

Gujarat Electricity Regulatory Commission



18th ANNUAL ACCOUNTS

GUJARAT ELECTRICITY REGULATORY COMMISSION

Eighteenth Annual Accounts For FY 2016-17



6th Floor, GIFT ONE, Road 5-C, Zone 5, GIFT City, Gandhinagar-382 355.

Website : www.gercin.org E-mail : gerc@gercin.org

GUJARAT ELECTRICITY REGULATORY COMMISSION



The Commission presents the 18th Annual Accounts for
FY 2016-17, as required under Section 104 (4) of the
Electricity Act, 2003.

Roopwant Singh, IAS
Secretary
Gujarat Electricity Regulatory Commission



AN OVERVIEW

The Gujarat Electricity Regulatory Commission (GERC) has been functioning for the past 18 years discharging its functions of determination of tariff for generation, supply, transmission, wheeling, wholesale, bulk and retail supply within the State of Gujarat. It 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 the State Grid Code, Supply Code, fixing trading margin for intra-state trading of electricity and discharging such other functions assigned to it 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 Gujarat Electricity Regulatory Commission Fund is operated as per the *GERC Fund Rules, 2005*. The income of the GERC consists of mainly license and petition fees. The GERC fund is audited every year by the Comptroller and Auditor General of India, who certifies the Annual Accounts, which are laid before the State Legislative Assembly. The last CAG audit was held on 21st September, 2017.

The fund is operated through nationalized banks and State sponsored financial institutions only. The utilisation of fund is governed by the *Gujarat Financial Rules, 1971* amended from time to time, and surplus funds are invested in the form of Fixed Deposits in the nationalised banks and/or State Government financial institutions. The GERC is not getting any grant/financial support from the Government of Gujarat and is financially self-reliant since 2005. GERC's main source of income is annual license fee and petition fee in pursuance of the Fees, Fines and Charges Regulations, notification no. 6 of 2005 of GERC.

GERC received an annual license fee of ₹. 12,95,52,556/- (including recognized as receivable or payable) and petition fee ₹. 6,47,33,923/- during the year 2016-17 and an amount of ₹. 11,87,32,425/- was earned as interest on Fixed/Term deposits and savings account from nationalized banks/state sponsored financial institutions.

GERC's total expenditure during the year 2016-17 was ₹. 9,39,29,741/- . Out of this ₹. 3,88,60,440/- was establishment expenditure, ₹. 3,28,47,977/- was other administrative charges and ₹. 2,22,21,324/- was depreciation.

GERC's total corpus fund as on 31st March, 2017 is ₹. 1,67,63,00,000/- and the general reserve fund is ₹. 8,27,33,456/-



GERC had paid an amount of ₹. 1.50 Crores to Collector, Ahmedabad towards token price of land in the year 2009-10 for its own building at the Sarkhej- Gandhinagar highway. Meanwhile, GERC finalized to purchase the 6th floor, GIFT ONE, Gandhinagar and has shifted to GIFT ONE. Hence, GERC has written a letter to Collector, Ahmedabad requesting for refund of ₹. 1.50 crore towards the land cost paid as above.

The GERC has been keeping pace with the changing electricity sector scenario and has been proactive in ensuring an effective regulatory framework for development of the Sector.



GUJARAT ELECTRICITY REGULATORY COMMISSION, GANDHINAGAR.

Separate Audit Report of the Comptroller and Auditor General of India on the accounts of Gujarat Electricity Regulatory Commission For the year ended 31 March 2017.

We have audited the attached (revised) Balance Sheet of Gujarat Electricity Regulatory Commission as at 31st March 2017 and the (revised) Income and Expenditure Account for the year ended on that date 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 best accounting practices, accounting standards and 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/CAG's Audit Reports separately.

We have conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from mis- statements. An audit includes examining on a test basis, evidences supporting the accounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of the 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 as revised and dealt with in this report have been drawn up in the format approved by Government of Gujarat in consultation with the CAG under Section 104(1), of the Electricity Act, 2003.
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Commission, in so far as it appears from our examination of such books.



