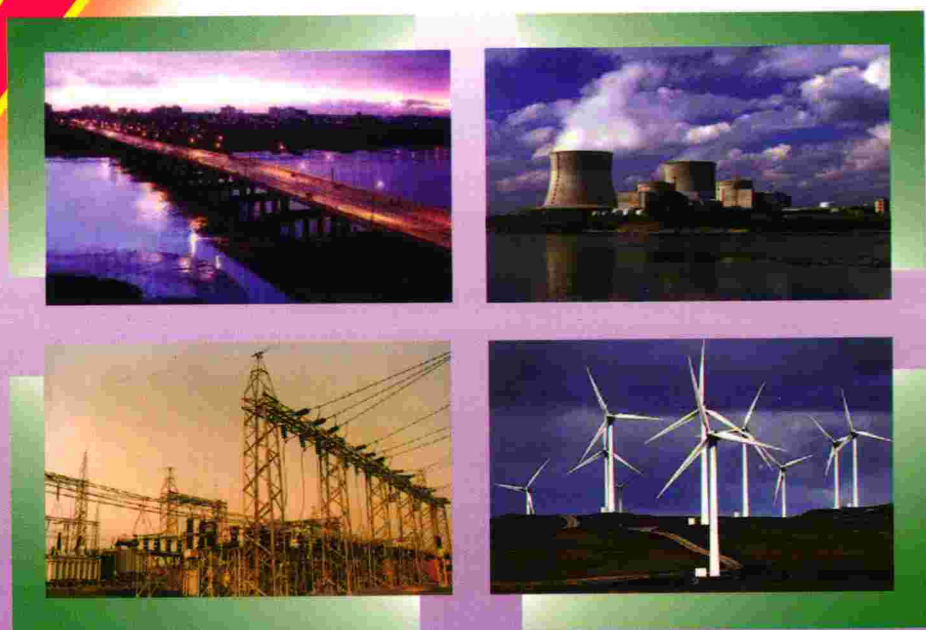
GUJARAT ELECTRICITY REGULATORY COMMISSION



GUJARAT ELECTRICITY REGULATORY COMMISSION

The 7th Annual Accounts For The Year 2005 - 06

1st Floor, Neptune Tower, Ashram Road, Ahmedabad - 380 009

THE GUJARAT ELECTRICITY REGULATORY COMMISSION

The Seventh Annual Accounts For the Year 2005-06

1st Floor, Neptune Tower, Ashram Road
Ahmedabad 380 009

THE GUJARAT ELECTRICITY REGULATORY COMMISSION

The Commission presents the seventh Annual Account for the FY 2005-06, as required under Section 105(2) of the Electricity Act, 2003.

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

GUJARAT ELECTRICITY REGULATORY COMMISSION
AHMEDABAD

Annual Accounts and Audit Certificate thereon for the year 2005-06

1. Introduction

Gujarat Electricity Regulatory Commission has been constituted under Section 17 of the Electricity Regulatory Commissions Act, 1998 by the Government of Gujarat and the same has been deemed to be first Commission established under Sub-Section (1) of Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003. Further the same Commission along with its staff shall continue to hold office on the same terms and conditions on which they were appointed under those Act in terms of Section 82 of "The Electricity Act, 2003" (36 of 2003).

The Gujarat Electricity Regulatory Commission (Annual Accounts, Annual Report Budget) Rules, 2005 has been notified vide GHU-2005-105-GERC-2003-7977-K dated 20th October, 2005 in exercise of the powers conferred by clauses (H), (J) and (I) of Section 182(2) read with Sections 104, 105 and 106 of the Electricity Act, 2003.

The Commission started functioning from 1.04.1999 and this is the 7th Report of Annual Accounts (for the year 2005-06) which is submitted herewith.

2. Budget of the Commission

2.1 Under the Section 106 of the Electricity Act, 2003, the Commission has to prepare its budget for the coming year in such form and as such time as provided in the Rules. Accordingly, the budget for the Financial Year 2005-06 was prepared and forwarded to the State Government vide letter No.GERC-2004-2301 dated 25.10.2004.

