Gujarat Electricity Regulatory Commission

25th

ANNUAL ACCOUNT

Financial Year : 2023-24

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Gujarat Electricity Regulatory Commission

The Commission presents the
25th Annual Account for FY 2023-24, as
required under Section 104(4) of the Electricity Act, 2003.

Ranjeethkumar J., IAS
Secretary
Gujarat Electricity Regulatory Commission

An Overview

The Gujarat Electricity Regulatory Commission (GERC) has been functioning for the past 25 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 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 CAG audit was held on Date : 18/06/2024 to 27/06/2024.

This fund is operated through nationalized banks and State sponsored financial institutions only. The utilization 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 nationalized 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 Rs.2633.84 lakhs (including recognized as receivable or payable) and petition fee Rs.1065.62 lakhs during the year 2023-24 and an amount of Rs.2551.01 lakhs 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 2023-24 was Rs. 1379.23 lakhs Out of this Rs. 646.01 lakhs was establishment expenditure, Rs. 509.15 lakhs was other administrative charges and Rs. 214.40 lakhs was depreciation.

GERC's total corpus fund as on 31st March, 2024 is Rs.38870.00 lakhs and the general reserve fund is Rs. 1991.51 lakhs.

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 31st March 2024.

We have audited the attached Balance Sheet of Gujarat Electricity Regulatory Commission as of 31st March 2024 and the 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 about classification, conformity with best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions regarding 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 misstatements. 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 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, based on the audit nothing significant was noticed.

(v) Grant in - Aid : Nil

(vi) We report that the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of accounts.

(vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report gives a true and fair view in conformity with accounting principles generally accepted in India.

a. In so far as it relates to the Balance Sheet, of the state of affairs of the Gujarat Electricity Regulatory Commission as **at 31st March 2024 and**

b. In so far as it relates to the Income and Expenditure accounts and the Surplus of Income over Expenditure for the year ended on that date.

For and on behalf of the

Comptroller and Auditor General of India

Sd/-

(Bijitkumar Mukherjee)

Principal - Accountant General (Audit-II), Gujarat

Place : Ahmedabad.

Date : 29-08-2024

Annexure

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 professional tax, GST , Provident Fund, Employees State Insurance, and any other statutory dues with the authorities except Income tax. In response to the inquiry initiated and request made to discharge the liability by the Director General of Goods and Service Tax intelligence (DGGIC), Ahmedabad Zonal Unit in respect of GST payable by the Electricity Regulatory Commissions on License fee, the Commission durign the FY 2023-24, under protest paid GST on license fees income booked from July 2017 to March 2024 which aggregated to ₹ 2097.15 Lakh. The same was shown as receivable from GST department and payable to Licenses being amount received from them.

(Approved by Principal Accountant General)

Sd/-

Senior Audit Officer / Tech.cell

GUJARAT ELECTRICITY REGULATORY COMMISSION
FINANCIAL STATEMENTS
BALANCE SHEET AS ON 31ST MARCH, 2024

Amount - (₹. In Lakhs)

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	2023-24	2022-23
Corpus / GERC Capital Fund	1	38870.00	34242.00
Reserves and Surplus	2	1991.51	1748.15
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	2489.77	324.54
	TOTAL	**43351.28**	**36314.69**
ASSETS			
Fixed Assets	8	1643.72	1116.82
Investments - Form Earmarked /			
Endowment Funds	9	0.00	0.00
Investments - Others	10	0.00	0.00
Current Assets, Loans, Advances	11	41707.56	35197.87
Miscellaneous Expenditure			
	TOTAL	**43351.28**	**36314.69**

For and on behalf of the Commission

SAKSHI KHESKWANI
ACCOUNTS OFFICER

D. R. PARMAR
DIRECTOR (A & A)

Ranjeeth Kumar J., I.A.S.
SECRETARY

Date : **01-06-2024**
Place : **Gandhinagar**

GUJARAT ELECTRICITY REGULATORY COMMISSION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 2023-24

Amount - (₹. In Lakhs)

