



The Gujarat Electricity Regulatory Commission



10th Annual Account *Financial Year 2008-09*



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

THE GUJARAT ELECTRICITY REGULATORY COMMISSION

Tenth Annual Account 2008-09



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

THE GUJARAT ELECTRICITY REGULATORY COMMISSION



**The Commission presents the 10th Annual Account for
FY 2008-09, as required under Section 104(4) of the
Electricity Act, 2003.**

Sanjay Nandan Agrawal, IAS
Secretary
Gujarat Electricity Regulatory Commission

Draft 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 2009

We have audited the attached Balance sheet of Gujarat Electricity Regulatory Commission as at 31 March 2009 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 Inspections Reports.

Based on 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 books.
- iv) We further request that:

1) Comments on Accounts

A) Income and Expenditure Accounts

Expenditure

Net current year Depreciation on Fixed Assets (Vide Schedule -8)

Rs. 6,26,982.00

- 1) The above is understated by Rs. 39,179 on account of not charging depreciation at the rate of 50% of the applicable depreciation rates on the assets purchased after 01.10.2008 (less than 180 days usages). It correspondingly resulted in overstatement of excess of income over expenditure by Rs. 39,179.

Establishment Expenditure

Schedule 20

Rs. 1,31,72,383

- 2) The above did not include provision for expenditure towards 60% pay revision arrears amounting to Rs. 27.49 lakh payable to employees with effect from 01.01.2006 to 31.03.2009 (Paid in the first quarter of 2009 -10) on account of revision of pay scales by the Commission consequent on revision of pay scales by the Government of Gujarat. The Commission is significant in view of the fact that though provision for GERC retirement benefit fund (inclusive of Gratuity and leave salary) was made for the staff in the books for 2008 - 09 duly taking into account the revised pay scales, no provision for pay revision arrears was made. This correspondingly resulted in understatement of current liabilities and provisions and overstatement of excess of income over expenditure for the year 2008-09 Rs. 27.49 lakh.
- 3) 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.
- 4) 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 2009, and
 - b) In so far as it relates to Income and Expenditure account, of the excess for the year ended on that date.

(Approved by Principal Account General)

Senior Audit Officer (CAD-Hqrs)

GUJARAT ELECTRICITY REGULATORY COMMISSION

FINANCIAL STATEMENT

BALANCE SHEET AS ON 31ST MARCH, 2009

		Amount – (In Rs.)	
CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	2008-09	2007-08
CORPUS /GERC CAPITAL FUND	1	26,50,00,000.00	17,50,00,000.00
RESERVES AND SURPLUS	2	1,71,76,241.38	1,35,14,676.33
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	77,69,855.65	24,00,133.65
TOTAL		28,99,46,097.03	19,09,14,809.98
ASSETS			
FIXED ASSETS	8		
Gross Block		1,09,85,835.21	1,08,07,272.21
less, Total Depreciation (up to year end of 2008-09)		68,82,444.00	62,55,462.00
Net Block		41,03,391.21	45,51,810.21
INVESTMENTS -FROM EARMARKED /ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS	10	0.00	0.00
CURRENT ASSETS , LOANS , ADVANCES MISCELLANEOUS EXPENDITURE	11	28,58,42,705.82	18,63,62,999.77
TOTAL		28,99,46,097.03	19,09,14,809.98

For and on behalf of the commission

C. N. BHATT
ACCOUNTS OFFICER

M. N. KHALYANI
DY. DIRECTOR SECRETARY

PLACE : AHMEDABAD
DATE : 21/07/2009

P. S. SHAH
SECRETARY

GUJARAT ELECTRICITY REGULATORY COMMISSION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED

31ST MARCH, 2009

		Amount – (In Rs.)	
		2008-09	2007-08
INCOME			
Income from sales / service	12	0.00	0.00
Grants /Subsidies	13	0.00	0.00
Fees and charges	14	9,34,12,337.00	5,45,15,709.46
Income from Investments (Income on Investment , from earmarked/ endowment Funds transferred to Funds)	15	0.00	0.00
Income from Royalty , Publications etc.	16	2,38,44,109.05	1,68,50,459.31
Interest Earned	17	26,055.00	9,89,948.00
Other Income	18	0.00	0.00
Increase/Decrease in stock of finished goods & work in progress	19	11,72,82,501.05	7,23,56,116.77
TOTAL (A)			
EXPENDITURE			
Establishment Expenditure	20	1,31,72,383.00	1,11,91,043.50
Other Administrative Expenses etc.	21	98,21,571.00	94,65,527.41
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)		6,26,982.00	8,18,711.00
TOTAL (B)		2,36,20,936.00	2,14,75,281.91
Balance being excess of Income over Expenditure (A-B)			
Transfer to Corpus Fund		9,36,61,565.05	5,08,80,834.86
Transfer to General Reserve		9,00,00,000.00	4,99,93,669.48
Balance being surplus transferred to balance sheet		36,61,565.05	8,87,165.38
SIGNIFICANT ACCOUNTING POLICIES CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	24	0.00	0.00