2.2 The budget provision of Rs.360.53 lakhs was kept under the Major Head 2801-Power-800-Other Expenditure as Sub-Head(A).

2.3 As the Commission had notified the Regulation regarding Fees and Fines on 30th March,2005, the State Government discontinued to release grant after first installment of Rs. 10.40 lakhs in the month of May,2005.

2.4 The proposed expenditure in the budget includes salary and allowances of the Chairman, Members and the staff of the Commission. It also includes office expenses like rent and taxes, professional services expenses and other contingency expenses. It is mainly met from the resources of the Commission.

3. Accounts and Audit of the Commission

3.1 According to Section 104 of the Electricity Act, 2003, the Commission is maintaining accounts and other relevant records and preparing Annual Statements of Accounts in such a form as prescribed by the State Government in consultation with the Comptroller & Auditor General of India. The procedure, formats etc. has been notified by the State Government in consultation with the Comptroller and Auditor General and communicated by the State Government vide the notification No. GHU-2005-105-GERC-2003-7977-K dated 20th October, 2005.

3.2 The accounts of the Commission have been audited by the Comptroller & Auditor General of India for the Financial Year 2005-06.

3.3 The Commission has received a grant of Rs. 10.40 lakhs during the year 2005-06 from the State Government. The total fund including all sources so available during the Financial Year was Rs. 7.02 crores and as against this the total expenditure of Rs. 1.54 crores was incurred by the Commission.

3.4 In exercise of powers conferred by Section 103(3) and Section 180(2)(g) of the Electricity Act, 2003 the Government of Gujarat, Energy & Petrochemicals Department vide Notification No. GHU-2005-(84)-GRC-2003-9688-K dated 2.5.2005 has notified for the Gujarat Electricity Regulatory Commission Fund Rules, 2005.

3.5 The State Accountant General (Audit)-I Ahmedabad had audited the accounts of the Commission for the year 2005-06 during September 2006. The Commission has received Audit Report together with Audit Certificate from the Accountant General, Ahmedabad/ Rajkot and the same are placed at Appendix-I and Appendix-II respectively.

Appendix - I

Audit Report of a Comptroller and Auditor General of India on the accounts of Gujarat Electricity Regulatory Commission, Ahmedabad for the year ended 31st March, 2006.

1. Introduction:

The Gujarat Electricity Regulatory Commission (Commission), Ahmedabad was established under section 17(1) of Electricity Regulatory Commission Act, 1998 since repealed by the Electricity Act, 2003. It started functioning from 19 April 1999 onwards.

The audit of the accounts of the Commission has been conducted under Section 104(2) of the Electricity Act, 2003.

The Commission is financed by State Government through provision in Budget which is charged on the Consolidated Fund of the State Government. During the year, Commission has received Rs. 10.40 lakh from the State Government and collected Rs. 668.09 lakh as annual license fees and petition fees.

2. Organizational Set up

The Commission comprises to the Chairman and two members. The Chairman is assisted by Secretary, Joint Director, five Dy. Directors and Accounts Officer for regular functioning of the office.

3. Comments of accounts

Income and Expenditure Account

a) Other Administrative Expences - Rs. 66 lakh

(i) The above is overstated by Rs. 3.27 lakh due to adjustment of advance against incomplete work. This has reslted in understatement of advnces by Rs. 3.27 lakh.

(ii) The above is understated by Rs. 1.57 lakh due to non provision of contractual amount payable to administrative staff college. This has resulted in Overstatement of excess of income over expenditure by the same amount.

b) Depreciation - Rs. 22.43 lakh.

The above is overstated by Rs. 12.51 lakh due to incorrect application of depreciation rates. This has resulted in understatement of excess on income over expenditure.

PLACE : RAJKOT **Sd/-**

DATE : 26-02-2007 **ACCOUNTANT GENERAL**

Appendix - II

AUDIT CERTIFICATE

We have audited the attached Balance Sheet of Gujarat Electricity Regulatory Commission as at 31st March, 2006 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 statement are the resposibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with applicable rules and the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall presentation of 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 dealt with in this report have been drawn up in the format prescribed by the Government of Gujarat in consultation with the Comptroller and Auditor General of India under Section 104(1).