A. Income	Schedule	2023-24	2022-23
Income from sales / service	12	0.00	0.00
Grants / Subsidies	13	0.00	0.00
Fees and charges	14	3699.46	2562.33
Income from Investments	15	0.00	0.00
Income from Royalty, Publications etc.	16	0.00	0.00
Interest Earned	17	2551.67	1953.93
Other Income	18	1.03	1.68
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
	TOTAL (A)	**6252.16**	**4517.94**
B. EXPENDITURE			
Establishment Expenditure	20	646.01	560.42
Other Administrative Expenses etc.	21	509.15	339.29
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	214.40	146.27
	TOTAL (B)	**1369.56**	**1045.99**
Excess of Income over Expenditure Before Prior Period (C=A-B)		4882.60	3471.95
Prior Period (Income/Expense) (D)	24	-9.67	-12.67
Balance Being Excess of income over Expenditure Before Tax (E=C+D)		**4872.92**	**3459.29**
Tax Expense Current Tax (F)		0.56	0.00
Tax Adjustment of Earlier Years (G)		1.00	0.00
Balance Being Excess of Income Over Expenditure After Tax (H=E-F-G)		**4871.36**	**3459.29**
Transfer to Corpus Fund		4628.00	3286.00
Transfer to General Reserve		243.36	173.29
Balance Being Surplus Transferred To Balancesheet		0.00	0.00
Significant Accounting Policies, Contigent Liabilities And Notes on Accounts	25		

For and on behalf of the Commission

SAKSHI KHESKWANI	**D. R. PARMAR**	**Ranjeeth Kumar J.,** I.A.S.
ACCOUNTS OFFICER	DIRECTOR (A & A)	SECRETARY

Date : **01-06-2024**

Place : **Gandhinagar**

SCHEDULE - 1 CORPUS / CAPITAL FUND	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
Balance as at the beginning of the year	34242.00	30956.00
Add : Contributions towards Corpus / Capital Fund	-	-
Add : Transferred from the Income and Expenditure Account of the current year	4628.00	3286.00
BALANCE AS AT THE YEAR END	**38870.00**	**34242.00**

SCHEDULE - 2 RESERVES AND SURPLUS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
i. CAPITAL RESERVE	-	-
ii. REVALUATIONS RESERVE	-	-
iii. SPECIAL RESERVE	-	-
iv. GENERAL RESERVE	-	-
Balance as at the beginning of the year	1748.15	1574.86
Add : Balance being surplus transferred from the Income and Expenditure Account of the current year	243.36	173.29
Less : Deduction during the year	-	-
TOTAL	**1991.51**	**1748.15**

SCHEDULE - 3 EARMARKED / ENDOWMENT FUNDS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
EARMARKED / ENDOWMENT FUNDS	-	-

SCHEDULE - 4 SECURED LOANS AND BORROWINGS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
SECURED LOANS AND BORROWINGS	-	-

SCHEDULE - 5 UN-SECURED LOANS AND BORROWINGS	Amount - (₹. In Lakhs)	
Particulars	2023-24	2022-23
UN - SECURED LOANS AND BORROWINGS	-	-

SCHEDULE - 6 DEFFERED CREDIT LIABILITIES	Amount - (₹. In Lakhs)	
Particulars	2023-24	2022-23
DEFFERED CREDIT LIABILITIES	-	-

SCHEDULE-7 CURRENT LIABILITIES AND PROVISIONS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
A. CURRENT LIABILITES		
1. Interest Accrued but not due on,		
a) Secured Loans / borrowings	-	-
b) Unsecured Loans / borrowings	-	-
2. Statutory Liabilities		
a) Over due	-	-
b) Others	-	-
3 Other current Liabilities		
a) Advance Licence fee /	5.75	0.04
b) Security Deposit	2.51	0.01
c) Earnest Money Deposit	0.80	0.55
d) Stale Cheque	1.94	1.69
e) Payable to licences / Others	0.87	0.56
(f) GST on License Fees (Payable to Licensees)	1621.48	-
Total (A)	**1633.36**	**2.85**
B. PROVISIONS		
1 For Taxation	0.56	-
2 Gratuity	132.74	109.13
3 Superannuation / Pension	-	-
4 Accumulated Leave Encashment	157.70	133.94
5 Trade Warranties / Claims	-	-
6 Others (Specify)	-	-
7 Provision of GERC'S Contribution CPF	40.66	32.81
8 Unpaid exp.		
Unpaid exp. 2023-24	37.75	-
Unpaid exp. 2022-23	-	32.34
Unpaid exp. 2019-20	12.08	13.48
C. STATUTORY LIABILITIES		
1 Tax Deducted at Source Office - Rent		
2 Tax Deducted at Source - Salary	-	-
3 Tax Deducted at Source- Professional Fees (194J)	-	-
4 Tax Deducted at Source- Contractor Services (194C)	-	-
5 GST TDS	-	-
6 GST on License Fees (Payable to GST Department)	474.92	-
Total (B+C)	**856.41**	**321.69**
Ttoal(A+B+C)	**2489.77**	**324.54**

