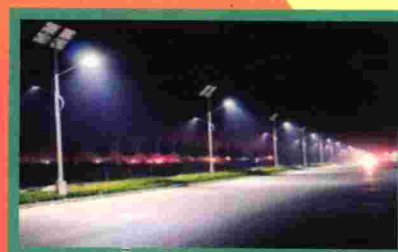


# The Gujarat Electricity Regulatory Commission



## **11<sup>th</sup> Annual Account** *Financial Year 2009-10*

# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## Eleventh Annual Account 2009-10



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

**Website :** [www.gercin.org](http://www.gercin.org) **E-mail :** [gerc@gercin.org](mailto:gerc@gercin.org)

# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**



**The Commission presents the 11<sup>th</sup> Annual Account for  
FY 2009-10, as required under Section 104 (4) of the  
Electricity Act, 2003.**

**Dr. Ketan Shukla, IFS**  
Secretary  
**Gujarat Electricity Regulatory Commission**





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## FROM THE DESK OF THE CHAIRMAN

The Gujarat Electricity Regulatory Commission (GERC) has been functioning for the past 11 years discharging functions of determination of tariff for generation, supply, transmission, wheeling, wholesale, bulk and retail supply, as the case may be, within the State of Gujarat and also undertakes the functions of enabling open access, regulating the power purchase and procurement process, facilitating intra-state transmission, issuing licences for transmission and distribution, promoting co-generation and generation of electricity from renewable sources of energy, adjudicating on the disputes between licensees and the utilities, specifying State Grid Code, supply Code, fixing trading margin for intra-state trading of electricity and discharging such other functions assigned under the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003. The Commission was constituted under the Electricity Regulatory Commissions Act, 1998 (ERC Act) and was subsequently deemed to have been established under sub-section (1) of Section 3 of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 and in terms of Section 82 of the Electricity Act, 2003.

The GERC gets fund for its operation mainly through collection of licence fees and petition fees and is operated as per GERC Fund Rules, 2005 and also governed by the Gujarat Financial Rules, 1971, amended from time to time. The funds are invested in the form of Fixed Deposits in nationalized banks and in certain State Government Financial Institutions. GERC does not require any grant or financial support from the Government of Gujarat and is self-reliant since 2005. The annual licence fees and petition fees are governed by the Regulation of Fees, Fines and Charges Notification No. 6 of 2005.

The Comptroller and Auditor General of India does the audit of the accounts of the Commission every year, including proprietary audit from time to time.



## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

As against the Annual Income of Rs. 17.08 crores during the year 2009-10, the total expenditure for the year was Rs. 3.35 crores. The GERC now holds a total corpus fund of Rs. 39.00 crore as on 31<sup>st</sup> March, 2010, and the general reserve fund of Rs. 2.94 crores.

The GERC intends to have its own building on the S.G. Highway, behind Nirma University. The Government of Gujarat has allotted approximately 5000 sq. mtrs. of land for the office building of GERC on Survey No. 102, behind Nirma University. The GERC has already paid an amount of Rs. 1.50 crores towards initial payment for the land and the balance will be paid after determination of the land value by the Government of Gujarat.

The GERC keeps pace with the changing electricity sector scenario and has been proactive in ensuring development of the sector at large.

**Dr. P. K. Mishra**  
Chairman





## 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 2010.**

We have audited the attached Balance Sheet of Gujarat Electricity Regulatory Commission as at 31 March 2010 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 and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the 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 CAG 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 observe that:



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## I. Comment on Accounts

### Balance Sheet

#### Assets

### 1. Fixed Assets (Schedule 8) —Rs. 1.95 crore

This includes Rs. 1.50 crore paid for as token amount towards the cost of the land for construction of office building. This should have been shown under the head 'Land' instead of building.

Further, the sale price of the land will be decided by the Government, hence it is not ascertainable. However, the liability of the Commission will arise as and when Government decides the price. Hence, suitable disclosure should have also been made in the Note to accounts.

## II. Income and Expenditure Account for the year ended 31 March 2010

### Income

### 2. Fees and charges (Schedule 14)

#### Annual Fees / Subscriptions — Rs. 5.61

The above is understated by Rs. 0.92 crore on account of non-accountal of Annual Licence Fees recoverable from GUVNL at the rate of 0.05 per cent of the sale of power to the parties other than the licensees for the period 2005-06 to 2009-10. It correspondingly understated 'Current Assets, Loans and Advances' by Rs. 0.92 crore.

