

Gujarat Electricity Regulatory Commission

19th
Annual
Accounts

Financial Year - 2017-18

Gujarat Electricity Regulatory Commission

19th Annual Account

Financial Year - 2017-18



6th Floor, GIFT ONE, Road 5-C, Zone 5, GIFT CITY, Gandhinagar-382 355
Ph. +91 79 2360 2000 | Fax : +91 79 23602054/55
E-mail : gerc@gercin.org Website : www.gercin.org

Gujarat Electricity Regulatory Commission



19th The Commission Presents the
Annual Account for FY 2017-18, 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 19 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 1st August, 2018.

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 ₹. 15,05,01,731/- (including recognized as receivable or payable) and petition fee ₹. 6,16,56,618/- during the year 2017-18 and an amount of ₹. 11,22,60,230/- 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 2017-18 was ₹. 9,28,38,274/- Out of this ₹. 3,91,56,479/- was establishment expenditure, ₹. 3,38,59,068/- was other administrative charges and



₹. 1,98,22,727/- was depreciation.

GERC's total corpus fund as on 31st March, 2018 is ₹. 1,89,63,00,000/- and the general reserve fund is ₹. 9,43,49,658/-

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. The Refund of the said Amount of ₹.1.50 Crore towards the land cost paid was received from Collector, Ahmedabad during the current financial year.

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 revised accounts of Gujarat Electricity Regulatory Commission for the year ended 31 March 2018.

We have audited the attached (revised) Balance Sheet of Gujarat Electricity Regulatory Commission as at 31st March 2018 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,



Gujarat Electricity Regulatory Commission

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 31st March 2018.
- 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.

(H. K. Dharmadarshi)
Principal Accountant General (E & RSA), Gujarat

Place : Ahmedabad.

Date : 17/10/2018



AN OVERVIEW

- Adequacy of Internal Audit System:** The Internal Audit System is adequate and commensurate with the size and nature of the Commission.
- Adequacy of Internal Control System:** The Internal Control System is adequate and commensurate with the size and nature of the Commission.
- System of Physical verification of fixed assets:** The fixed assets have been physically verified by the management at reasonable intervals.
- System of Physical verification of Inventory:** Not applicable
- 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, 2018

Amount - (In ₹.)

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	2017-18	2016-17
CORPUS / GERC CAPITAL FUND	1	1,89,63,00,000.00	1,67,63,00,000.00
RESERVES AND SURPLUS	2	9,43,49,658.11	8,27,33,455.85
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	2,40,40,747.00	2,54,00,375.00
TOTAL		2,01,46,90,405.11	1,78,44,33,830.85

ASSETS

FIXED ASSETS	8	16,38,00,716.33	18,28,09,210.33
INVESTMENTS - FROM EARMARKED /			
ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHERS	10	0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES	11	1,85,08,89,688.78	1,60,16,24,620.52
MISCELLANEOUS EXPENDITURE			
TOTAL		2,01,46,90,405.11	1,78,44,33,830.85

For and on behalf of the Commission

P. J. JANI
ACCOUNTS OFFICER

Date : 17/07/2018
Place : Gandhinagar

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

ROOPWANT SINGH IAS
SECRETARY



GUJARAT ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31st MARCH 2018

Amount - (In ₹.)

A. Income	Schedule	2017-18	2016-17
Income from sales / service	12	0.00	0.00
Grants / Subsidies	13	0.00	0.00
Fees and charges	14	21,21,58,349.00	19,42,86,478.85
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	11,22,60,229.76	11,87,69,318.78
Other Income	18	35,897.00	89,215.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
TOTAL		32,44,54,475.76	31,31,45,012.63
B. EXPENDITURE			
Establishment Expenditure	20	3,91,56,479.00	3,88,60,440.00
Other Administrative Expenses etc.	21	3,38,59,067.50	3,28,47,976.50
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	1,98,22,727.00	2,22,21,324.00
TOTAL		9,28,38,273.50	9,39,29,740.50
Balance being excess of Income over Expenditure (A-B)		23,16,16,202.26	21,92,15,272.13
Transfer to Corpus Fund		22,00,00,000.00	20,83,00,000.00
Transfer to General Reserve		1,16,16,202.26	1,09,15,272.13
Balance being surplus transferred to Balance Sheet		0.00	0.00
SIGNIFICANT ACCOUNTING POLICIES, 24 CONTIGENT LIABILITIES AND NOTES ON ACCOUNTS		-	-