(iii) Subject to our detailed observations in the Separate Audit Report annexed herewith, we report that the Balance Sheet and Income and Expenditure Account dealt with in this report are in agreement with the books of accounts.

(iv) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Income & Expenditure Account read together with the Accounting Policies and Notes thereon, and subject to matters mentioned in the Seprate Audit Report annexed herewith give a true and fair view.

(a) In so far as it relates to the Balance Sheet of the state of affairs as at 31st March 2006 and

(b) In so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

Sd/-

PLACE : RAJKOT

DATE : 26-02-2007

ACCOUNTANT GENERAL

GUJRAT ELECTRICITY REGULATORY COMMISSION
FINANCIAL STATEMENT
BALANCE SHEET AS ON 31ST MARCH, 2006

		Amount - Rs	
CORPUS / CAPITAL FUND AND LIBILITIES	**Schedule**	**2005-06**	**2005-06**
CORPUS / GERC CAPITAL FUND	1	65006330.52	15006330.52
RESERVES AND SURPLUS	2	4830196.83	0.00
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
DEFFERED CREDIT LIABILITIES	6	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	7	0.00	175934.00
TOTAL		**69836527.35**	**15182264.52**
ASSETS			
FIXED ASSETS	8	3569568.21	5696536.21
INVESTMENTS-FROM EARMARKED / ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHER	10	0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES	11	66266959.14	9485728.31
MISCELLANEOUS EXPENDITURE			
TOTAL		**69836527.35**	**15182264.52**

Sd/-
G. P. PATEL
ACCOUNTS OFFICER

Sd/-
M. B. BHALGAMA
DY. DIRECTOR

Sd/-
P. S. SHAH
SECRETARY

Place : Ahmedabad
Dt. : 18-8-2006

GUJARAT ELECTRICITY REGULATORY COMMISSION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006.

		Amount - Rs	
	Schedule	2005-06	2004-05
INCOME			
Income from sales / service	12	0.00	0.00
Grant / Subsides	13	1040000.00	12500000.00
Fees and charges	14	66808675.00	45530.00
Income from Investments (Income on Invest, from earmarked/endow Funds transferred to Funds)	15	0.00	0.00
Income from Royalty, Publication etc.	16	0.00	0.00
Interest Earned	17	2315937.83	233556.00
Other Income	18	20293.00	85320.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
TOTAL (A)		**70184905.83**	**12864406.00**
EXPENDITURE			
Establishment Expenditure	20	6511819.00	5386221.50
Other Administrative Expenses etc.	21	6599936.00	7849025.00
Expenditure on Grants, subsidies etc	22	0.00	0.00
Interest	23	0.00	0.00
Depreciation (Net Total at the year end- corresponding to schedule-8)		2242954.00	2910984.00
TOTAL (B)		**15354709.00**	**16146230.50**
Balance being excess of Income over Expenditure(A-B)		54830196.83	-3281824.50
Transfer to Special Reserve (Corpus Fund)		50000000.00	0.00
Transfer to / from General Reserve		4830196.83	0.00
Balance being surplus transferred to Balance Sheet		54830196.83	-3281824.50
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			

Sd/-
G. P. PATEL
ACCOUNTS OFFICER

Sd/-
M. B. BHALGAMA
DY. DIRECTOR

Sd/-
P. S. SHAH
SECRETARY

Place : Ahmedabad
Dt. : 18-8-2006

SCHEDLE - 1 - CORPUS / CAPITAL FUND

	(Amount-Rs)	
CORPUS / CAPITAL FUND	2005-06	2004-05
Balance as at the begining of the year	15006330.52	18288155.02
Add : Contribution towrds Corpus / Capital Fund		
Add / (Deduct): Balance of net income / (expenditure) transferred from the Income and	50000000.00	-3281824.50
Expenditure Account		
BALANCE AS AT THE YEAR-END	65006330.52	15006330.52