- (i) 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.
- (ii) 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 in para iv 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 2010, and
- b. In so far as it relates to Income and Expenditure account, of the excess of income over expenditure for the year ended on that date.

For and on behalf of  
The Comptroller & Auditor General of India  
sd.

(Dr. Prasenjit Mukherjee)  
Principal Accountant General

Place : Ahmedabad

Dated : 13.12.2010





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## GUJARAT ELECTRICITY REGULATORY COMMISSION FINANCIAL STATEMENT

BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2010

Amount – (In Rs.)

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	2009-10	2008-09
CORPUS /GERC CAPITAL FUND	1	39,00,00,000.00	26,50,00,000.00
RESERVES AND SURPLUS	2	2,94,91,439.79	1,71,76,241.38
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	95,77,197.10	77,69,855.65
<b>TOTAL</b>		<b>42,90,68,636.89</b>	<b>28,99,46,097.03</b>
<b>ASSETS</b>			
FIXED ASSETS	8	1,95,12,969.58	41,03,391.21
INVESTMENTS -FROM			
EARMARKED /ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS			
CURRENT ASSETS , LOANS ,	10	0.00	0.00
ADVANCESMISCELLANEOUS EXPENDITURE	11	40,95,55,667.31	28,58,42,705.82
<b>TOTAL</b>		<b>42,90,68,636.89</b>	<b>28,99,46,097.03</b>

For and on behalf of the commission

**C. N. BHATT**  
ACCOUNTS OFFICER

**M. N. KHALLYANI**  
DY.DIRECTOR  
(A & A)

Date : 14.10.2010  
Place : Ahmedabad

**DR. KETAN SHUKLA**  
SECRETARY





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## GUJARAT ELECTRICITY REGULATORY COMMISSION INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

		Amount – (In Rs.)	
		2009-10	2008-09
<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	14,28,45,062.00	9,34,12,337.00
Income from Investments (Income on Investment, from earmarked/ endowment Funds transferred to Funds)	15	0.00	0.00
Income from Royalty , Publications etc.	16	0.00	0.00
Interest Earned	17	2,80,30,189.84	2,38,44,109.05
Other Income	18	19,709.00	26,055.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
<b>TOTAL (A)</b>		<b>17,08,94,960.84</b>	<b>11,72,82,501.05</b>
<b>EXPENDITURE</b>	<b>Schedule</b>		
Establishment Expenditure	20	1,84,41,527.96	1,31,72,383.00
Other Administrative Expenses etc.	21	1,41,13,967.47	98,21,571.00
Expenditure from Grants, subsidies etc	22	0.00	0.00
Interest paid	23	0.00	0.00
Depreciation		10,24,267.00	6,26,982.00
(Net Total at the year end corresponding to schedule -8)			
<b>TOTAL (B)</b>		<b>3,35,79,762.43</b>	<b>2,36,20,936.00</b>
<b>Balance being excess of Income over Expenditure (A-B)</b>		<b>13,73,15,198.41</b>	<b>9,36,61,565.05</b>
Transfer to Corpus Fund		12,50,00,000.00	9,00,00,000.00
Transfer to General Reserve		1,23,15,198.41	36,61,565.05
Balance being surplus transferred to balance sheet	24	0.00	0.00
SIGNIFICANT ACCOUNTING POLICIES CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			

**C. N. BHATT**  
ACCOUNTS OFFICER

**M. N. KHALLYANI**  
DY. DIRECTOR  
(A & A)

**DR. KETAN SHUKLA**  
SECRETARY

Date : 14.10.2010  
Place : Ahmedabad



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 1 CORPUS / CAPITAL FUND

CORPUS / CAPITAL FUND	Amount – (In Rs.)	
	2009 - 10	2008 - 09
Balance as at the beginning of the year	26,50,00,000.00	17,50,00,000.00
Add: Contributions towards Corpus/Capital Fund	0.00	0.00
Add transferred from the Income and expenditure 1 Account of the current year	12,50,00,000.00	9,00,00,000.00
<b>BALANCE AS AT THE YEAR-END</b>	<b>39,00,00,000.00</b>	<b>26,50,00,000.00</b>