For and on behalf of the Commission

P. J. JANI
ACCOUNTS OFFICER

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

ROOPWANT SINGH IAS
SECRETARY

Date : 17/07/2018
Place : Gandhinagar



SCHEDULE - 1 CORPUS / CAPITAL FUND

		Amount - (In ₹.)
	2017-18	2016-17
CORPUS / CAPITAL FUND		
Balance as at the beginning of the year	1,67,63,00,000.00	1,46,80,00,000.00
Add : Contributions towards Corpus / Capital Fund	0.00	0.00
Add : Transferred from the Income and Expenditure Account of the current year	2,2,00,00,000.00	20,83,00,000.00
BALANCE AS AT THE YEAR END	1,89,63,00,000.00	1,67,63,00,000.00

SCHEDULE - 2 RESERVES AND SURPLUS

		Amount - (In ₹.)
	2017-18	2016-17
RESERVES AND SURPLUS		
Balance as at the beginning of the year	8,27,33,455.85	7,18,18,183.72
Add : Balance being surplus transferred from the Income and Expenditure Account	1,16,16,202.26	1,09,15,272.13
BALANCE AS AT THE YEAR END	9,43,49,658.10	8,27,33,455.85

SCHEDULE - 3 EARMARKED / ENDOWMENT FUNDS

Amount - (In ₹.)

	FUND WISE BREAK UP			TOTAL	
	Fund	Fund	Fund	2017-18	2016-17
	NIL	NIL	NIL	NIL	NIL

SCHEDULE - 4 SECURED LOANS AND BORROWINGS

Amount - (In ₹.)

	2017-18	2016-17
SECURED LOANS AND BORROWINGS	NIL	NIL



SCHEDULE - 5 UN-SECURED LOANS AND BORROWINGS

Amount - (In ₹.)

UN - SECURED LOANS AND BORROWINGS

2017-18

2016-17

NIL

NIL

SCHEDULE - 6 DEFERRED CREDIT LIABILITIES

Amount - (In ₹.)

2017-18

2016-17

0.00

0.00

DEFERRED CREDIT LIABILITIES



SCHEDULE-7 CURRENT LIABILITIES AND PROVISIONS

CORPUS / CAPITAL FUND

A. CURRENT LIABILITIES

	2017-18	Amount - (In ₹.) 2016-17
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 & FSTownship./ GIFT City	2,41,930.00	25,00,000.00
b) Stale Cheque	3,736.00	6,023.00
c) Payable to Licensees / Others	19,75,786.00	15,27,446.00
d) Security Deposit	6,28,132.00	5,25,410.00
e) Earnest Money Deposit	64,000.00	27,000.00
4. CPF - Commission	0.00	0.00
Total (A)	29,13,584.00	45,85,879.00
B. PROVISIONS		
1 For Taxation	0.00	0.00
2 Gratuity	61,46,000.00	69,17,000.00
3 Superannuation / Pension	0.00	0.00
4 Accumulated Leave Encashment	87,95,000.00	92,73,000.00
5 Trade Warranties / Claims	0.00	0.00
6 Others (Specify)	0.00	0.00
7 Unpaid expenses	0.00	0.00
Unpaid exp. 2016-17	0.00	46,24,496.00
Unpaid exp. 2017-18	61,86,163.00	0.00
8 GERC Retirement Benefit Fund	0.00	0.00
Total (B)	2,11,27,163.00	2,08,14,496.00
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 (C)	0.00	0.00
Total(A+B+C)	2,40,40,747.00	2,54,00,375.00



SCHEDULE - 8 FIXED ASSETS

Amount - (In ₹.)