C. N. BHATT
ACCOUNTS OFFICER

M. N. KHALLYANI
DY. DIRECTOR SECRETARY

P. S. SHAH
SECRETARY

PLACE : AHMEDABAD
DATE : 21/07/2009

SCHEDULE - 1 CORPUS / CAPITAL FUND		
	Amount – (In Rs.)	
CORPUS / CAPITAL FUND :	2008 - 09	2007 - 08
Balance as at the beginning of the year	17,50,00,000.00	125006330.52
Add: Contributions towards Corpus / Capital Fund	0.00	0.00
Add transferred from the Income and expenditure Account of the current year	9,00,00,000.00	4,99,93,669.48
BALANCE AS AT THE YEAR-END	26,50,00,000.00	17,50,00,000.00

SCHEDULE - 2 RESERVES AND SURPLUS		
	(Amount – (In Rs.))	
RESERVES AND SURPLUS	2008 - 09	2007 - 08
Balance as at the beginning of the year	1,35,14,676.33	1,26,27,510.95
Add Balance being surplus transferred from the Income and Expenditure Account of the current year	36,61,565.05	8,87,165.38
BALANCE AS AT THE YEAR-END	1,71,76,241.38	1,35,14,676.33

SCHEDULE-3 - EARMARKED / ENDOWMENT FUNDS				
	Amount – (In Rs.)			
	FUND WISE UP BREAK UP			TOTALS
	Fund	Fund	Fund	2008 - 09
	NIL	NIL	NIL	2007 - 08
	NIL	NIL	NIL	NIL
				NIL

SCHEDULE-4 - SECURED LOANS AND BORROWINGS		
	Amount – (In Rs.)	
SECURED LOANS AND BORROWINGS	2008- 09	2007 - 08
	NIL	NIL

SCHEDULE-5 - UN SECURED LOANS AND BORROWINGS		
	Amount – (In Rs.)	
UN SECURED LOANS AND BORROWINGS	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE-6 - DEFFERED CREDIT LIABILITIES :

DEFFERED CREDIT LIABILITIES	Amount – (In Rs.)	
	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE - 7 - CURRENT LIABILITIES AND PROVISION

	Amount – (In Rs.)	
	2008 - 09	2007 - 08
A. CURRENT LIABILITIES		
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		
4. CPF Commission	19,385.00	
TOTAL (A)	19,385.00	0.00
B. PROVISIONS		
1. For Taxation	0.00	0.00
2. Gratuity		
3. Superannuation / Pension	0.00	0.00
4. Accumulated Leave Encashment		
5. Trade Warranties / Claims	0.00	0.00
6. Others (Specify)	0.00	0.00
7. Unpaid Exp.	17,12,141.00	3,85,893.00
8. Geric retrainment Benifit fund	60,38,329.65	20,14,240.65
TOTAL (B)	77,50,470.65	24,00,133.65
TOTAL (A+B)	77,69,855.65	24,00,133.65

SCHEDULE - 8 - FIXED ASSETS

DESCRIPTION	DEPRECIATION RATE*	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		Opening/Valuation of the year 01-04-08	Additions during the year up to 30-09-08	Additions during the year after 01-10-08	Total Additions during the year 2008-09	Deductions during the year	Cost / Valuation at the year end (1+4.5 = 6) 31-3-2009	As at the Beginning of the year 01-04-08	Depreciation of the current year 2008-09	On Deduction during the year	Total Up to Year end (7+8.9 = 10) 31-3-09	As at the current year end (6-10=11) 2008-2009	As at the Previous year-end 2007-2008
		1	2	3	4	5	6	7	8	9	10	11	12
1. FIXED ASSETS LAND													
a) Free Hold													
b) Lease Hold													
2. BUILDINGS													
a) On Freehold 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%	37,79,882.00	0.00	0.00	0.00	0.00	37,79,882.00	15,45,773.00	33,51,116.00	0.00	18,80,889.00	18,98,993.00	22,34,109.00
5. FURNITURE, FIXTURES	10%	23,96,699.00	0.00	37,663.00	37,663.00		24,34,362.00	8,66,464.00	1,53,023.00	0.00	10,19,487.00	14,14,875.00	15,30,235.00
6. OFFICE EQUIPMENT	10%	10,37,277.00	0.00	19,900.00	19,900.00	0.00	10,57,177.00	3,70,005.00	66,727.00	0.00	4,36,732.00	6,20,445.00	6,67,272.00
7. COMPUTER/PERIPHERALS	60%	35,93,414.21	0.00	1,21,000.00	1,21,000.00	0.00	37,14,414.21	34,73,220.00	72,116.00	0.00	35,45,336.00	1,69,078.21	1,20,194.21
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		1,08,07,272.21	0.00	1,78,563.00	1,78,563.00	0.00	1,09,85,835.21	62,55,462.00	6,26,982.00	0.00	68,82,444.00	41,03,391.21	45,51,810.21