## SCHEDULE - 2 RESERVES AND SUPPLUS

RESERVES AND SURPLUS	Amount-(In Rs.)	
	2009-2010	2008-2009
Balance as at the beginning of the year	1,71,76,241.38	1,35,14,676.33
Add Balance being surplus transferred from the Income and Expenditure Account of the current year	1,23,15,198.41	36,61,565.05
<b>BALANCE AS AT THE YEAR-END</b>	<b>2,94,91,439.79</b>	<b>1,71,76,241.38</b>

## SCHEDULE - 3 EARMARKED / ENDOWMENT FUNDS

				Amount-(In Rs.)	
FUND WISE UP Fund	BREAK UP Fund	Fund	TOTAL	2009 - 10	2008 - 09
NIL	NIL	NIL	NIL	NIL	NIL

## SCHEDULE - 4 SECURED LOANS AND BORROWINGS

SECURED LOANS AND BORROWINGS	Amount-(In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL



## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

### SCHEDULE - 5 UN SECURED LOANS AND BORROWINGS

UN SECURED LOANS AND BORROWINGS	Amount – (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL

### SCHEDULE - 6 DEFFERED CREDIT LIABILITIES :

DEFFERED CREDIT LIABILITIES	Amount – (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 7 CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES	Amount – (In Rs.)	
	2009-2010	2008-2009
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	0.00	19,385.00
<b>TOTAL (A)</b>	<b>0.00</b>	<b>19,385.00</b>
<b>B. PROVISIONS</b>		
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.		
Unpaid exp.2007-2008	3,00,000.00	17,12,141.00
Unpaid exp. 2009-2010	11,03,881.45	0.00
8. Gerc retirement Benifit fund	81,51,781.65	60,38,329.65
<b>C. UNPAID EXP.</b>		
1. Tax Deduct at Source Office Rent	21,534.00	0.00
<b>TOTAL (B)</b>	<b>95,77,197.10</b>	<b>77,50,470.65</b>
<b>TOTAL ( A+B)</b>	<b>95,77,197.10</b>	<b>77,69,855.65</b>

Annual Account 2009-2010



## Schedule-8 Fixed Assets

Decription	Depecial	Gross Block						Depreciation				Net Block	As at th previous year end
		Opening Valuation of the Year	Additions during the year up to 30.09.09	Additions during the year after 01.10.09	Total Additins during year	Deductions during the year	Cost/ valuation at the year end 1+4-5=6	As at the beginning of the year	Despreciati on of the current year	On Addition during the year	Total Up to year and 7+8+9=10	As at the current year 6-10=11	
	Rate												
1. Fixed Assets Land	0	1	2	3	4	5	6	7	8	9	10	11	12
a) Free Hold	0%	0.00	15009439.00	0.00	15009439.00	0.00	15009439.00	0.00	0.00	0.00	0.00	15009439.00	0.00
b) Lease Hold													
2 Buildings													
a) On Freehold Land													
b) On Lease hold Land													
c) Onwernship Flats/Premises													
d) Superstructures on Land not belonging to the entry													
3 Plant Machinery & Equipment													
4 Vehicles	15%	3779882.00	0.00	0.00	0.00	158251.00	3621631.00	1880889.00	284849.00	0.00	2165738.00	1455893.00	1898993.00
5 Furniture, Fixtures	10%	243462.00	14950.00	114231.00	129181.00	0.00	2563543.00	1019487.00	141489.00	7207.00	1168183.00	1395360.00	1414875.00
6 Office Equipment	10%	1057177.00	223678.00	122080.00	345758.00	0.00	1402935.00	436732.00	62046.00	28472.00	527250.00	875685.00	620445.00
7 Computer Peripherals	60%	3714414.58	45600.00	986746.00	1032346.00	0.00	4746760.58	3545336.00	101448.00	323384.00	3970168.00	776592.58	169078.21
8 Electric Installations													
9 Library Books	100%	0.00	75372.00	0.00	75372.00	0.00	75372.00	0.00	75372.00	0.00	753720.00	0.00	0.00
10 Tubewells & W.Supply													
11 Other Fixed Assets													
Total of Current Year													
Previous Year													
Capital Work in Progress													
Total		10985835.58	15369039.00	1223057.00	16592096.00	158251.00	27419680.58	6882444.00	665204.00	359063.00	7906711.00	19512969.58	4103391.21

Note : Depreciation rate as per appendix I of IT Rules 1962 Incometax Act.1961.