Description	Depre ciation Rate*	Gross Block				
		Opening Cost/ Valuation of the year 1-4-2017	Additions during the year upto 30-9-2017	Additions during the year after 1-10-2017	Total Additions during the year 2017-18	Deductions during the year 2017-18
		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%	158300526.00	0.00	0.00	0.00	0.00
d) Superstructures on Land not belonging to the entity						
3. Plant Machi. & Equipment						
4. Vehicles	15%	7578104.00	0.00	0.00	0.00	0.00
5. Furniture, Fixtures	10%	99071809.00	0.00	0.00	0.00	0.00
6. Office Equipment	10%	3124733.00	55538.00	337768.00	393306.00	0.00
7. Computer Peripherals	40%	12849984.00	281304.00	134797.00	416101.00	0.00
8. Electric Installations						
9. Library Books	40%	213879.00	884.00	13381.00	14265.00	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	9439.00
Total		291148474.00	337726.00	485946.00	823672.00	9439.00

Note : Depreciation rate as per Appendix 1 of IT Rules 1962 and Incometax Act 1961



		Depreciation				Nett Block	
Cost/Valuation at the year end 1+4-5=6 (31-3-2018)	At the Beginning of the year 1-4-2017	Depreciation of the current year 2017-18	On Addition during the year 2017-18	Total Up to year end 7+8+9=10 2017-18	As at the current year end 6-10=11 2017-18	As at the Previous year 2016-17	
6	7	8	9	10	11	12	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	
168300526.00	57878551.00	11042198.00	0.00	68920749.00	99379777.00	110421975.00	
7578104.00	4812546.25	414834.00	0.00	5227380.00	2350724.00	2765557.75	
99671809.00	35250403.00	6379141.00	0.00	41659544.00	57412265.00	63791406.00	
3518039.00	1365704.00	175904.00	32650.00	1574258.00	1043781.00	1759029.00	
13266085.00	8794120.00	1622345.00	149719.00	10566184.00	269990.33	4055863.58	
228144.00	207939.00	2376.00	3560.00	213875.00	14269.00	5940.00	
0.00	0.00		0.00	0.00	0.00	0.00	
0.00	0.00		0.00	0.00	0.00	9439.00	
291962707.00	108339263.25	19636798.00	185929.00	128161990.00	163800716.33	182809210.33	



SCHEDULE - 9 INVESTMENT FROM EARMARKED / ENDOWMENT FUNDS

Amount - (In ₹.)

	2017-18	2016-17
INVESTMENT FROM EARMARKED/ENDOWMENT FUNDS	NIL	NIL

SCHEDULE - 10 INVESTMENTS - OTHERS

Amount - (In ₹.)

	2017-18	2016-17
INVESTMENT - OTHERS	NIL	NIL

SCHEDULE - 11 CURRENT ASSETS, LOANS, ADVANCES ETC.

SCHEDULE - 11 - A CURRENT ASSET

Amount - (In ₹.)

	2017-18	2016-17
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)	10,259.00	9,858.00
3. Bank Balances:		
a) With Scheduled Banks		
1. Fixed / Term Deposit	1,78,92,00,000.00	1,50,83,16,730.02
2. Auto Sweep Savings Account	2,21,39,991.78	77,41,192.50
3 Current Account	22,198.00	22,492.00
4 Advance Paid	0.00	0.00
Total (A)	1,81,13,72,448.78	1,51,60,90,272.52



SCHEDULE - 11-B LOANS, ADVANCES AND OTHER ASSETS

Amount - (In ₹.)

	2017-18	2016-17
1. Loans :		
a) Advances		
(i) Staff (Festival Advance)	60,000.00	90,000.00
(ii) HBA to Staff : Ranjit Makwana (Principal)	77,077.00	95,257.00
(iii) HBA to Staff : K.G. Rajput (Principal)	1,96,000.00	2,26,000.00
(iv) HBA Loan Interest to Staff : P.K. Panchal	8,05,000.00	0.00
(v) HBA Loan Interest to Staff : Ranjit Makwana	1,45,964.00	1,36,678.00
(vi) HBA Loan Interest to Staff : K.G. Rajput	2,80,211.00	2,57,662.00
(vii) HBA Loan Interest to Staff : P.K. Panchal	51,770.00	0.00
b) L.T.C. Advance	0.00	0.00
c) Other Entities engaged in activities / objectives similar to that of the Entity	-	-
d) Office equipment advance	0.00	0.00
e) Medical Advance	0.00	0.00
f) Other (Deposits)		
(i) Petrol Pump	30,000.00	30,000.00
(ii) Telephone	31,042.00	31,042.00
(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	4,300.00
(vii) Safe Deposit Vault (deposit)	20,000.00	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	0.00	0.00
a) On Capital Account	-	1,50,00,000.00
b) Receivable Interest	2,49,20,781.00	5,62,46,158.00
c) Receivable From Income Tax Dept.	21,038.00	5,36,756.00
d) Others	5,431.00	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



SCHEDULE - 11-B LOANS, ADVANCES AND OTHER ASSETS

Amount - (In ₹.)