- (iv) We further observe that, on the basis of the audit nothing significant was noticed.
- (v) We report that the revised Balance Sheet and revised 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 (revised) financial statements read together with the Accounting Policies and Notes on Accounts, and other matters mentioned in the Annexure to this Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India.
 - a. In so far as it relates to the (revised) Balance Sheet, of the state of affairs of the Commission as at 31 st March 2017.
 - b. In so far as it relates to the (revised) 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 and Auditor General of India

sd.

(Gurveen Sidhu)

Accountant General (E & RSA), Gujarat

Place : Ahmedabad.

Date : 13.10.2017



AN OVERVIEW

1. Adequacy of Internal Audit System: The Internal Audit System is adequate and commensurate with the size and nature of the Commission.
2. Adequacy of Internal Control System: The Internal Control System is adequate and commensurate with the size and nature of the Commission.
3. System of Physical verification of fixed assets: The fixed assets have been physically verified by the management at reasonable intervals.
4. System of Physical verification of Inventory: Not applicable
5. Regularity in payment of statutory dues: The Commission is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities, except Income Tax.

(Approved by Accountant General)

Sd/-
Audit Officer / ES-I Hq-I



GUJARAT ELECTRICITY REGULATORY COMMISSION
FINANCIAL STATEMENT

BALANCE SHEET AS ON 31ST MARCH, 2017

		Amount - (In ₹.)	
		2016-17	2015-16
CORPUS / CAPITAL FUND AND LIABILITIES	Schedule		
CORPUS / GERC CAPITAL FUND	1	1,67,63,00,000.00	1,46,80,00,000.00
RESERVES AND SURPLUS	2	8,27,33,455.85	7,18,18,183.72
EARMARKED / ENDOWMENT FUNDS	3	0.00	0.00
SECURED LOANS AND BORROWINGS	4	0.00	0.00
UNSECURED LOANS AND BORROWINGS	5	5,52,410.00	2,59,850.00
DEFERRED CREDIT LIABILITIES	6	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	7	2,48,47,965.00	1,45,94,825.00
	TOTAL	1,78,44,33,830.85	1,55,46,72,858.72
ASSETS			
FIXED ASSETS	8	18,28,09,210.33	19,86,47,126.33
INVESTMENTS - FROM EARMARKED /			
ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS	10	0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES	11	1,60,16,24,620.52	1,35,60,25,732.39
MISCELLANEOUS EXPENDITURE			
	TOTAL	1,78,44,33,830.85	1,55,46,72,858.72

For and on behalf of the Commission

P. J. JANI
 ACCOUNTS OFFICER

D. R. PARMAR
 JT. DIRECTOR (A & A)

ROOPWANT SINGH IAS
 SECRETARY

Date : 28.08.2017
 Place : Gandhinagar



GUJARAT ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2017

	Schedule	2016-17	Amount - (In ₹.)	2015-16
A. INCOME				
Income from sales / service	12	0.00	0.00	0.00
Grants / Subsidies	13	0.00	0.00	0.00
Fees and charges	14	19,42,86,478.85	21,34,97,361.00	21,34,97,361.00
Income from Investments (Income on Investment, from Earmarked / Endowment Funds transferred to Funds)	15	0.00	0.00	0.00
Income from Royalty, Publications etc.	16	0.00	0.00	0.00
Interest Earned	17	11,87,69,318.78	10,49,32,879.84	10,49,32,879.84
Other Income	18	89,215.00	50,99,689.45	50,99,689.45
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00	0.00
TOTAL (A)		31,31,45,012.63	32,35,29,930.29	
B. EXPENDITURE				
Establishment Expenditure	20	3,88,60,440.00	2,85,55,764.00	2,85,55,764.00
Other Administrative Expenses etc.	21	3,28,47,976.50	2,61,01,609.00	2,61,01,609.00
Expenditure from Grants, subsidies etc	22	0.00	0.00	0.00
Interest paid	23	0.00	0.00	0.00
Depreciation (Net Total at the year end - corresponding to Schedule - 8)		2,22,21,324.00	2,27,65,050.25	2,27,65,050.25
TOTAL (B)		9,39,29,740.50	7,74,22,423.25	
Balance being excess of Income over Expenditure (A-B)		21,92,15,272.13	24,61,07,507.04	24,61,07,507.04
Transfer to Corpus Fund		20,83,00,000.00	23,45,00,000.00	23,45,00,000.00
Transfer to General Reserve		1,09,15,272.13	1,16,07,507.04	1,16,07,507.04
Balance being surplus transferred to Balance Sheet		0.00	0.00	0.00
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	24			