SCHEDULE - 8 FIXED ASSETS					Amount - (Rs. In Lakhs)	
Description		Gross Block				
	Depre ciation Rate*	Opening Cost/ Valuation of the year 1-4-2023	Additions during the year upto 30-09-23	Additions during the year after 30-09-23	Total Additions during the year 2023-24	Deductions during the year 2023-24
		1	2	3	4	5
1. Fixed Assets Land		0.00	0.00	0.00	0.00	0.00
a) Free hold		0.00	0.00	0.00	0.00	0.00
b) Lease hold		0.00	0.00	0.00	0.00	0.00
2. Buildings		0.00	0.00	0.00	0.00	0.00
a) On Free hold Land		0.00	0.00	0.00	0.00	0.00
b) On Lease hold Land		0.00	0.00	0.00	0.00	0.00
c) Onwernship Flats/Premises	10%	1683.01	682.63	0.00	682.63	0.00
3. Plant Machinery & Equipment		0.00	0.00	0.00	0.00	0.00
4. Vehicles	15%	231.50	0.00	0.00	0.00	31.55
5. Furniture, Fixtures	10%	997.56	3.41	0.00	3.41	14.92
6. Office Equipment	10%	61.56	1.39	5.51	6.90	11.63
7. Computer Peripherals	40%	238.07	34.52	24.19	58.72	43.99
8. Electric Installations		0.00	0.00	0.00	0.00	0.00
9. Library Books	40%	4.94	0.00	0.00	0.00	0.00
10. Other Fixed Assets		0.00	0.00	0.00	0.00	0.00
11. Capital Work in Progress		0.00	0.00	0.00	0.00	0.00
Total		**3216.64**	**721.95**	**29.70**	**751.65**	**102.09**

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

	Depreciation						Net Block	
Cost/Valuation at the year end 1+4-5=6 (31.03.2024)	At the Beginning of the year 1.4.2023	Depreciation of the current year 2023-24	On Addition during the year 2023-24	Depreciation Adjustment Reclassification	Depreciation Deduction during the current year 2023-24	Total Up to year end 7+8+9+10-11=12 2023-24	As at the current year end 6-12=13 2023-24	As at the Previous year end (1-7) 2022-23
6	7	8	9	10	11	12	13	14
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2365.63	1096.18	58.68	68.26	0.00	0.00	1223.12	1142.51	586.83
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
199.94	103.78	19.04	0.00	0.00	30.76	92.05	107.89	127.72
986.05	652.67	34.08	0.34	-0.03	10.81	676.25	309.80	344.89
56.84	29.69	2.96	0.41	0.00	9.23	23.84	33.00	31.87
252.79	212.98	8.81	21.64	0.00	40.90	202.53	50.26	25.09
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.94	4.52	0.17	0.00	0.00	0.00	4.69	0.25	0.42
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3866.20	**2099.82**	**123.74**	**90.66**	**-0.03**	**91.70**	**2222.48**	**1643.72**	**1116.82**

SCHEDULE - 9 INVESTMENT FROM EARMARKED / ENDOWMENT FUNDS		Amount - (₹. In Lakhs)
Particulars	**2023-24**	**2022-23**
INVESTMENT FROM EARMARKED/ENDOWMENT FUNDS	-	-

SCHEDULE - 10 INVESTMENTS - OTHERS		Amount - (₹. In Lakhs)
Particulars	**2023-24**	**2022-23**
INVESTMENT - OTHERS	-	-