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

SCHEDULE-9 - INVESTMENT FROM EARMARKED ENDOWMENT FUNDS		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE-10 - INVESTMENT - OTHER		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE - 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
A CURRENT ASSETS		
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	10,584.00	442.00
3 Bank Balances:		
a) With Scheduled Banks (with National Banks and Govt. State Financial Service)		
1) Fixed / Term Deposit	27,51,86,662.00	18,00,00,000.00
2) Auto Sweep Savings Account	54,22,973.17	27,75,129.11
3) Current Account	23,834.65	10,591.54
TOTAL - (A)	28,06,44,053.82	18,27,86,162.65

SCHEDULE - 11-B - LOANS, ADVANCES AND OTHER ASSETS		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
1. Loans :		
a) Staff (Festival Advance)	42,000	3,150.00
b) Ltc Advance		13,000.00
c) Other Entities engaged in activities/ objectives similar to that of the Entity		0.00
d) Medical Advance	54,000	
e) 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. Electricity	16,520.00	16,520.00
vii Govt. Qut. Deposit	1,300.00	0.00
viii Safe Deposit Walt (Syndicat Bank)	5,000	0.00
2. Advances and other amounts recoverable in cash or in kind or 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
5) Receivable Interest	47,60,682.00	32,21,876.00
TOTAL (B)	51,98,652.00	35,76,837.12
TOTAL (A+B)	28,58,42,705.82	18,63,62,999.77

SCHEDULE-12 - INCOME FROM SERVICES		
INCOME FROM SERVICE	Amount – (In Rs.)	
	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE - 13 - GRANTS / SUBSIDIES		
GRANTS / SUBSIDIES	Amount – (In Rs.)	
	2008 - 09	2007 - 08
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
TOTAL	0.00	0.00

SCHEDULE - 14 - FEES / SUBSCRIPTIONS		
FEES / SUBSCRIPTIONS	Amount – (In Rs.)	
	2008 - 09	2007 - 08
1) Entrance Fees	0.00	0.00
2) Annual Fees / Subscription	5,29,34,337.00	4,43,10,084.46
3) Seminar / Program fees		0.00
4) Consultancy Fees		0.00
5) Others (Specify)		0.00
6) Pitition fees	4,04,78,000.00	1,02,05,625.00
TOTAL	9,34,12,337.00	5,45,15,709.46

SCHEDULE - 15 - INCOME FROM INVESTMENTS				
(Income on Investment from Earmarked / endowment funds) transferred to Funds.	Investment from Earmarked Fund		Investment - others	
	2008 - 09	2007 - 08	2008 - 09	2007 - 08
	NIL	NIL	NIL	NIL

SCHEDULE-16 - INCOME FROM ROYALTY, PUBLICATION ETC.		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
	NIL	NIL

SCHEDULE - 17 - INTEREST EARNED		
INTEREST EARNED	Amount – (In Rs.)	
	2008 - 09	2007 - 08
1) On Term Deposit		
a) With Scheduled banks	2,38,43,780.17	1,68,37,955.31
b) With Non Scheduled Banks		0.00
c) With Institution		0.00
d) Other		0.00
2) On Savings Accounts		
a) With Scheduled banks		0.00
b) With Non Scheduled Banks		0.00
c) Post Office Savings Account		0.00
d) Other		0.00
3) On Loans		
a) Employees / Staff		0.00
b) Other		0.00
4) Interest on Debtors and Other Receivables		0.00
5) Interest on TDS Refund for Asst. Yr. 2008-2009	328.88	12,504.00
TOTAL	2,38,44,109.05	1,68,50,459.31