	2017-18	2016-17
4. Receivable Interest	0.00	0.00
5. Receivable From CERC - FOR - FOIR	0.00	74,428.00
6. Receivable From GUVNL - Licensees	1,19,19,136.00	1,18,52,577.00
7. Receivable From Others	0.00	0.00
Total	3,95,17,240.00	8,55,34,348.00
Total	1,85,08,89,688.78	1,60,16,24,620.52

SCHEDULE - 12 INCOME FROM SERVICES

Amount - (In ₹.)

	2017-18	2016-17
INCOME FROM SERVICES	NIL	NIL

SCHEDULE - 13 GRANTS / SUBSIDIES

Amount - (In ₹.)

GRANTS / SUBSIDIES	2017-18	2016-17
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	2017-18	2016-17
1. Entrance Fees	0.00	0.00
2. Annual Fees / Subscription	15,05,01,731.00	12,95,52,555.85
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	6,16,56,618.00	6,47,33,923.00
Total	21,21,58,349.00	19,42,86,478.85



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	
	2017-18	2016-17	2017-18	2016-17
Transferred to Funds	NIL	NIL	NIL	NIL

SCHEDULE - 16 INCOME FROM ROYALTY, PUBLICATION ETC

Amount - (In ₹.)

	2017-18	2016-17
INCOME FROM ROYALTY, PUBLICATION ETC	NIL	NIL

SCHEDULE - 17 INTEREST EARNED

Amount - (In ₹.)

INTEREST EARNED	2017-18	2016-17
1. On Term Deposit		
a) With Scheduled banks	10,98,22,931.72	11,55,10,594.06
b) With Non Scheduled Banks	0.00	0.00
c) With Institution	0.00	0.00
d) Other	3,269.98	0.00
2. On Savings Accounts		
a) (i) With Scheduled banks	23,50,423.06	32,21,830.72
(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		
i) HBA Loan Interest (K G Rajput)	22,549.00	25,699.00
ii) HBA Loan Interest (R M Makwana)	9,286.00	11,195.00
iii) HBA Loan Interest (Prior Period)	51,770.00	0.00
b) Other	0.00	0.00
4. Interest on Debtors and Other Receivables	0.00	0.00
Total	11,22,60,229.76	11,87,69,318.78



SCHEDULE - 18 OTHER INCOME

Amount - (In ₹.)

OTHER INCOME	2017-18	2016-17
i) Recovery of Printing Charges	0.00	0.00
ii) Recovery of Vehicle use from Staff	14,108.00	30,795.00
iii) Other Misc. Receipt	13,990.00	47,163.00
iv) Contribution from Forum Of Indian Regulators	0.00	0.00
v) R.T.I. Fees	7,799.00	11,257.00
vi) Excess provision of Leave Salary and Gratuity - Written back	0.00	0.00
Total	35,897.00	89,215.00

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

Amount - (In ₹.)

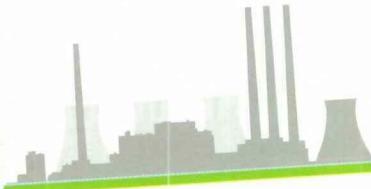
	2017-18	2016-17
INCREASE/DECREASE IN STOCKS OF FINISHED GOODS & WORKS IN PROGRESS	NIL	NIL



SCHEDULE - 20 ESTABLISHMENT EXPENSES

Amount - (In ₹.)