SCHEDULE - 11 CURRENT ASSETS, LOANS, ADVANCES ETC.		Amount - (₹. In Lakhs)
Particulars	**2023-24**	**2022-23**
A CURRENT ASSETS		
1. Sundry Debtors :		
a) Debts Outstanding for a period exceeding six months	-	-
b) Others	32.27	-
2. Cash balances in Hand (Including cheques / drafts and imprest)	0.48	0.38
3. Bank Balances:		
a) With Scheduled Banks		
1. Fixed / Term Deposit	-	15095.00
2. Auto Sweep Savings Account	25.25	251.71
3 Current Account	0.67	0.33
4. Other Deposits	2.50	64.85
b) With Non-Scheduled Banks		
1. Fixed / Term Deposit	-	-
2. Auto Sweep Savings Account	-	-
3 Current Account	-	-
4. Other Deposit	-	-

c) With Public Financial Institutions		
1. Inter Corporate Deposit	38883.00	19300.00
2. Fixed/Term Deposit	-	-
3. Current Accounts	-	-
4. Other Deposits	-	-
Total (A)	**38944.16**	**34712.28**

SCHEDULE - 11-B LOANS, ADVANCES AND OTHER ASSETS **Amount - (₹. In Lakhs)**

Particulars	2023-24	2022-23
1. Loans :		
a) HBA to Staff		
i) HBA to Staff : K.G. Rajput (Principal)	0.19	0.49
ii) HBA to Staff : P.K. Panchal (Principal)	-	0.07
iii) HBA to Staff : V.D. Parmar (Principal)	3.87	5.80
iv) HBA Loan Interest to Staff : K.G. Rajput	3.49	3.46
v) HBA Loan Interest to Staff : V.D. Parmar	6.44	5.83
b) Staff (Festival Advance)	0.55	0.55
c) Other Entities engaged in activities/		
objectives similar to that of the Entity		
2. Advance and other amounts recoverable in cash		
or in kind or for value to be received		
a) GST on License Fees paid under protest (receivable From Gst Dept.)	1622.23	-
b) GST on License Fees (receivable From Licensees for the FY 2023-24)	474.92	-
c) Receivable From Income Tax Department	0.21	0.21
d) Others (OLA Cab Advance)	0.00	0.04
e) Petrol Card Advance	0.37	0.47
f) Advance for Software	-	14.95
g) Recoverable from Employees	17.95	-
h) Prepayments		
i) Prepaid Exp. 2023-24	-	8.35
ii) Prepaid Exp. 2024-25	8.95	-
iii) Prepaid Exp. 2025-26	0.10	-
iv) Prepaid Exp. 2026-27	0.01	-
k) Other (Deposits)		
i) Petrol Pump	0.38	0.38
ii) Telephone	0.31	0.31
iii) Common Area Maintenance Deposite	12.87	-

	iv) Electricity	0.62	0.06
	v) Govt. Quarter Deposit	0.04	0.04
	vi) Safe Deposit Vault (Deposit)	0.20	0.20
	vii) S.D. Utility Connection (Gift)	12.85	9.17
	viii) Kalptaru Filling Station	0.26	0.26
3.	Income Accrued :		
a)	On investments from Ear marked /Endowment Funds	-	-
b)	On Investments - Others	-	-
c)	Accrued Interest from Nationalized Bank	2.12	210.78
d)	Accrued Interest from Public Financial Institute (GSFS)	594.47	224.17
	TOTAL (B)	**2763.41**	**485.59**
	TOTAL (A+B)	**41707.56**	**35197.87**

SCHEDULE - 12 INCOME FROM SERVICES	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
Income from Services	-	-

SCHEDULE - 13 GRANTS / SUBSIDIES	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
1. Central Government	-	-
2. State Government	-	-
3. Government Agencies	-	-
4. Institutions / Welfare bodies	-	-
5. International Organizations	-	-
6. Others (specify)	-	-
Total	-	-

SCHEDULE - 14 FEES / SUBSCRIPTIONS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
1. Entrance Fees	-	-
2. Annual Fees / Subscription	2633.84	1823.75
3. Seminar / Program fees	-	-
4. Consultancy Fees	-	-
5. Others (Specify)	-	-
6. Petition fees	1065.62	738.53
7. Tender Fee	-	0.06
Total	**3699.46**	**2562.33**