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 9 INVESTMENT FROM EARMARKED ENDOWMENT FUNDS

Amount – (In Rs.)	2009 - 10	2008 - 09
	NIL	NIL

## SCHEDULE - 10 INVESTMENTS - OTHERS

Amount – (In Rs.)	2009 - 10	2008 - 09
	NIL	NIL

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

	Amount – (In Rs.)	
	2009 - 10	2008 - 09
<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	8,645.01	10,584.00
3. Bank Balances:		
a) With Scheduled Banks		
1) Fixed / Term Deposit	39,49,99,838.00	27,51,86,662.00
2) Auto Sweep Savings Account	14,51,490.65	54,22,973.17
3) Current Account	23,606.65	23,834.65
4. ADVANCE PAID	7,632.00	0.00
<b>TOTAL - (A)</b>	<b>39,64,91,212.31</b>	<b>28,06,44,053.82</b>





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

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

	Amount – (In Rs.)	
	2009 - 10	2008 - 09
1. Loans :		
a) Advances		
i) Staff (Festival Advance)	33,000.00	42,000.00
ii) Hba to Staff : Rajint Makwana	2,24,032.00	0.00
iii) Hba to Staff : K. G. Rajput	4,38,500.00	0.00
b) LTC Advance		
c) Other Entities engaged in activities/ objectives similar to that of the Entity		
d) Medical Advance	8,995.00	54,000.00
e) Other (Deposits)		
i. Petrol Pump	30,000.00	30,000.00
ii. Telephone	34,350.00	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	2,300.00	1,300.00
viii Safe Deposit Walt (Deposit)	5,000.00	5 000.00
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 (Includes income due unrealized Rs .....)	0.00	0.00
4) Claims Receivable (TDS Receivable from IT Dept.)		
5) Receivable Interest	1,20,15,958.00	47,60,682.00
<b>TOTAL ( B )</b>	<b>1,30,64,455.00</b>	<b>51,98,652.00</b>
<b>TOTAL ( A+B )</b>	<b>40,95,55,667.31</b>	<b>28,58,42,705.82</b>



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 12 INCOME FROM SERVICES

INCOME FROM SERVICES	Amount – (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL

## SCHEDULE - 13 GRANTS / SUBSIDIES

GRANTS / SUBSIDIES	Amount – (In Rs.)	
	2009 - 10	2008 - 09
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 – (In Rs.)	
	2009 - 10	2008 - 09
1) Entrance Fees	0.00	0.00
2) Annual Fees / Subscription	5,60,80,955.00	5,29,34,337.00
3) Seminar / Program fees	0.00	0.00
4) Consultancy Fees	0.00	0.00
5) Others (Specify)	0.00	0.00
6) Petition fees	8,67,64,107.00	4,04,78,000.00
<b>TOTAL</b>	<b>14,28,45,062.00</b>	<b>9,34,12,337.00</b>



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

<b>SCHEDULE - 15 INCOME FROM INVESTMENTS</b>				
(Income on Investment from Earmarked/ endowment funds) transferred to Funds.	Investment from Earmarked Funds		Investment - others	
	2009 - 10	2008 - 09	2009 - 10	2008 - 09
	NIL	NIL	NIL	NIL

<b>SCHEDULE - 16 INCOME FROM ROYALTY, PUBLICATION ETC.</b>		
	Amount - (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL

<b>SCHEDULE - 17 INTEREST EARNED</b>		
INTEREST EARNED	Amount - (In Rs.)	
	2009-10	2008-09
1) On Term Deposit		
a) With Scheduled banks	2,75,78,826.35	2,38,43,780.17
b) With Non Scheduled Banks	0.00	0.00
c) With Institution	0.00	0.00
d) Other	4,51,363.49	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. 2008-2009	0.00	328.88
<b>TOTAL</b>	<b>2,80,30,189.84</b>	<b>2,38,44,109.05</b>