SCHEDULE - 18 - OTHER INCOME		
OTHER INCOME	Amount – (In Rs.)	
	2008 - 09	2007 - 08
I) Recovery of Printing Charges	5,480.00	2,888.00
II) Recovery of Visa fees / Vehicle use from staffs	18,115.00	11,823.00
III) Pasti and scrap sales	1,734.00	2,461.00
IV) Contribution from forum of Indian regulators		9,72,776.00
V) RTI Fees	726.00	0.00
TOTAL	26,055.00	9,89,948.00

SCHEDULE - 21 - OTHER ADMINISTRATIVE EXPENSES ETC.		
	Amount – (In Rs.)	
a) General Expenses	2008 - 09	2007 - 08
I) Bank Charges	4,503.00	5,754.41
ii) Electricity charges	1,82,869.00	1,77,394.00
iii) Vehicle Running Expenses Fuel etc.	5,14,770.00	3,92,335.00
iv) Advertisements and Publicity	1,05,214.00	36,570.00
v) Audit fees	60,245.00	88,205.00
vii) Vehicle Insurance Expenses	44,833.00	51,833.00
ix) Other Office Expenses	335,455.00	2,36,209.00
xi) Misc. exp.	2,16,878.00	1,68,206.00
TOTAL:	14,64,767.00	11,56,506.41
b) Repairs and Maintenance		
i) Building	88,617	6,816.00
ii) Furniture and Office Equipment	1,61,006.00	76,839.00
iii) Vehicles	1,41,879	60,420.00
TOTAL:	3,91,502.00	1,44,075.00
c) Rent , Rates and Taxes		
i) Rent (office)	24,29,514.00	21,54,611.00
iii) Municipal Taxes	4,60,293.00	3,19,837.00
TOTAL:	28,89,807	24,74,448.00
d) Postage , telephone and Communication Charges		
i) Postage charges	62,173.00	44,126.00
ii) Telephone charges	2,78,919.00	2,82,189.00
iii) Website charges	25,100.00	0.00
iv) Internet charges	17,541.00	28,062.00
TOTAL:	3,83,733.00	3,54,377.00
e) Printing and stationary		
i) Printing and Stationery	2,57,288.00	1,55,290.00
f) Traveling and Conveyance Expenses		
i) Traveling Expenses for domestic tour	8,55,090.00	9,09,512.00
ii) Traveling allowances for domestic tour	1,84,036.00	3,16,920.00
iv) Conveyance expenses	31,868.00	15,098.00
v) Leave Travel Concession	1,41,614.00	50,890.00
TOTAL:	12,12,608.00	12,92,420.00

SCHEDULE - 21 - OTHER ADMINISTRATIVE EXPENSES ETC.		
	Amount – (In Rs.)	
	2008 - 09	2007 - 08
g) Subscription Expenses		
i) Subscription of Newspapers and Magazines	41,556.00	55,361.00
ii) Purchase of Book	25,778.00	27,590.00
iii) For 21st General Body Meeting exp.	0.00	17,37,950.00
iv) Financial assistance for consumer's awareness	0.00	0.00
v) For Annual fees	1,50,000.00	0.00
TOTAL :	2,17,334.00	18,20,901.00
h) Expenses on Seminar/ work shop		
i) Seminars		28,500.00
TOTAL :	0.00	28,500.00
i) Auditors Remuneration		
j) Hospitality Expenses		0.00
k) Consultancy charges / Professional charges		
i) Legal Consultancy	5,25,500.00	3,00,000.00
ii) Professional Consultancy / Charges	24,79,032.00	16,39,010.00
iii) Annual Fees		1,00,000.00
TOTAL :	0.00	0.00
i) Deposits / Investments		
TOTAL: (a to I)	98,21,571.00	94,65,527.41

SCHEDULE-22 - EXPENDITURE FROM GRANTS, SUBSIDIES ETC.	
2008 - 09	2007 - 08
NIL	NIL

SCHEDULE-23 - INTEREST PAID	
2008 - 09	2007 - 08
NIL	NIL

SCHEDULE-24

1 Significant Accounting Policies

- 1.1 Annual Accounts for the year 2008-09 have been prepared as per the format approved by Government of Gujarat vide 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 31.8.2004).
- 1.2 The Commission prepares Accounts on Accrual basis
- 1.3 The Commission has notified Gujarat Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2005. As such licence fees and other revenue income started w.e.f. 01.04.2005, Government of Gujarat is not giving any budgetary support to the Commission from F.Y. 2005 - 06. The State Government has also notified the GERC Fund Rules, 2005 vide Notification No. GHU-2005-(84)-GERC-2003-9688-K dated 02.08.2005.
- 1.4 Excess of income over expenditure is transferred to GERC Funds/ General Reserve. Generally, GERC fund is invested in Nationalized banks/Gujarat State Financial Services Ltd (a State Public Sector Undertaking) for one year as Fixed Deposit Receipt.