SCHEDULE - 15 INCOME FROM INVESTMENTS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
Income on Investment From Earmarked / Endowment Funds & Other Investment	-	-

SCHEDULE - 16 INCOME FROM ROYALTY, PUBLICATION ETC	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
Income from Royalty, Publication etc.	-	-

SCHEDULE - 17 INTEREST EARNED	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
1. On Term Deposit		
a) With Scheduled banks	321.86	688.22
b) With Non Scheduled Banks	-	-
c) With Public Financial Institutions	2215.69	1230.04
d) Other	-	-
2. On Savings Accounts		
a) With Scheduled banks	13.46	34.56
b) With Non Scheduled Banks	-	-
c) Post Office Savings Account	-	-
d) Others	-	-
3. On Loans		
a) Employees/Staff	-	-
b) HBA Loan Interest (K G Rajput)	0.04	0.07
c) HBA Loan Interest (P. K. Panchal)	-	0.11
d) HBA Loan Interest (V. D. Parmar)	0.61	0.93
4. Interest on Debtors and Other Receivables	-	-
Total	**2551.67**	**1953.93**

SCHEDULE - 18 OTHER INCOME	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
i) Recovery of Vehicle use from Staff	0.32	0.40
ii) Other Misc. Reciept	0.68	0.36
iii) R.T.I. Fees	0.03	0.20
iv) Profit/Loss On Transfer sale of Assets	-	0.72
TOTAL	**1.03**	**1.68**

SCHEDULE - 19 INCREASE / DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
INCREASE / DECREASE IN STOCKS OF FINISHED GOODS & WORKS IN PROGRESS	-	-

SCHEDULE - 20 ESTABLISHMENT EXPENSES		Amount - (₹. In Lakhs)	
Particulars		**2023-24**	**2022-23**
a)	Salaries and Wages		
	1) Salaries - Commision	88.37	94.36
	2) Salaries - Office staff	344.96	284.53
	3) Salaries -Ombudsman Office Staff	65.16	56.19
	4) Leave Encashment	4.02	0.99
	5) Incentive	10.77	10.42
b)	Allowances and Bonus		
	1) Bonus Allowance	0.31	0.14
	2) Charge Allowance	0.81	0.03
	3) HRR Allowance	0.30	0.73
c)	Contribution to Provident Fund	53.50	44.75
d)	Contribution to Other Fund (Specify)	-	-
e)	Staff Welfare Expenses		
	1) Medical Facility and Reimbursement	3.46	2.38
	2) Staff Welfare Expenses	2.24	0.15
	3) Uniform Expenses	-	0.54
f)	Expenses on Employees' Retirement and		
	Terminal Benefits		
	1) Retirement Benefit On Gratuity - Utility Staffs	8.38	6.11
	2) Retirement Benefit on Leave salary - Utility Staffs	16.37	11.91
	3) Retirement Benefit on Gratuity - GERC Staffs	23.61	15.91
	4) Retirement Benefit on Leave salary - GERC Staffs	23.76	23.28
	5) Retirement Death Benefit Expense	-	8.00
		646.01	**560.42**

SCHEDULE - 21 OTHER ADMINISTRATIVE EXPENSES ETC	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
a) General Expenses		
1. Bank Charges	0.24	0.32
2. Electricity Charges	26.47	19.83
3. Vehicle Running Expenses Fuel etc.	14.22	16.32
4. Advertisement and Publicity	22.47	16.86
5. Vehicle Insurance Expenses	3.74	1.77
6. Manpower Related Services	108.14	80.96
7. Other Office Expenses	17.97	19.36
8. Legal Expenses	1.01	-
9. Misc. Exp.	0.07	0.08
10. Interest on TDS	0.04	-
11. Loss of transfer/sale of assets	0.06	-
SUB TOTAL	**194.43**	**155.51**
b) Repairs and Maintenance		
i) Office Equipment	14.33	8.35
ii) Vehicles	8.18	5.67
iii) Office Building	-	6.13
iv) Office Building Maintenance Common Area	46.83	33.40
v) IT Infrastructure Maintenance	3.58	-
SUB TOTAL	**72.93**	**53.55**
c) **Rent, Rates and Taxes**		
I Office Rent (Ombudsman Office Ahmedabad)	1.48	-
SUB TOTAL	**1.48**	**0.00**
d) **Postage, Telephone and Communication Charges**		
I Postage charges	2.88	2.62
ii) Telephone charges	4.48	4.11
iii) Website charges	1.18	1.75
iv) Internet charges	5.00	4.46
SUB TOTAL	**13.54**	**12.94**
e) **Printing and Stationary**		
i) Printing and Stationery	7.86	7.22