For and on behalf of the Commission

P. J. JANI
 ACCOUNTS OFFICER
 Date : 28.08.2017
 Place : Gandhinagar

D. R. PARMAR
 JT. DIRECTOR (A & A)

ROOPWANT SINGH IAS
 SECRETARY



SCHEDULE - 1 CORPUS / CAPITAL FUND		Amount - (In ₹.)	
		2016 - 17	2015 - 16
Balance as at the beginning of the year		1,46,80,00,000.00	1,23,35,00,000.00
Add : Contributions towards Corpus / Capital Fund		0.00	0.00
Add : Transferred from the Income and Expenditure Account of the current year		20,83,00,000.00	23,45,00,000.00
BALANCE AS AT THE YEAR-END		1,67,63,00,000.00	1,46,80,00,000.00

SCHEDULE - 2 RESERVES AND SURPLUS		Amount - (In ₹.)	
		2016-17	2015-16
Balance as at the beginning of the year		7,18,18,183.72	6,02,10,676.68
Add : Balance being surplus transferred from the Income and Expenditure Account of the current year		1,09,15,272.13	1,16,07,507.04
BALANCE AS AT THE YEAR-END		8,27,33,455.85	7,18,18,183.72

SCHEDULE - 3 EARMARKED / ENDOWMENT FUNDS		Amount - (In ₹.)			
FUND WISE BREAK UP			TOTAL		
	Fund	Fund	Fund	2016-17	2015-16
	NIL	NIL	NIL	NIL	NIL

SCHEDULE - 4 SECURED LOANS AND BORROWINGS		Amount - (In ₹.)	
		2016-17	2015-16
SECURED LOANS AND BORROWINGS		NIL	NIL



SCHEDULE - 7 CURRENT LIABILITIES AND PROVISIONS

Amount - (In ₹.)

	2016-17	2015-16
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		
a) Advance Licence fee / IL & FS		
Township./ GIFT City	25,00,000.00	0.00
b) Stale Cheque	6,023.00	0.00
c) Payable to Licensees / Others	15,27,446.00	7,20,399.00
4 CPF - Commission	0.00	0.00
TOTAL (A)	40,33,469.00	7,20,399.00
B. PROVISIONS		
1 For Taxation	0.00	0.00
2 Gratuity	69,17,000.00	43,37,000.00
3 Superannuation / Pension	0.00	0.00
4 Accumulated Leave Encashment	92,73,000.00	67,81,000.00
5 Trade Warranties / Claims	0.00	0.00
6 Others (Specify)	0.00	0.00
7 Unpaid expenses		
Unpaid exp. 2015-16	0.00	27,56,426.00
Unpaid exp. 2016-17	46,24,496.00	0.00
8 GERC Retirement Benefit Fund	0.00	0.00
C. UNPAID EXPENSES		
1 Tax Deducted at Source Office - Rent	0.00	0.00
2 Tax Deducted at Source - Salary	0.00	0.00
TOTAL (B)	2,08,14,496.00	1,38,74,426.00
TOTAL (A+B)	2,48,47,965.00	1,45,94,825.00



SCHEDULE - 8 FIXED ASSETS

Amount - (In ₹.)