2 Accounting convention

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

3 Investment

- 3.1 Investments classified as "long term investments" are carried forward at cost. Provision for decline, other than temporary, is made in carrying cost of such investment.

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, stamp duty.

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) from part of the value of assets capitalized. Accumulated depreciation and book value and net value of assets are shown in Schedule No. 8.

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 the rates specified in the Income Tax Act, 1961 and Rules made thereunder. There is no change in the method for calculating depreciation for the year under report.

5.2 In respect of additions to/deduction from fixed assets during the year, depreciation is calculated in accordance with Income Tax Act, 1961 and the rules made thereunder.

6. General

6.1 The Commission started making provisions for the liability towards retirement benefits from F.Y. 2007-08. The provision for retirement benefit is calculated considering the liabilities towards payment of gratuity and payment of encashment of leave salary etc. to the Members/employees of the Commission at the time of retirement or vacating their office. Gratuity and accumulated

leave encashment are worked out in line with the relevant provisions in the State Government. In the current F.Y, the Commission has made provision of Rs. 44.00 lakhs for payment of retirement benefits, which consists of Rs. 11.00 lakhs towards gratuity and Rs. 33.00 lakhs towards encashment of leave etc.

- 6.2 While finalizing Annual Account, the objection regarding authenticating of significant and accounting policies (Sch. 24) has been complied.

7. Fees and Charges

- 7.1 Commission's Regulations in this regard provide for advance payment of annual licence fee at the commencement of the financial year on the estimated basis. Further, it also provides that the excess or shortfall in licence fee calculated on the actual basis shall be adjusted against the annual licence fees for the following years.

Accordingly, advance payment of annual license fees and adjustment of license fees for the earlier years based on the audited data paid by the licensee is shown as revenue income for the current year.

In the current F.Y. the Commission has received Rs. 4,96,78,430/- as licence fees based on the estimated sales and Rs. 32,55,907/- as adjustment based on the audited data for the year 2006-07 of the distribution licencees. The Commission also receives petition fees/charges as provided in the regulations. In the year 2008-09 the Commission has received Rs. 4,04,78,000/- as petition fees and charges etc.

8. Government grants and subsidies:-

Commission had not received government grant/subsidy in F.Y. 2008-09.

9 Foreign Currency Transaction

During Financial Year 2008-09 there was no foreign visit, hence the question of transaction of foreign currency did not arise.

10 Taxation

GERC being a statutory Commission established under the Electricity Act, 2003 is carrying on statutory and regulatory functions 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

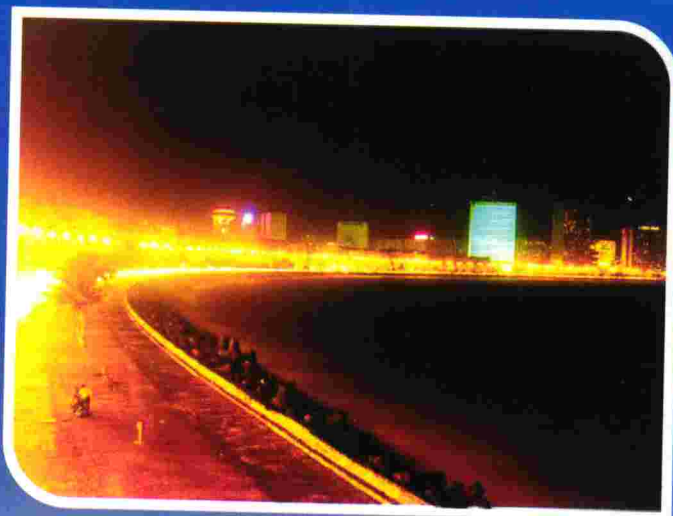
- 11 Corresponding figures for the previous figures have been regrouped/rearranged, wherever necessary.
- 12 Schedules 1 to 24 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2009 and the Income and Expenditure Account for the year ended on that date.

C.N BHATT
ACCOUNTS OFFICER

M.N.KHALYANI
DY.DIRECTOR (A&A)

P.S. SHAH
SECRETARY

Date: 21.07.2009
Place : Ahmedabad



The Gujarat Electricity Regulatory Commission

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