f) Traveling and Conveyance Expenses		
i) Traveling Expenses for foreign tour	-	2.00
ii) Traveling Allowances for domestic tour	8.80	5.55
iii) Conveyance Expenses	0.41	0.26
iv) Leave Travel Expenses	4.81	0.53
v) Transport Expenses	37.65	38.91
SUB TOTAL	**51.67**	**47.25**
TOTAL (a to f)	**341.90**	**276.48**
g) Subscription Expenses		
i) Subscription of Newspapers and Magazines	4.10	2.52
ii) CIGRE Subscription Expenses	-	0.41
iii) CBIP Membership Fees	0.59	0.59
iv) FOIR Annual Fees	1.00	1.00
v) SAFIR Fees	3.92	3.77
vi) FOR Fees	11.80	1.18
vii) Other Membership Fees	-	4.43
SUB TOTAL	**21.41**	**13.90**
h) Expenses on Seminar / Training / Workshop /Meeting		
i) Seminar, Training & Workshop Expenses	-	2.06
ii) Meeting Expenses	4.94	1.06
iii) FOR /FOIR Meeting Expenses	-	11.61
SUB TOTAL	**4.94**	**14.73**
I) Hospitality Expenses	-	-
j) Consultancy charges / Professional charges	-	-
i) Legal Consultancy	35.99	5.64
ii) Consultancy Retainer Fees	102.01	24.68
iii) Audit Fees	2.91	3.86
SUB TOTAL	**140.91**	**34.18**
k) Deposits / Investments	-	-
l) Income Tax Paid / Provision	-	-
TOTAL (g to l)	**167.25**	**62.81**
TOTAL (A to l)	**509.15**	**339.29**

SCHEDULE - 22 EXPENDITURE FROM GRANTS, SUBSIDIES ETC	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
EXPENDITURE FROM GRANTS, SUBSIDIES ETC	-	-

SCHEDULE - 23 INTEREST PAID	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
INTEREST PAID	-	-

SCHEDULE - 24 PRIOR PERIOD (INCOME/EXPENSE)	Amount - (₹. In Lakhs)	
Particulars	**2023-24**	**2022-23**
a) Prior Period Income	-	-
i) Depreciation	8.98	-
ii) Others	2.85	-
SUB TOTAL	**11.84**	**-**
b) Prior Period Expense	-	-
i) Expense	2.82	-
ii) Prior Period Profit & Loss On assets	18.69	-
iii) Audit Fees	-	10.98
iv) Consultancy Retainer Fee	-	1.69
SUB TOTAL	**21.51**	**12.67**
NET	**(9.67)**	**(12.67)**

SCHEDULE-25
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FY 2023-24

1 Significant Accounting Policies

1.1 Annual Accounts for the year 2023-24 have been prepared as per the format approved by Government of Gujarat vide Resolution No. GHU-2005-(105)-GRC- 2003-7997-K dated 20.10.2005 in consultation with the C&AG of India (vide its letter No. 967/AC-II/GJ/GERC/2003-04/75-04 dated 31.8.2004).

1.2 The Commission Prepares its Annual Accounts & Notes to accounts on Accrual basis unless & otherwise it is stated.

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 Nationlized Bank / Gujarat State Financial Services Ltd (a Government of Gujarat NBFC).

1.4 Since F.Y. 2005-06, the Commission has created general reserve to settle any unknown future contingencies or to meet future (Known or unknown) obligations, wherein excess of income over expenditure in transferred to GERC Corpus & General Reserve fund by transferring 95% to corpus fund (rounded off to Rupees Lakhs) and balance amount i.e. 5% is transferred to General Reserve.

Generally, GERC fund is invested in the Nationalized Banks or Public Financial Institute which is Promoted by the Government of Gujarat (i.e. GSFS) for a period of one to three year as a Fixed Deposit/Inter Corporate Deposits.