	2017-18	2016-17
a) Salaries and Wages		
1) Salaries - Commision	65,87,031.00	60,16,481.00
2) Salaries - Office staff	2,11,67,502.00	1,99,56,109.00
3) Salaries - Ombudsnn Office Staff	23,16,606.00	20,45,788.00
4) Leave Encashment	74,291.00	4,06,043.00
5) Pay Arrears	0.00	0.00
6) Incentive	7,01,026.00	4,54,934.00
b) Allowances and Bonus		
1) Uniform Allowance	0.00	0.00
2) Bonus Allowance	1,41,250.00	1,65,000.00
3) Charge Allowance	71,198.00	32,645.00
c) Contribution to Provident Fund	27,68,415.00	23,54,666.00
d) Contribution to Other Fund (Specify)	0.00	0.00
e) Staff Welfare Expenses		
1) Medical Facility and Reimbursement	2,34,478.00	7,78,725.00
2) Staff Welfare Expenses	1,12,495.00	1,09,110.00
3) Uniform Expenses	9,600.00	19,710.00
f) Expenses on Employees' Retirement and Terminal Benefits		
1) Gratuity	25,33,563.00	34,71,186.00
2) Leave Salary	24,39,024.00	30,50,043.00
g) Others (Specify)	0.00	0.00
Total	3,91,56,479.00	3,88,60,440.00



SCHEDULE - 21 OTHER ADMINISTRATIVE EXPENSES ETC

Amount - (In ₹.)

	2017-18	2016-17
a) General Expenses		
1) Bank charges	4,773.50	7,226.00
2) Electricity charges	15,97,985.00	17,19,005.00
3) Vehicle Running Expenses, Fuel etc.	8,33,630.00	8,71,184.00
4) Advertisements and Publicity	15,47,265.00	11,90,769.00
5) Audit fees	1,56,035.00	75,000.00
6) Vehicle Insurance Expenses	1,28,315.00	2,45,362.00
7) Other Office Expenses	51,84,225.00	26,68,477.50
8) Misc. Expenses	0.00	18,981.00
9) Prior Period Expenses	44609.00	23910.00
a) Prior period Expenses	9439.00	141507.00
10) Written off old Assets	95,06,276.50	69,61,421.50
b) Repairs and Maintenance		
i) Furniture	0.00	0.00
ii) Office Equipment	5,64,421.00	8,19,104.00
iii) Vehicles	4,55,308.00	3,15,601.00
(iv) Office Building	46,673.00	3,42,598.00
(v) Office Building Maintenance	0.00	0.00
(vi) Office Building Maintenance Common Area	25,65,216.00	32,37,137.00
	TOTAL	36,31,618.00
c) Rent, Rates and Taxes		
i) Rent (Office)	0.00	0.00
ii) Municipal Taxes	0.00	2,760.00
(iii) Safe Deposit Rent	2,832.00	2,760.00
	TOTAL	2,832.00
d) Postage, Telephone and Communication Charges		
i) Postage charges	2,85,037.00	2,89,673.00
ii) Telephone charges	5,32,748.00	6,87,225.00
iii) Website charges	1,28,325.00	4,04,522.00
iv) Internet charges	4,30,203.00	1,23,299.00
	TOTAL	13,76,313.00
e) Printing and Stationary		
i) Printing and Stationery	8,36,888.00	8,82,132.00



f) Traveling and Conveyance Expenses			
I Traveling Expenses for foreign tour	1,10,800.00	0.00	
ii) Traveling Allowances for domestic tour	37,828.00	28,977.00	
iv) Conveyance Expenses	925.00	5,494.00	
v) Travel Expenses	12,10,286.00	9,43,896.00	
vi) Leave Travel Concession	2,14,046.00	1,88,265.00	
vii) Transport Expenses	27,21,567.00	26,98,056.00	
TOTAL	42,95,452.00	38,64,688.00	
g) Subscription Expenses			
I Subscription of Newspapers and Magazines	87,898.00	1,26,383.00	
ii) CIGRE Subscription Expenses	25,000.00	0.00	
iii) Financial Assitance for Consumer's Awarness	0.00	0.00	
iv) CBIP Membership Fees	57,500.00	0.00	
v) FOIR Annual Fees	4,00,000.00	4,00,000.00	
vi) SAFIR Fees	3,06,517.00	2,65,580.00	
vii) FOR Fees	7,08,000.00	6,00,000.00	
TOTAL	15,84,315.00	13,91,963.00	
h) Expenses on Seminar / Training / Workshop /Meeting			
I Seminar, Training & Workshop Expenses	12,06,000.00	76,300.00	
ii) Meeting Expenses	1,86,066.00	2,20,965.00	
iii) FOR Meeting Expenses	5,40,069.00	2,65,594.00	
TOTAL	8,46,735.00	5,62,859.00	
I) Auditors Remuneration			
j) Hospitality Expenses			
k) Consultancy charges / Professional charges			
i) Legal Consultancy	63,65,231.00	76,80,500.00	
ii) Professional Consultancy/Charges	0.00	0.00	
iii) Consultancy Retainer Fees	54,12,807.00	52,82,494.00	
TOTAL	1,17,78,038.00	1,29,62,994.00	
l) Deposits / Investments			
TOTAL (A to l)	3,38,59,067.50	3,28,47,976.50	