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 18 OTHER INCOME

OTHER INCOME	Amount - (In Rs.)	
	2009 - 10	2008 - 09
I) Recovery of Printing Charges	0.00	5,480.00
II) Recovery of / Vehicle use from staffs	10,887.00	18,115.00
III) Other Misc. Receipt	8,822.00	1,734.00
IV) Contribution from Forum of Indian Regulators	0.00	0.00
V) RTI Fees	0.00	726.00
<b>TOTAL</b>	<b>19,709.00</b>	<b>26,055.00</b>

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

GOODS AND WORKS IN PROGRESS	Amount - (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 20 ESTABLISHMENT EXPENSES

	Amount - (In Rs.)	
	2009-10	2008-09
a) Salaries and Wages		
1) Salaries commision	22,29,120.00	28,94,999.00
2) Salaries office staff	77,00,819.00	51,39,103.00
3) Salaries Ombudsmment Office Staff	5,65,194.00	3,09,876.00
4) Cpf Commision	0.00	0.00
5) Pay Arrears	35,23,319.00	0.00
b) Allowances and Bonus		
1) Uniform Allowance	0.00	14,934.00
2) Bonus Allowance	49,000.00	49,000.00
3) Charge Allow	10,544.00	0.00
c) Contribution to Provident Fund	5,38,620.00	2,42,995.00
d) Contribution to Other Fund ( specify)		
e) Staff Welfare Expenses	0.00	0.00
Medical Facility and Reimbursement	2,45,427.96	1,21,476.00
1) Staff welfare exp.	2,500.00	0.00
2) Uniform exp.	6,984.00	0.00
f) Expenses on Employees'Retirement and Terminal Benefits		
1) Gratuity	12,70,000.00	11,00,000.00
2) Leave Salary	23,00,000.00	33,00,000.00
g) Others ( Specify)		
<b>TOTAL</b>	<b>1,84,41,527.96</b>	<b>1,31,72,383.00</b>



# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

## SCHEDULE - 21 OTHER ADMINISTRATIVE EXPENSES ETC.

	Amount - (In Rs.)	
	2009-10	2008-09
a) General Expenses		
i) Bank Charges	7,201.46	4,503.00
ii) Electricity charges	2,35,347.00	1,82,869.00
iii) Vehicle Running Expenses Fuel etc.	3,75,256.24	5,14,770.00
iv) Advertisements and Publicity	9,56,516.70	1,05,214.00
v) Audit fees	1,86,419.00	60,245.00
vii) Vehicle Insurance Expenses	32,499.00	44,833.00
ix) Other Office Expenses	5,61,112.20	335,455.00
xi) Misc. exp.	3,25,854.50	2,16,878.00
xii) Prior Period Exp.		
a) Audit exp.2008-2009	20,000.00	0.00
<b>TOTAL :</b>	<b>27,00,206.10</b>	<b>14,64,767.00</b>
b) Repairs and Maintenance		
i) Building	1,06,844.00	88,617.00
ii) Furniture and Office Equipment	1,02,919.00	1,61,006.00
iii) Vehicles	1,01,096.00	1,41,879.00
iv) R & M Furniture & Fixture	1,850.00	0.00
<b>TOTAL</b>	<b>3,12,709.00</b>	<b>3,91,502.00</b>
c) Rent , Rates and Taxes		
i) Rent (office)	26,40,587.00	24,29,514.00
iii) Municipal Taxes	3,61,311.00	4,60,293.00
iii) Safe deposit rent	745.00	0.00
<b>TOTAL</b>	<b>30,02,643.00</b>	<b>28,89,807.00</b>
d) Postage, telephone and Communication Charges		
i) Postage charges	80,219.00	62,173.00
ii) Telephone charges	2,54,897.17	2,78,919.00
iii) Website charges	19,500.00	25,100.00
iv) Internet charges	14,695.95	17,541.00
<b>TOTAL</b>	<b>3,69,312.12</b>	<b>3,83,733.00</b>
e) Printing and stationary		
i) Printing and Stationery	3,56,447.00	2,57,288.00





# THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GENERAL EXPENSES	Amount - (In Rs.)	
	2009-10	2008-09
f) Traveling and Conveyance Expenses		
i) Traveling Expenses for foreign tour	1,86,873.00	0.00
ii) Traveling allowances for domestic tour	7,84,144.75	1,84,036.00
iii) Conveyance expenses	34,437.00	31,868.00
iv) Travel Exp.	46,521.50	8,55,090.00
v) Leave Travel Concession	20,956.00	1,41,614.00
	10,72,932.25	12,12,608.00
g) I.W.D.M.S. Exp.	44,836.00	0.00
h) Loss On Transfer of Vehicle	1,58,251.00	0.00
<b>TOTAL</b>	<b>80,17,336.47</b>	<b>65,99,705.00</b>
i) Subscription Expenses		
i) Subscription of Newspapers and Magazines	54,168.00	41,556.00
ii) Purchase of Book	0.00	25,778.00
iii) Financial Assistance for Consumer's Awareness	0.00	0.00
iv) For Annual Fees	2,00,000.00	1,50,000.00
v) Safir Fees	1,50,000.00	0.00
vi) For Annual Fees	50,000.00	0.00
<b>TOTAL</b>	<b>4,54,168.00</b>	<b>2,17,334.00</b>
j) Expenses on Seminar/ work shop		
i) Seminars	29,470.00	0.00
<b>TOTAL</b>	<b>29,470.00</b>	<b>0.00</b>
k) Auditors Remuneration		
l) Hospitality Expenses	0.00	0.00
m) Consultancy charges / Professional charges		
i) Legal Consultancy	6,15,000.00	5,25,500.00
ii) Professional Consultancy / Charges	43,88,961.00	24,79,032.00
iii) Consultancy Retainer Fee	6,09,032.00	
<b>TOTAL</b>	<b>56,12,993.00</b>	<b>30,04,532.00</b>
n) Deposits / Investments	0.00	0.00
<b>TOTAL</b>	<b>60,96,631.00</b>	<b>0.00</b>
<b>TOTAL (a to n)</b>	<b>1,41,13,967.47</b>	<b>98,21,571.00</b>



## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

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

	Amount - (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL

### SCHEDULE - 23 INTEREST PAID

	Amount - (In Rs.)	
	2009 - 10	2008 - 09
	NIL	NIL



## SCHEDULE-24

### 1. Significant Accounting Policies

- 1.1 Annual Accounts for the year 2009-10 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.





## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

- 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 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.
- 4.3 GERC has paid Rs. 1.5 Crores towards token price of land. The sale price of land will be determined by State Government and remaining amount will be paid as and when it will be finalized. Yet, sale price of land is not finalized and communicated to the Commission so, liability is not ascertained. Hence, it is not reflected in Annual Accounts of 2009-10.

### 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 there under.



## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

### 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. 35.70 lakhs for payment of retirement benefits, which consists of Rs. 12.70 lakhs towards gratuity and Rs. 23.00 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. 5,60,80,955/- as licence fees based on the estimated sales and Rs.17,32,969/- as adjustment based on the audited data for the year 2007-08 of the distribution licencees. The Commission also receives petition fees/charges as provided in the regulations. In the year 2009-10 the Commission has received Rs. 8,67,641.07 as petition fees and charges etc.





## THE GUJARAT ELECTRICITY REGULATORY COMMISSION

### 8. Government grants and subsidies

Commission had not received government grant/subsidy in F.Y.2009-10

### 9. Foreign Currency Transaction

During Financial Year 2009-10 there was foreign visit of Hon'ble Chairman to U.K. and Greece. Total expenditure towards foreign tour is Rs.1, 86,873/-

### 10. Taxation

GERC being 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 31<sup>st</sup> March, 2010 and the Income and Expenditure Account for the year ended on that date.

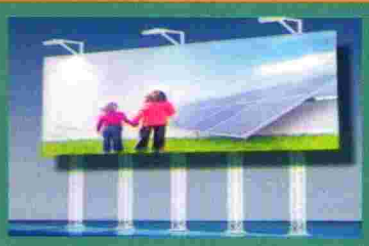
**C. N. BHATT**  
ACCOUNTS  
OFFICER

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

**DR. KETAN SHUKLA**  
SECRETARY

**Date : 14.10.2010**  
**Place : Ahmedabad**





# The Gujarat Electricity Regulatory Commission

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

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