balances in Hand ( Including cheques/drafts and imprest	442.00	7,660.00
3 Bank Balances:		
a) With Scheduled Banks		
1) Fixed / Term Deposit	18,00,00,000.00	12,52,21,760.00
2) Auto Sweep Savings Account	27,75,129.11	37,21,919.38
3) Current Account	10,591.54	23,837.32
<b>TOTAL - (A)</b>	<b>18,27,86,162.65</b>	<b>12,89,75,176.70</b>



### SCHEDULE - 11-B - LOANS, ADVANCES AND OTHER ASSETS

	(Amount Rs.)	
	2007-08	2006 - 07
1. Loans :		
a) Staff	3,150.00	7,200.00
b) L.T.C. Advance	13,000.00	0.00
c) Other Entities engaged in activities/ objectives similar to that of the Entity	0.00	0.00
d) Other (Deposits)		
i. Petrol Pump	30,000.00	30,000.00
ii. Telephone	33,350.00	33,350.00
iv. LPG Gas	3,100.00	3,100.00
v. Office building	2,52,700.00	2,52,700.00
vi. AEC	16,520.00	16,520.00
2. Advances and other amounts recoverable in cash or in kind or for value to be received		
a) On Capital Account	0.00	0.00
b) Prepayments	0.00	0.00
c) Others	0.00	0.00
3) Income Accrued :		
a) On investments from Ear marked /Endowment Funds	0.00	0.00
b) On Investments - Others	0.00	0.00
c) On Loans and Advances	0.00	0.00
d) Others	0.00	0.00
(Includes income due unrealized Rs .....)		
4) Claims Receivable (TDS Receivable from IT Dept.)	3,141.12	2,11,504.12
5) Receivable Interest	32,21,876.00	27,63,204.44
<b>TOTAL ( B )</b>	<b>35,76,837.12</b>	<b>33,17,578.56</b>
<b>TOTAL ( A+B )</b>	<b>18,63,62,999.77</b>	<b>13,22,92,755.26</b>

### SCHEDULE-12 - INCOME FROM SERVICES

	(Amount Rs.)	
	2007-08	2006 - 07
	NIL	NIL

### SCHEDULE - 13 - GRANTS / SUBSIDIES

GRANTS / SUBSIDIES	(Amount Rs.)	
	2007-08	2006 - 07
1) Central Government	0.00	0.00
2) State Government	0.00	0.00
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
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

### SCHEDULE - 14 - FEES / SUBSCRIPTIONS

FEES / SUBSCRIPTIONS	(Amount Rs.)	
	2007-08	2006-07
1) Entrance Fees	0.00	0.00
2) Annual Fees / Subscription	4,43,10,084.46	3,77,64,000.00
3) Seminar / Program fees	0.00	0.00
4) Consultancy Fees	0.00	0.00
5) Others ( Specify)	0.00	0.00
6) Pitition fees	1,02,05,625.00	3,90,15,175.00
<b>TOTAL</b>	<b>5,45,15,709.46</b>	<b>7,67,79,175.00</b>

### SCHEDULE - 15 - INCOME FROM INVESTMENTS

(Income on Invest from Earmarked / endowment funds transferred to Funds)	Investment from Earmarked Fund		Investment - others	
	2007-08	2006 - 07	2007-08	2006 - 07
	NIL	NIL	NIL	NIL

### SCHEDULE-16 - INCOME FROM ROYALTY, PUBLICATION ETC.

	(Amount Rs.)	
	2007-08	2006 - 07
	NIL	NIL

### SCHEDULE - 17 - GRANTS / SUBSIDES

<b>INTEREST EARNED</b>	<b>(Amount Rs.)</b>	
	<b>2007-08</b>	<b>2006 - 07</b>
1) On Term Deposit		
a) With Scheduled banks	1,68,37,955.31	78,40,295.12
b) With Non Scheduled Banks	0.00	0.00
c) With Institution	0.00	0.00
d) Other	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) Other	0.00	0.00
3) On Loans		
a) Employees / Staff	0.00	0.00
b) Other	0.00	0.00
4) Interest on Debtors and Other Receivables	0.00	0.00
5) Interest on TDS Refund for Asst. Yr. 2006-07	12,504.00	1,785.00
<b>TOTAL</b>	<b>1,68,50,459.31</b>	<b>78,42,080.12</b>