Description	Depreciation Rate*	Gross Block				
		Opening Cost/ Valuation of the year 1-4-2016	Additions during the year up to 30-9-2016	Additions during the year after 1-10-2016	Total Additions during the year 2016-17	Deductions during the year 2016-17
	1	2	3	4	5	
1. Fixed Assets Land						
a) Free hold						
b) Lease hold						
2. Buildings						
a) On Free hold Land	0%	0.00	0.00	0.00	0.00	0.00
b) On Lease hold Land						
c) Onwernship Flats/Premises	10%	168300526.00	0.00	0.00	0.00	0.00
d) Superstructures on Land not belonging to the entity						
3. Plant Machi. & Equipment						
4. Vehicles	15%	7572604.00	0.00	5500.00	5500.00	0.00
5. Furniture, Fixtures	10%	99067924.00	0.00	3885.00	3885.00	0.00
6. Office Equipment	10%	2462827.00	142658.00	814722.00	957380.00	295474.00
7. Computer Peripherals	60%	75087.00	276105.00	5288792.00	5564897.00	0.00
8. Electric Installations						
9. Library Books	100%	195626.00	6373.00	11880.00	18253.00	0.00
10. Tubewells & W. Supply						
11. Other Fixed Assets						
Total of Current Year						
Previous Year						
Capital Work in Progress-I		0.00	0.00	0.00	0.00	0.00
Capital Work in Progress-II		9439.00	0.00	0.00	0.00	0.00
Total		284894033.00	425136.00	6124779.00	6549915.00	295474.00



Cost/Valuation at the year end 1+4-5=6 (31-3-2017)	Depreciation				Net Block	
	At the Beginning of the year 1-4-2016	Depreciation of the current year 2016-17	On Addition during the year 2016-17	Total Up to year end 7+8+9=10 2016-17	As at the current year end 6-10=11 2016-17	As at the Previous year 2015-16
6	7	8	9	10	11	12
0.00	0.00	0.00	0.00	0.00	0.00	0.00
168300526.00	45609443.00	12269108.00	0.00	57878551.00	110421975.00	122691083.00
7578104.00	4324990.25	487143.00	413.00	4812546.25	2765557.75	3247613.75
99071809.00	28188584.00	7087934.00	3885.00	35280403.00	63791406.00	70879340.00
3124733.00	1315673.00	113959.00	65039.00	1365704.00	1759029.00	1147154.00
12849984.00	6643993.00	384655.00	1765472.00	8794120.00	4055863.58	641093.58
213879.00	164223.00	31403.00	12313.00	207939.00	5940.00	31403.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
9439.00	0.00	0.00	0.00	0.00	9439.00	9439.00
291148474.00	86246906.25	20374202.00	1847122.00	108339263.25	182809210.33	198647126.33

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

**SCHEDULE - 9 INVESTMENT FROM EARMARKED / ENDOWMENT FUNDS Amount - (In ₹.)**

	2016-17	2015-16
INVESTMENT FROM EARMARKED / ENDOWMENT FUNDS	NIL	NIL

SCHEDULE - 10 INVESTMENTS - OTHERS Amount - (In ₹.)

	2016-17	2015-16
INVESTMENT - OTHERS	NIL	NIL

SCHEDULE - 11 CURRENT ASSETS, LOANS, ADVANCES ETC.**SCHEDULE - 11 - A CURRENT ASSETS Amount - (In ₹.)**

	2016-17	2015-16
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)	9,858.00	151.00
3. Bank Balances:		
a) With Scheduled Banks		
1 Fixed / Term Deposit	1,50,83,16,730.02	1,08,78,74,730.02
2 Auto Sweep Savings Account	77,41,192.50	21,21,11,265.37
3 Current Account	22,492.00	22,606.00
4 Advance Paid	0.00	0.00
TOTAL - (A)	1,51,60,90,272.52	1,30,00,08,752.39



SCHEDULE - 11 - B LOANS, ADVANCES AND OTHER ASSETS

Amount - (In ₹.)