SCHEDULE - 2 - RESERVES AND SURPLUS

RESERVES AND SURPLUS	2005-06	2004-05
	4830196.83	NIL

SCHEDULE - 3 - EARMARKED / ENDOWMENT FUNDS

	Amount - Rs.			
	FUND WISE UP BREAK UP			TOTALS
	Fund	fund XX	fund YY	2005-06
	NIL	NIL	NIL	NIL

SCHEDULE - 4 - SECURED LOANS AND BORROWINGS

	Amount - Rs.	
SECURED LOANS AND BORROWINGS	2005-06	2004-05
	NIL	NIL

SCHEDULE - 5 - UN SECURED LOANS AND BORROWINGS

	Amount - Rs.	
UN SECURED LOANS AND BORROWINGS	2005-06	2004-2005
	NIL	NIL

SCEDULE - 6 - DEFFERED CREDIT LIABILITIES :

	Amount - Rs.	
	2005-06	2004-05
	NIL	NIL

SCHEDULE - 7 - CURRENT LIABILITIES AND PROVISION

	Amount - Rs	
	2005-06	2004-05
A. CURRENT LIABILITIES		
1. Interest Accrued but not due on,	0.00	0.00
a) Secured Loans/borrowings	0.00	0.00
b) Unsecured Loans/borrowings	0.00	0.00
2. Statutory Liabilities	0.00	0.00
a) Over due	0.00	0.00
b) Others	0.00	0.00
3. Other current Liabilities	0.00	0.00
a) CPF of the staff to be remitted to AG office	0.00	175101.00
b) HBA to GSTCL of staff	0.00	833.00
TOTAL (A)	**0.00**	**175934.00**
B. PROVISIONS		
1. For Taxation	0.00	0.00
2. Graduity	0.00	0.00
3. Superannuation / Pension	0.00	0.00
4. Accumulated Leave Encashment	0.00	0.00
5. Trade Warranties / Claims	0.00	0.00
6. Other (Specify)	0.00	0.00
TOTAL (B)	**0.00**	**0.00**
TOTAL (A+B)	**0.00**	**175934.00**

SCHEDULE - 8 - FIXEDASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/ Valuation	Additions during the	Deductions during the	Cost/ Valuation	As at the begining	Depriciation of the current	On Decuctions	Total Up to the year end	As at the current year end	As at the previous
1.FIXED ASSETS LAND										
a) Free Hold										
b) Lease Hold										
2. BUILDINGS										
a) On Freehold Land										
b) On Lease hold Land										
c) Ownership Flats/Premises										
d) Superstructures in Land not belonging to the entity										
3. PLANT MACHINERY & EQUIPMENT										
4. VEHICLES	2149036.00		0.00	2149036.00	429807.00	429807.00	0.00	859614.00	1289422.00	1719229.00
5. FURNITURE, FIXTURES	2189207.00	45986.00		2235193.00	328382.00	328382.00	0.00	656764.00	1578429.00	1860825.00
6. OFFICE EQUIPMENT	908379.00	6500.00	0.00	914879.00	136256.00	137231.00	0.00	273487.00	641392.00	772123.00
7. COMPUTER/PERIPHERALS	3360898.21	63500.00	0.00	3424398.21	2016539.00	1347534.00	0.00	3364073.00	60325.21	1344359.21
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS										
10. TUBEWELLS & W. SUPPLY										
11. OTHER FIXED ASSETS										
TOTAL OF CURRENT YEAR										
PREVIOUS YEAR										
CAPITAL WORK-IN PROGRESS										
TOTAL	8607520.21	115986.00	0.00	8723506.21	2910984.00	2242954.00	0.00	5153938.00	3569568.21	5696536.21

SCEDULE - 9 - INVESTMENT FROM EARMARKED ENDOWMENT FUNDS

	Amount - Rs	
	2005-06	2004-05
	NIL	NIL

SCEDULE - 10 - INVESTMENTS-OTHERS

	Amount - Rs	
	2005-06	2004-05
	NIL	NIL

SCEDULE - 11 - CURRENT ASSETS, LOANS, ADVACES ETC.