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 During the FY 2023-24, Office at 10th Floor, Tower 1 Gift City-Gandhinagar has been purchased for Rs. 682.63 Lakhs.

4.4 The Fixed Asset Register has been prepared in excel format from the FY 2023-24. The reconciliation to Fixed Asset Register has been done in response to audit comment and necessary adjustment / rectifications / reclassifications with regard to the same has been given and effect is incorporated in the Financial Statements for the FY 2023-24.

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, except as stated hereunder.

5.2 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 Salay 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 along with current years provision. 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 25) 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 Financial Year, the Commission has recognized total revenue of ₹. 2633.84/- Lakhs as license fees for the FY 2023-24. Out of total revenue towards License fees, the amount of ₹. 193.90/- Lakhs is towards the revision in license fees for the FY 2021-22 which arised due to finalization of the accounts for the FY 2021-22 by various licensees. Balance amount of ₹. 2439.94/- Lakhs is towards the annual license fees for the FY 2023-24 paid by various licensees on the basis of estimated transmission capacity / revenue from sale of elecricity. During the FY 2023-24, Advance license fees of ₹. 5.75 Lakhs has been received which has been booked as Advance Annual License Fees under Other Current Liabilities (Schedule 7 Current Liabilities and Provisions).

7.2 The Commission has also received petition fees/charges as provided in the regulations. In the FY 2023-24 the Commission has received ₹. 1065.62/- Lakhs as petition fees and charges etc.

7.3 Unscheduled interchange (UI) charges are not considered as sale of electricity. Therefore, it is excluded from the calculation of sales revenue.

7.4 In the current F.Y. 2023-24, GERC has not recognized revenue of ₹. 2 lakh and along with its late payment interest for M/s Global Energy Private Limited as there is uncertainty of revenue collection to that extent. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured.

8. Government grants and subsidies

The Commission had not received any government grant / subsidy in the current

F.Y. 2023-24.

9. Foreign Currency Transaction

During Financial Year 2023-24, there is no Foreign Currency Transaction.

10. Taxation

a) 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/s 10(46) of Income Tax Act by the Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, New Delhi vide Notification No. 115/2021 /F. No. 300196/9/2021-ITA-I dated 20-09-2021 for exemption of specified income arising to the Commission and the said notification shall apply with respect to F.Y. 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26.

b) The income tax of Rs. 1 Lakhs has been paid for the FY 2022-23 on the other income. Also provision for the current year of ₹. 0.56 Lakhs been created.

c) Inquiry has been initiated by Directorate General of Goods & Service Tax Intelligence (DGGI), Ahmedabad Zonal Unit in respect of GST payable by the Electricity Regulatory Commission on License Fees. As stated by DGGI, GST is payable by GERC on the License fees and in this regard they had requested to discharge the payment of applicable GST on the amount received in form of License Fee & License Exemption Fee from 2017-18 onwards along with applicable rate of interest and penalty. In above matter, it has been decided and approved that GERC will make the payment of GST liability on License Fees under protest (without interest and penalty) from July 2017 till March 2023 and contest the issue. According, the GST liability on License Fees under protest (without interest and penalty) from July 2017 till March 2023 of ₹. 1622.23 Lakhs has been done.

d) Out of the total GST liability on License Fees under protest (without interest and penalty) from July 2017 till March 2023 of ₹. 1622.23 Lakhs, the amount of 0.75 Lakhs has been paid for SEZ Licensees for which the setoff / refund process will be initiated in the next financial year. Further the payment of GST liability on License Fees for the FY 2023-24 has been done in the FY 2024-25. Accordingly, the provision for the GST liability on License Fees for the FY 2023-24 amounting to ₹. 474.92 Lakhs has been done in the Financial Statements for the year 2023-24.

11. Corresponding figures for the previous year figures have been regrouped/ rearranged/ recasted, wherever necessary.

12. Figures have been depicted in Lakhs in the financial statements.

13. Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2024 and the Income and Expenditure Account for the year ended on that date.

SAKSHI KHESKWANI	**D. R. PARMAR**	**Ranjeeth Kumar J.,** I.A.S.
ACCOUNTS OFFICER	DIRECTOR (A & A)	SECRETARY

Date : **01-06-2024**
Place : **Gandhinagar**