2016-17

2015-16

1. Loans :

a) Advances

(i) Staff (Festival Advance)	90,000.00	1,20,000.00
(ii) HBA to Staff : Ranjit Makwana (Principal)	95,257.00	1,13,437.00
(iii) HBA to Staff : K.G. Rajput (Principal)	2,26,000.00	2,56,000.00
(iv) HBA Loan Interest to Staff : Ranjit Makwana	1,36,678.00	1,25,483.00
(v) HBA Loan Interest to Staff : K.G. Rajput	2,57,662.00	2,31,963.00

b) LTC Advance

c) Other Entities engaged in activities /
objectives similar to that of the Entity

d) Office equipment advance

e) Medical Advance

f) Other (Deposits)

(i) Petrol Pump	30,000.00	30,000.00
(ii) Telephone	31,042.00	30,020.00
(iii) LPG Gas	0.00	0.00
(iv) Office building	0.00	0.00
(v) Electricity	6,000.00	6,000.00
(vi) Govt. Quarter Deposit	4,300.00	3,300.00
(vii) Safe Deposit Vault (deposit)	0.00	0.00
(viii) S.D. Utility Connection (GIFT)	9,17,490.00	9,17,490.00
(ix) Kalptaru	26,000.00	26,000.00

2. Advances and other amounts recoverable in
cash or in kind or for value to be received

a) On Capital Account	1,50,00,000.00	1,50,00,000.00
b) Receivable Interest	5,62,46,158.00	1,76,45,699.00
c) Receivable From Income Tax Dept.	5,36,756.00	15,57,276.00
d) 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 ₹.)



SCHEDULE - 11 - B LOANS, ADVANCES AND OTHER ASSETS		Amount - (In ₹.)	
		2016-17	2015-16
4.	Receivable Interest	0.00	0.00
5	Receivable From CERC - FOR - FOIR	78,428.00	20,910.00
6.	Receivable From GUVNL - Licensees	1,18,52,577.00	1,99,11,708.00
7.	Receivable From Others	0.00	0.00
	TOTAL (B)	8,55,34,348.00	5,60,16,980.00
	TOTAL (A+B)	1,60,16,24,620.52	1,35,60,25,732.39

SCHEDULE - 12 INCOME FROM SERVICES		Amount - (In ₹.)	
		2016-17	2015-16
INCOME FROM SERVICES		NIL	NIL

SCHEDULE - 13 GRANTS / SUBSIDIES		Amount - (In ₹.)	
GRANTS / SUBSIDIES		2016-17	2015-16
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		Amount - (In ₹.)	
FEES / SUBSCRIPTIONS		2016-17	2015-16
1.	Entrance Fees	0.00	0.00
2.	Annual Fees / Subscription	12,95,52,555.85	15,17,18,236.00
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	6,47,33,923.00	6,17,79,125.00
	TOTAL	19,42,86,478.85	21,34,97,361.00

**SCHEDULE - 15 INCOME FROM INVESTMENTS**

Amount - (In ₹.)

Income on Investment from Earmarked / Endowment funds - Transferred to Funds.

	Income on Investment from Earmarked / Endowment Funds		Income on Investment Others	
	2016-17	2015-16	2016-17	2015-16
	Transferred to Funds	NIL	NIL	NIL

SCHEDULE - 16 INCOME FROM ROYALTY, PUBLICATION ETC.

Amount - (In ₹.)

	2016-17	2015-16
INCOME FROM ROYALTY, PUBLICATION ETC.	NIL	NIL

SCHEDULE - 17 INTEREST EARNED

Amount - (In ₹.)

INTEREST EARNED	2016-17	2015-16
1. On Term Deposit		
a) With Scheduled banks	11,55,10,594.06	9,84,13,228.20
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) (i) With Scheduled banks	32,21,830.72	61,62,205.64
(ii) With Scheduled banks (Prior Period Income)	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
i) HBA Loan Interest (K G Rajput)	25,699.00	28,849.00
ii) HBA Loan Interest (R M Makwana)	11,195.00	13,104.00
iii) HBA Loan Interest (Prior Period)	0.00	3,15,493.00
b) Other	0.00	0.00
4. Interest on Debtors and Other Receivables	0.00	0.00
TOTAL	11,87,69,318.78	10,49,32,879.84

**SCHEDULE - 18 OTHER INCOME**

Amount - (In ₹.)