	Amount - Rs	
	2005-06	2004-05
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	0.00	5330.00
3. Bank Balances :		
a) With Scheduled Banks		
On current Accounts	1109803.55	2208834.31
On Deposit Accounts (includes margin money)	62996000.00	6885494.00
On Saving Accounts	0.00	0.00
b) With non-scheduled banks		
On current Accounts	0.00	0.00
On Deposit Accounts (includes margin money)	0.00	0.00
On Saving Accounts	0.00	0.00
4. Post Office - Savings Accounts	0.00	0.00
TOTAL - (A)	**64105803.55**	**9099658.31**

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

		2005-06	2004-05
1.	Loans :		
	a) Staff	7200.00	9000.00
	b) Other Entities engaged in activities/	0.00	0.00
	objectives similar to that of the Entity		
	c) Other (Deposits)		
	i. Petrol Pump	30000.00	30000.00
	ii. Telephone	33350.00	31000.00
	iii. Staff Quarters	0.00	0.00
	iv. LPG Gas	3100.00	3100.00
	v. Office building	252700.00	252700.00
	vi. AEC	16520.00	16520.00
	vii. IIM	0.00	0.00
	viii. Govt. Quarters	0.00	0.00
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 Accured :		
	a) On investments from Ear marked/Edowment Funds	0.00	0.00
	b) On Investments-Others	0.00	0.00
	c) On Loans and Advances	0.00	0.00
	d) Others	0.00	0.00
	(Includes income due unrealized Rs....)		
4.	Claims Receivable (TDS Receivable from IT Dept.)	232113.12	23750.00
5.	Receivable Interest	1586172.47	0.00
	TOTAL (B)	**2161155.59**	**386070.00**
	TOTAL (A+B)	**66266959.14**	**9485728.31**

SCHEDULE - 12 - INCOME FROM SERVICES

	Amount - Rs	
INCOME FOR SERVICES	2005-06	2004-05
	NIL	NIL

SCEDULE - 13 - GRANTS/SUBSIDES

	Amount - Rs	
GRANTS / SUBSIDIES	**2005-06**	**2004-05**
1) Central Government	0.00	0.00
2) State Government	1040000.00	12500000.00
3) Government Agencies	0.00	0.00
4) Institutions / Welfare bodies	0.00	0.00
5) Internaltional Organizations	0.00	0.00
6) Others (specify)	0.00	0.00
TOTAL	**1040000.00**	**12500000.00**

SCEDULE - 14 - FEES / SUBSCRIPTIONS

	Amount - Rs	
FEES/SUBSCRIPTIONS	**2005-06**	**2004-05**
1) Entrance Fees	0.00	0.00
2) Annual Fees / Subscription	34045000.00	0.00
3) Seminar / Program fees	0.00	0.00
4) Consultancy Fees	0.00	0.00
5) Others (Specify)	0.00	0.00
a) Consent fees)	0.00	45530.00
6) Pitition fees	32763675.00	0.00
TOTAL	**66808675.00**	**45530.00**

SCEDULE - 15 - INCOME FROM INVESTMENTS

(Income on Invest. From Earmarked / endowment funds transferred to Funds)	**Investment from Earmarked Fund**		**Investment - others**	
	2005-06	2004-05	2005-06	2004-05
	NIL	NIL	NIL	NIL

SCEDULE - 16 - INCOME FROM ROYALTY, PUBLICATION ETC.

	Amount - Rs	
	2005-06	2004-05
	NIL	NIL

SCEDULE - 17 - INTEREST EARNED

INTEREST EARNED	Amount - Rs	
	2005-06	2004-05
1) On Term Deposits	0.00	0.00
a) With Scheduled banks	2315937.83	233556.00
b) With Non Scheduled Banks	0.00	0.00
c) With Institution	0.00	0.00
d) Others	0.00	0.00
2) On Saving 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) Others	0.00	0.00
3) On Loans		
a) Employees / Staff	0.00	0.00
b) Others	0.00	0.00
4) Interest on Debtors and Other Receivables	0.00	0.00
TOTAL	**2315937.83**	**233556.00**