### SCHEDULE - 18 - OTHER INCOME

<b>OTHER INCOME</b>	<b>(Amount Rs.)</b>	
	<b>2007-08</b>	<b>2006 - 07</b>
1) Recovery of Printing Charges	2,888.00	10,851.00
2) Recovery of Visa fees / Vehicle use from staffs	11,823.00	16,205.00
3) Other Misc. Reciept	2,461.00	16,004.00
4) Contribution from Forum Of Indian Regulators	9,72,776.00	0.00
<b>TOTAL</b>	<b>9,89,948.00</b>	<b>43,060.00</b>

### SCHEDULE-19 - INCREASE / DECREASE IN STOCK OF FINISHED

<b>GOODS AND WORKS IN PROGRESS</b>	<b>(Amount Rs.)</b>	
	<b>2007-08</b>	<b>2006 - 07</b>
	NIL	NIL

## SCHEDULE - 20 - ESTABLISHMENT EXPENSES

	(Amount Rs.)	
	2007-08	2006 - 07
a) Salaries and Wages		
1) Salaries commision	20,98,874.00	17,65,898.00
2) Salaries office staff	55,41,626.50	48,22,749.00
3) Salaries Ombudsmnt Office Staff	2,80,233.00	1,91,808.00
b) Allowances and Bonus		
1) Uniform Allowance	12,484.00	10,934.00
c) Contribution to Provident Fund	3,32,557.00	2,97,244.00
d) Contribution to Other Fund ( specify)	0.00	0.00
e) Staff Welfare Expenses		
Medical Facility and Reimbursement	4,48,689.00	1,45,629.00
f) Expenses on Employees' Retirement and		
Terminal Benefits		
1) Gratuity	10,19,960.00	0.00
2) Leave Salary	14,56,620.00	0.00
g) Others ( Specify)	0.00	0.00
<b>TOTAL</b>	<b>1,11,91,043.50</b>	<b>72,34,262.00</b>



## SCHEDULE - 21 - OTHER ADMINISTRATIVE EXPENSES ETC.

	(Amount Rs.)	
	2007-08	2006 - 07
<b>a) General Expenses</b>		
i) Bank Charges	5,754.41	1,062.00
ii) Electricity charges	1,77,394.00	1,86,339.00
iii) Vehicle Running Expenses Fuel etc.	3,92,335.00	4,18,564.00
iv) Advertisements and Publicity	36,570.0	29,287.00
v) Audit fees	88,205.00	64,445.00
vii) Vehicle Insurance Expenses	51,833.00	83,069.00
ix) Other Office Expenses	2,36,209.00	2,41,134.00
xi) Misc. exp.	1,68,206.00	1,31,235.00
<b>TOTAL:</b>	<b>11,56,506.41</b>	<b>11,55,135.00</b>
<b>b) Repairs and Maintenance</b>		
i) Building	6,816.00	0.00
ii) Furniture and Office Equipment	76,839.00	1,03,735.00
iii) Vehicles	60,420.00	82,480.00
<b>TOTAL</b>	<b>1,44,075.00</b>	<b>1,86,215.00</b>
<b>c) Rent , Rates and Taxes</b>		
i) Rent (office)	21,54,611.00	20,41,548.00
iii) Municipal Taxes	3,19,837.00	2,47,159.00
<b>TOTAL</b>	<b>24,74,448.00</b>	<b>22,88,707.00</b>
<b>d) Postage , telephone and Communication Charges</b>		
i) Postage charges	44,126.00	52,307.00
ii) Telephone charges	2,82,189.00	3,32,636.00
iii) Website charges	0.00	43,462.00
iv) Internet charges	28,062.00	7,746.00
<b>TOTAL</b>	<b>3,54,377.00</b>	<b>4,36,151.00</b>
<b>e) Printing and stationary</b>		
i) Printing and Stationery	<b>1,55,290.00</b>	<b>1,64,738.00</b>
<b>f) Traveling and Conveyance Expenses</b>		
i) Traveling Expenses for domestic tour	9,09,512.00	3,65,706.00
ii) Traveling allowances for domestic tour	3,16,920.00	1,81,557.00
iv) Conveyance expenses	15,098.00	6,159.00
v) Leave Travel Concession	50,890.00	0.00
<b>TOTAL</b>	<b>12,92,420.00</b>	<b>5,53,422.00</b>