OTHER INCOME	2016-17	2015-16
i) Recovery of Printing Charges	0.00	0.00
ii) Recovery of Vehicle use from Staff	30,795.00	6,778.00
iii) Other Misc. Receipt	47,163.00	49,803.00
iv) Contribution from Forum Of Indian Regulators	0.00	0.00
v) R.T.I. Fees	11,257.00	2,520.00
vi) Excess provision of Leave Salary and Gratuity - Written back	0.00	50,40,588.45
TOTAL	89,215.00	50,99,689.45

**SCHEDULE - 19 INCREASE / DECREASE IN STOCK OF FINISHED
GOODS AND WORK IN PROGRESS**

Amount - (In ₹.)

	2016-17	2015-16
INCREASE / DECREASE IN STOCKS OF FINISHED GOODS & WORKS IN PROGRESS	NIL	NIL



SCHEDULE - 20 ESTABLISHMENT EXPENSES

Amount - (In ₹.)

	2016-17	2015-16
a) Salaries and Wages		
1) Salaries - Commission	60,16,481.00	48,81,391.00
2) Salaries - Office staff	1,99,56,109.00	1,84,24,442.00
3) Salaries - Ombudsman Office Staff	20,45,788.00	20,20,360.00
4) Leave Encashment	4,06,043.00	86,662.00
5) Pay Arrears	0.00	0.00
6) Incentive	4,54,934.00	1,54,252.00
b) Allowances and Bonus		
1) Uniform Allowance	0.00	0.00
2) Bonus Allowance	1,65,000.00	1,76,250.00
3) Charge Allowance	32,645.00	41,233.00
c) Contribution to Provident Fund	23,54,666.00	15,16,632.00
d) Contribution to Other Fund (Specify)	0.00	0.00
e) Staff Welfare Expenses		
1) Medical Facility and Reimbursement	7,78,725.00	4,12,977.00
2) Staff Welfare Expenses	1,09,110.00	28,000.00
3) Uniform Expenses	19,710.00	71,282.00
f) Expenses on Employees' Retirement and Terminal Benefits		
1) Gratuity	34,71,186.00	3,96,624.00
2) Leave Salary	30,50,043.00	3,45,659.00
g) Others (Specify)	0.00	0.00
TOTAL:	3,88,60,440.00	2,85,55,764.00



SCHEDULE - 21 OTHER ADMINISTRATIVE EXPENSES ETC.

Amount - (In ₹.)

2016-17

2015-16

a) General Expenses		
1) Bank charges	7,226.00	957.00
2) Electricity charges	17,19,005.00	13,47,461.00
3) Vehicle Running Expenses, Fuel etc.	8,71,184.00	4,61,542.00
4) Advertisements and Publicity	11,90,769.00	16,29,162.00
5) Audit fees	75,000.00	2,17,975.00
6) Vehicle Insurance Expenses	2,45,362.00	1,23,559.00
7) Other Office Expenses	26,68,477.50	18,83,609.00
8) Misc. Expenses	18,981.00	78,216.00
9) Prior Period Expenses	23,910.00	22,67,145.00
a) Prior period Expenses	1,41,507.00	0.00
10) Written off old Assets	TOTAL 69,61,421.50	80,09,626.00
b) Repairs and Maintenance		
i) Furniture	0.00	0.00
ii) Office Equipment	8,19,104.00	4,76,862.00
iii) Vehicles	3,15,601.00	1,92,876.00
(iv) Office Building	3,42,598.00	4,89,023.00
(v) Office Building Maintenance	0.00	0.00
(vi) Office Building Maintenance Common Area	32,37,137.00	22,64,243.00
	TOTAL 47,14,440.00	34,23,004.00
c) Rent, Rates and Taxes		
i) Rent (Office)	0.00	0.00
ii) Municipal Taxes	0.00	0.00
(iii) Safe Deposit Rent	2,760.00	2,405.00
	TOTAL 2,760.00	2,405.00
d) Postage, Telephone and Communication Charges		
i) Postage charges	2,89,673.00	3,02,555.00
ii) Telephone charges	6,87,225.00	3,98,512.00
iii) Website charges	4,04,522.00	3,96,978.00
iv) Internet charges	1,23,299.00	1,38,945.00
	TOTAL 15,04,719.00	12,36,990.00
e) Printing and Stationary		
i) Printing and Stationery	8,82,132.00	10,36,634.00