SCEDULE - 18 - OTHER INCOME

OTHER INCOME	2005-06	2004-05
i. Recovery of printing charges	8518.00	47530.00
ii. Recovery of Visa fees / vehicle use from staffs	10125.00	37790.00
iii. Pasti and scrap sales	1650.00	
TOTAL	**20293.00**	**85320.00**

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

	2005-06	2004-05
	NIL	**NIL**

SCEDULE - 20 - ESTABLISHMENT EXPENSES

	2005-06	2004-05
a) Salaries and Wages	1693775.00	1564779.00
1) Salaries Commission	4308314.00	3636802.50
2) Salaries to Office Staff	0.00	0.00
3) to wages	0.00	0.00
4) TO Bonus	6975.00	0.00
b) Allowances and Bonus	441649.00	77425.00
c) Contribution to Provident Fund	0.00	0.00
d) Contribution to Other Fund (specify)	61106.00	107215.00
e) Staff Welfare Expenses Medical Facility and		
Rcimbursement		
f) Expenses on Employee's Retirement and Terminal		
Benifits		
1) gratuity		
2) Leave Salary		
g) Others (Specify)		
TOTAL :	**6511819.00**	**5386221.50**

SCEDULE - 21 - OTHERADMINISTRATIVE EXPENSES ETC.

		Amount - Rs	
		2005-06	2004-05
a)	General Expenses		
	i) Bank Charges	3229.00	0.00
	ii) Electricity	178075.00	199262.00
	iii) Vehicle Running Exepenses Fuel etc.	320459.00	378477.00
	iv) Advertisements and Publicity	33924.00	35743.00
	v) Audit fees	72755.00	0.00
	vi) Water Charges	0.00	0.00
	vii) Vehicle Insurance Expenses	30078.00	40430.00
	viii) Meeting Expenses and	0.00	0.00
	ix) Other Office Expenses	209358.00	278491.00
	x) Write off of Old fixtures (1999-2000)	0.00	233324.00
	xi) Misc. exp.	100188.00	0.00
	TOTAL	**948066.00**	**1165727.00**
b)	Repairs and Maintenance		
	i) Building	327400.00	0.00
	ii) Furniture and Office Equipment	122557.00	168249.00
	iii) Vehicles	100244.00	153841.00
	iv) Electrical	0.00	0.00
	TOTAL	**550201.00**	**322090.00**
c)	Rent, Rates and Taxes		
	i) Rent (Office)	1950334.00	1863421.00
	ii) Rent (Residence)	0.00	39072.00
	iii) Municipal Taxes	247159.00	248531.00
	TOTAL:	**2197493.00**	**2151024.00**
d)	Postage, telephone and Communication Charges		
	i) Postage charges	38988.00	39418.00
	ii) Telephone charges	359506.00	343997.00
	iii) Website charges	32471.00	4455.00
	(iv) Internet charges	27591.00	28101.00
	TOTAL:	**458556.00**	**415971.00**
e)	Printing and stationary		
	i) Printing and Stationery	123536.00	383106.00
f)	Traveling and Conveyance Expenses		
	i) Traveling Expenses for domestic tour	570473.00	474166.00
	ii) Traveling allowances for domestic tour	129193.00	59296.00
	iii) Traveling Expences Foreign Tour	0.00	0.00
	iv) Conveyance expences	15654.00	11444.00
	v) Leave Travel Concession	9436.00	0.00
	TOTAL:	**724756.00**	**544906.00**
g)	Subscription Expenses		
	i) Subscription of Newspapers and Magazines	61403.00	55418.00
	ii) Purchase of Books	27339.00	37540.00
	iii) Subscription of books	0.00	0.00
	TOTAL :	**88742.00**	**92958.00**