SCHEDULE - 22 EXPENDITURE FROM GRANTS, SUBSIDIES ETC

Amount - (In ₹.)

2017-18 2016-17

NIL NIL

EXPENDITURE FROM GRANTS, SUBSIDIES ETC

SCHEDULE - 23 INTEREST PAID

Amount - (In ₹.)

2017-18 2016-17

NIL NIL

INTEREST PAID



SCHEDULE-24 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

1 Significant Accounting Policies

- 1.1** Annual Accounts for the year 2017-18 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 2017-18 on 27.07.2018 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. The said amount has been received during the current year and accordingly, the amount of L. 9,439/- for wire fencing on land which was being carried forward as Capital work in Progress in Schedule -11 has been written off during the current year.

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 Rs.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** The commission is engaging advocates for cases/appeals field before Hon'ble APTEL Hon'ble Gujarat High court and Hon'ble Supreme Court on case to case basis, In view of the number of such cases being high, the time taken for disposal of such cases being generally quite long, the final amount to be paid in some cases being uncertain etc. no provision is being made towards professional fees payable to such advocates. Further, no provision is being made in cases where the claim made by such advocates is under dispute.
- 6.4** The amount of Rs. 5,40,069/- booked towards FOR / FOIR Meeting expenses' are net of reimbursement of Rs. 2,50,000/- by FOR/FOIR
- 6.5** 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 ₹. 15,08,83,512/- as license fees which includes the adjustment of ₹. 1,03,25,131/- based on the audited data for the year 2015-16 of the distribution licensees. Since, the amount of ₹. 1,03,25,131/- was already recognized as license fee income in the previous financial year i.e. 2016-17, the amount of ₹. 14,05,58,381/- is license fee based on the estimated sales of 2017-18. The Commission also received petition fees/charges as provided in the regulations. In the year 2017-18 the Commission has received ₹. 6,16,56,618/- as petition fees and charges etc.
- 7.2** The Commission has also received licence fees from the Licensees during the F.Y. 2018-19 based on the estimated sale for 2018-19 and actual sales for 2016-17. Accordingly, the adjustment of license fees based on actual sales for 2016-17 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. 2017-18.

9. Foreign Currency Transaction

During Financial Year 2017-18, the total expenditure towards foreign tour is Rs. 1,10,800/- In addition, an amount of Rs. 15,075/- towards 'Foreign Tour' Claimed and paid during current Financial Year for actual foreign tour in F.Y. 2016-17 is booked as 'Prior Period Expense'

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 has already been granted exemption certificate u/s10(46) of Income Tax Act. by the Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, New Delhi vide Notification No. 84/2017/F. No.300196/8/2017-ITA-I dated 30-08-2017 for exemption of specified income arising to the commission and the said notification shall be deemed to have been applied for the FY. 2016-17 and shall apply with respect to F.Y. 2017-18, 2018-19, 2019-20 and 2020-21. 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 Act. 1961 even for the Prior period also and accordingly no provision is made towards demand of Rs. 9,07,28,450/- raised by the Income Tax Department for F.Y. 2014-15. The Commission has already applied for necessary directives / exemption certificate on the lines of exemption already granted which is 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, 2018 and the Income and Expenditure Account for the year ended on that date.

P. J. JANI
ACCOUNTS OFFICER

Date : 17/07/2018
Place : Gandhinagar

D. R. PARMAR
J.T. DIRECTOR (A & A)

ROOPWANT SINGH IAS
SECRETARY