f) Traveling and Conveyance Expenses			
i)	Traveling Expenses for foreign tour	0.00	0.00
ii)	Traveling Allowances for domestic tour	28,977.00	30,631.00
iv)	Conveyance Expenses	5,494.00	5,405.00
v)	Travel Expenses	9,43,896.00	8,50,072.00
vi)	Leave Travel Concession	1,88,265.00	45,744.00
vii)	Transport Expenses	26,98,056.00	23,94,009.00
TOTAL		38,64,688.00	33,25,861.00
g) Subscription Expenses			
i)	Subscription of Newspapers and Magazines	1,26,383.00	1,05,209.00
ii)	CIGRE Subscription Expenses	0.00	0.00
iii)	Financial Assitance for Consumer's Awarness	0.00	0.00
iv)	FOIR Annual Fees	4,00,000.00	4,00,000.00
v)	SAFIR Fees	2,65,580.00	2,53,800.00
vi)	FOR Fees	6,00,000.00	6,00,000.00
TOTAL		13,91,963.00	13,59,009.00
h) Expenses on Seminar / Training / Workshop / Meeting			
i)	Seminar, Training & Workshop Expenses	76,300.00	2,68,107.00
ii)	Meeting Expenses	2,20,965.00	1,88,611.00
iii)	FOR Meeting Expenses	2,65,594.00	9,48,191.00
TOTAL		5,62,859.00	14,04,909.00
I) Auditors Remuneration		0.00	0.00
j) Hospitality Expenses		0.00	0.00
k) Consultancy charges / Professional charges			
i)	Legal Consultancy	76,80,500.00	61,02,709.00
ii)	Professional Consultancy /Charges	0.00	0.00
iii)	Consultancy Retainer Fees	52,82,494.00	2,00,462.00
TOTAL		1,29,62,994.00	63,03,171.00
l) Deposits / Investments		0.00	0.00
TOTAL (a to l)		3,28,47,976.50	2,61,01,609.00

**SCHEDULE - 22 EXPENDITURE FROM GRANTS, SUBSIDIES ETC.** **Amount - (In ₹.)**

	2016-17	2015-16
EXPENDITURE FROM GRANTS, SUBSIDIES ETC.	NIL	NIL

SCHEDULE - 23 INTEREST PAID **Amount - (In ₹.)**

	2016-17	2015-16
INTEREST PAID	NIL	NIL



SCHEDULE-24 Significant Accounting Policies and Notes on Accounts.

1 Significant Accounting Policies

- 1.1 Annual Accounts for the year 2016-17 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). Commission has revised annual accounts for the year 2016-17 on 28.08.2017 considering audit observations raised by audit party during audit.
- 1.2 The Commission prepares Accounts on Accrual basis except salary, its related payments i.e. CPF contribution etc. and foreign currency transactions.
- 1.3 The Commission has notified the Gujarat Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2005. As such license fees and other revenue income started w.e.f. 01.04.2005. As the income from License Fees, Petition Fees and Other Revenue was adequate to meet the requirements of the Commission, no budgetary support from the State Government is received by 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 pursuant to the approval (March 2005) by C&AG. The Commission, in compliance of these Rules, has been parking surplus funds in Nationalized Bank / Gujarat State Financial Services Ltd. (a Government of Gujarat NBFC) despite Ministry of Finance. Government of India guidelines vide O.M. No. F1 (30)-B(AC)/2004 dated 07.01.2005 for parking such fund in Public Accounts.
- 1.4 Excess of income over expenditure is transferred to GERC Funds/General Reserve by transferring 95% to Corpus Fund (rounded off to in Rupees Lakhs) and balance amount is transferred to 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.