h)	Expenses on Seminar/work shop		
	i) Seminars	137808.00	0.00
	ii) Training fees	0.00	21400.00
	TOTAL:	**137808.00**	**21400.00**
i)	Auditors Remuneration	0.00	30555.00
j)	Hospitality Expenses	0.00	0.00
k)	Consultancy charges / Professional charges		
	i) Retainer Services	0.00	0.00
	ii) Legal Consultancy	35000.00	85000.00
	iii) Professional Consultancy/ Cherges	1185778.00	2486288.00
	iv) Honorarium	0.00	0.00
	v) Annual Fees	150000.00	150000.00
	TOTAL :	**1370778.00**	**2721288.00**
l)	Deposite / investments		
	i) Loans and Avances	0.00	0.00
	Interest Bearing loans and Advances		
	a) Car/Motor cycle advance	0.00	0.00
	b) House Building Advance	0.00	0.00
	c) IIM deposite	0.00	0.00
	ii) Interest free loans and advances	0.00	0.00
	a) Food Grain Advance	0.00	0.00
	b) Festival Advance.	0.00	0.00
	TOTAL : (a to l)	**6599936.00**	**7849025.00**

SCHEDULE - 22 - EXPENDITURE ON GRANTS, SUBSIDIES, ETC.

2005-06	2004-05
NIL	**NIL**

SCHEDULE - 23 - INTERESTS

2005-06	2004-05
NIL	**NIL**

SCHEDULE-24

1. Significant Accounting Policies

1. Annual Accounts for the year 2005-2006 have been prepared as per the format approved by Govt. of Gujarat wide Resolution no. GhU-2005-(105)GRC-2003-7997-K DATED 20/10/2005 in consultation with the C & AG of India (vide its Letter no. 967/AC-II/GJ/GERC/2003-04/75-04 dated 31.08.2004.)

2. The Commisssion has chaged the method of preparation of accounts from Cash basis to Accrual basis.

3. From this year the State Govt. has stopped budgetary support hence, the commission has decided to transfer excess of income our expenditure to GERC Capital Fund, and also to General Reserve as decided time to time. Fund available in GERC Capital Fund will be utilized for capital expenditure as and when required.

2. ACCOUNTING CONVENTION

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

3. INVESTMNTS

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

3.2 Investments classified as "Current" are carried at lower of cost and fair value. Provision for 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, transger stamps.

4. FIXED ASSETS

4.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respct of projects involving construction, related pre-operational expences (including interest on loans for specific project prior to its completion) from part of the value of the assets capitalized.

4.2 Fixed Assets received by way of non-monetary grants, (other than towrds the Corpus Fund), are capitalized at value stated, by corresponding credit Capital Reserve.

5. DEPRECIATION

5.1 Depreciation is provided on straight - line method as per rates specified int he Income-tax Act, 1961 except depreciation on cost adjustment rising on account of conversion of foreign currency liabilities for acquisition of fixed assets, which is amortized over the re-sidual the residual life of the respective assets.

5.2 In respect of additions to/deduction from fixed assets during the year, depreciation is considered on pro-rata basis.

6. MISCELLANEOUS EXPENDITURE

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

7. GOVERNMENT GRANTS/SUBSIDIES

7.1 Government grants of the nature of contribution towards capital cost of setting up projects are treated as Capital Reserve.

7.2 Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of related assets.

7.3 Government grants / subsidy are accounted on realization basis.

8. FOREIGN CURRENCY TRANSACTION

8.1 Transactions denominated in forign currency are accounted at the exchange rate prevelling at the date of the transaction.

8.2 Current assets, forign currency loans and current liabilities are converted at the exchange rates preveiling as, at the year end and the resultant gain / loss is adjusted to cost of fixed assets, if the foreign currency liability relates to fixed assets, and in other cases is considered to revenue.

9. TAXATION

GERC being statutory commission established under The Electricity Act, 2003 and is carrying statutory and regulatory function as laid down in the Act.

Hence, all functions are functions of State and in view same, the surplus, if any is considered exempt from the provisions of the Income-tax Act, 1961.

10. Corresponding figures for the previous figures have been regroupd / rearranged, wherever necessary.

11. Schedules 1 to 24 are annexed to and from an integral part of the Balance Sheet as at 31st March 2006 and the Expenditure Account for the year ended on that date.

GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower,Opp : Nehru Bridge, Ashram Road,
Ahmedabad - 380 009,Gujarat, India,
Phone ; 91 -79 - 26580350 Fax : 91 - 79 - 26584542
email : gerc@gercin.org Website : www.gercin.org