### SCHEDULE - 21 - OTHER ADMINISTRATIVE EXPENSES ETC.

	(Amount Rs.)	
	2007-08	2006 - 07
<b>g) Subscription Expenses</b>		
i) Subscription of Newspapers and Magazines	55,361.00	59,711.00
ii) Purchase of Book	27,590.00	21,648.00
iii) FOIR 21st General Body Meeting exp.	17,37,950.00	0.00
iv) Financial assistance for consumer's awerness	0.00	2,00,000.00
<b>TOTAL</b>	<b>18,20,901.00</b>	<b>2,81,359.00</b>
<b>h) Expenses on Seminar/ work shop</b>		
i) Seminars	28,500.00	15,000.00
<b>TOTAL</b>	<b>28,500.00</b>	<b>15,000.00</b>
<b>i) Auditors Remuneration</b>		
<b>j) Hospitality Expenses</b>	0.00	0.00
<b>k) Consultancy charges / Professional charges</b>		
i) Legal Consultancy	3,00,000.00	0.00
ii) Professional Consultancy / Charges	16,39,010.00	41,19,199.00
iii) Annual Fees	1,00,000.00	1,50,000.00
<b>TOTAL</b>	<b>20,39,010.00</b>	<b>42,69,199.00</b>
<b>l) Deposits / investments</b>	0.00	0.00
<b>TOTAL (A TO I)</b>	<b>94,65,527.41</b>	<b>93,49,926.00</b>

### SCHEDULE-22 - EXPENDITURE FROM GRANTS, SUBSIDIES ETC.

2007-08	2006 - 07
NIL	NIL

### SCHEDULE-23 - INTEREST PAID

2007-08	2006 - 07
NIL	NIL

## **SCHEDULE 24**

### **1. Significant Accounting Policies**

1. Annual Accounts for the year 2007-2008 have been prepared as per the format approved by Govt. of Gujarat wide Resolution no. GHU-2005-(105)-GRC-2003-7997-K DATED 20/10/2005 in consultation with the C & AG of India (vide its Letter no. 967/AC-II/GJ/GERC/2003-04/75-04 dated 31.08.2004.)
2. The Commission prepares Accounts on Accrual Basis.
3. From Financial year 2005-2006 the State Govt. has stopped budgetary support. Hence the commission has decided to transfer excess of income over expenditure to GERC Capital Fund, and also to General Reserve as decided from time to time. Fund available in GERC Capital Fund will be utilized for capital expenditure as and when required.

### **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 short-fall 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 Written down method as per rates specified in The Income - Rules, 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 Income tax Act, 1961.

## **6. GENERAL**

- 6.1 The Commission determined retirement benefit cost policy and as such an appropriate fund for retirement benefit, to the employees of the Commission is created together with the provision of gratuity amounting to Rs. 20 Lacks.
- 6.2 While finalizing annual account, the objection regarding authenticating of significant and accounting policies (sch. 24) has been done.

## **7. MISCELLANEOUS EXPENDITURE**

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

## **8. GOVERNMENT GRANTS/SUBSIDIES**

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

## **9. FOREIGN CURRENCY TRANSACTION**

- 9.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.
- 9.2 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.

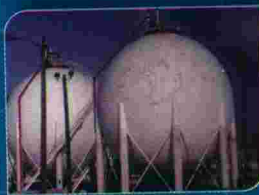
## **10. TAXATION**

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.

11. Corresponding figures for the previous figures have been regrouped / rearranged, wherever necessary.
12. Schedules 1 to 24 are annexed to and form an integral part of the Balance Sheet as at 31<sup>st</sup> March 2008 and the Income and Expenditure Account for the year ended on that date.





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## Gujarat Electricity Regulatory Commission

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