2. Accounting convention

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

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, 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 forming 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 An amount of ₹. 1.50 Crores was paid towards token price of land in the year 2009 -10 for construction of office building. Since, a new office is purchased at 6th floor, GIFT ONE, Gandhinagar a demand for refund of the said amount has been made to Collector, Ahmedabad. Receivable amount ₹. 1.50 crore is shown accordingly, in Schedule - 11 on capital account. ₹. 9,439/- was carried forward for wire fencing on land which was transferred to Capital Work in Progress.

5. Depreciation

- 5.1 Depreciation is provided on written down value 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 except as stated hereunder.
- 5.2 In respect of addition to / deduction from fixed assets during the year, depreciation is calculated in accordance with Income Tax Act, 1961 and the rules made there under, except that the assets purchased by the Commission during the current financial year and costing or having value of ₹. 5000/- or less per item are fully depreciated during the year of capitalization.



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 Chairman / Members / employees of the Commission at the time of retirement or vacating their office. Gratuity and accumulated Leave Salary encashment are worked out in the line with the relevant provisions in the State Government.
- 6.2 The payment made to the Chairman, Member, Secretary, or employees of Commission during the current financial year towards their retirement dues was debited to respective accounts of Leave Salary and Gratuity. The expenditure during the current year towards the amount remitted towards Leave Salary and Gratuity in respect of employees on deputation to respective parent companies has been debited to the respective accounts as Expenses.
- 6.3 While finalizing Annual Accounts, authenticating of significant and accounting policies (Schedule 24) has been complied.

7. Fees and Charges

Commission's Regulations in this regard provide for advance payment of annual license fee at the commencement of the financial year on the estimated basis. Further, it also provides that the excess or shortfall in license fee calculated on the actual basis shall be adjusted against the annual license 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 licensees has been accounted as under:

- 7.1 In the current F.Y. the Commission has received ₹. 13,84,18,733.85 as license fees which includes the adjustment of ₹. 1,91,91,309/- based on the audited data for the year 2014-15 of the distribution licensees. Since, the amount of ₹. 1,91,91,309/- was already recognized as license fee income in the previous financial year i.e. 2015-16, the amount of ₹. 11,92,27,424.85 is license fee based on the estimated sales of 2016-17. The Commission also received petition fees/charges as provided in the regulations. In the year 2016-17 the Commission has received ₹. 6,47,33,923/- as petition fees and charges etc.



- 7.2 The Commission has also received licence fees from the Licensees during the F.Y. 2017-18 based on the estimated sale for 2017-18 and actual sales for 2015-16. Accordingly, the adjustment of license fees based on actual sales for 2015-16 has been recognized as receivable or payable in the current financial year.
- 7.3 Unscheduled interchange (UI) charges are not considered as sale of electricity. Therefore, it is excluded from the calculation of sales revenue.

8. Government grants and subsidies

Commission had not received any government grant/subsidy in the current F.Y. 2016-17.

9. Foreign Currency Transaction

During Financial Year 2016-17, the total expenditure towards foreign tour is ₹. NIL.

10. Taxation

GERC being a statutory Commission established under the Electricity Act, 2003 is carrying out statutory and regulatory functions as laid down in the Act. The Commission is of the opinion that being a quasi-judicial authority established under the Electricity Act, 2003, it is eligible for exemption under Section 10 (46) of the Income Tax, 1961 and accordingly, no provision is made towards demand of ₹. 9,07,28,450/- raised by the Income Tax Department for A.Y. 2014-15. The Commission has already applied for necessary directives / exemption certificate on the lines of exemption granted to other SERCs which is still awaited.

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, 2017 and the Income and Expenditure Account for the year ended on that date.

P. J. JANI
ACCOUNTS OFFICER

D. R. PARMAR
JT. DIRECTOR (A & A)

ROOPWANT SINGH I.A.S.
SECRETARY

Date : 28.08.2017
Place : Gandhinagar



Gujarat Electricity Regulatory Commission

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