



**SEPARATE AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**ON THE ACCOUNTS OF
ARUNACHAL PRADESH STATE
ELECTRICITY REGULATORY COMMISSION,
NAHARLAGUN
ARUNACHAL PRADESH**



**FOR THE YEAR ENDED
31 MARCH 2014**

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Ramesh
6/2/15*

**Separate Audit Report of the Comptroller & Auditor General of India on Accounts of the
Arunachal Pradesh State Electricity Regulatory Commission, Naharlagun
for the year ended 31 March 2014**

We have audited the attached Balance Sheet of the Arunachal Pradesh State Electricity Regulatory Commission as at 31 March 2014 and the Income & Expenditure Account/Receipts & Payments Account for the year ended on that date under Section 20 (1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971, read with Section 104 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 comments of the Comptroller & Auditor General of India (C&AG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc.; Audit observations on financial transactions with regard to compliance with the Law, Rules & 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 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 mis-statements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 purpose of our audit;
- ii. The Balance Sheet and Income & Expenditure Account/Receipts & Payments Account dealt with by this report have been drawn up as per the format applicable to the West Bengal Electricity Regulatory Commission, and the same is being considered by the Government of Arunachal Pradesh for notification in the Official Gazette, after consultation with the Comptroller & Auditor General of India.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Commission as required under Section 104 of the Electricity Act, 2003, in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet and Income & Expenditure Account/Receipts & Payments Account

The Annual Accounts for the year ended 31 March 2014 have been revised by the Commission based on audit comments issued by the Office of the Accountant General, Arunachal Pradesh, and the revised Annual Accounts have been prepared as per the form of accounts applicable to the West Bengal Electricity Regulatory Commission. Further, the same is being considered by the Government of Arunachal Pradesh for notification in the Official Gazette after consultation with the Comptroller & Auditor General of India.

v. Subject to our observations in the preceding paragraph, we report that the Balance Sheet and Income & Expenditure Account/Receipts & Payments Account dealt with by this report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above in 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 Balance Sheet, of the state of affairs of the Commission as at 31 March 2014; and

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

Place: **Itanagar**

Dated: **29th May 2015**

for and on behalf of the C&AG of India



Principal Accountant General



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION**

**ANNUAL ACCOUNTS
2013-14
(Revised)**

**A.P. ELECTRICAL CIRCLE OFFICE COMPLEX, A-SECTOR,
OPPOSITE INDUSTRIAL AREA, NAHARLAGUN – 791110**

Telephone No: 0360-2350586, Fax No: 0360-2350985 ,
Website : www.apserc.in


Email : apserc_75@yahoo.com

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 2013-14

1. The Accounts of the Commission is prepared on accrual basis.
2. The Annual Accounts of the Commission for the year 2013-14 is prepared in the form of accounts applicable to West Bengal Electricity Regulatory Commission as advised by the Comptroller & Auditor General of India and also being considered by the Govt. of Arunachal Pradesh for notification in respect of Arunachal Pradesh State Electricity Regulatory Commission. This will also enable the Commission to keep uniformity in the form of accounts while preparing the Annual Accounts for the subsequent years.
3. As advised by the Comptroller and Auditor General of India, the depreciation on fixed assets is calculated at the rates recommended in Companies Act 1956 under Straight Line Method.
4. Previous year figures have been regrouped / reclassified, wherever necessary to make them comparable with the current year's figures.
5. The pay and allowances of Chairperson and other staff for the previous Financial Year i.e. 2012-13 is shown separately as follows :

A) Chairman -	14,90,898.00
B) Other Staff-	25,35,840.00
Total -	40,26,738.00
6. Cut-off date for preparation of Accounts is on 30th April 2014
7. Keeping in view the volume of transactions in the Commission, the possibility of miss posting / omissions cannot be ruled out despite every care. Since the reconciliation of accounts is a continuous process, the difference, if any as and when located will be suitably adjusted in the accounts.
8. Final audited accounts for the Financial Year 2011-12 and 2012-13 are yet to be placed before the Arunachal Pradesh State Legislative Assembly by the Secretary(Power), Govt. of Arunachal Pradesh


(C.W. Lohan)
F&AO, APSERC


(Rakesh Kumar)
Secretary, APSERC

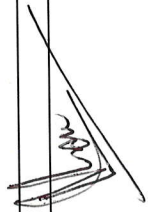

(Digvijai Nath)
Chairman, APSERC

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

**ANNEXURE I
(See Rule 5)**

Receipts & Payments Accounts for the year ended 31st March 2014

Dr		Cr					
Receipt To	Amount Rs.	Total Amount Rs.	Previous Year Rs.	Payments By	Amount Rs.	Total Amount Rs.	Previous Year Rs.
1				1			
Opening Balance				(Schedule X)			
(i) Cash in HAND				(i) Pay and allowances(Chairperson)	2082083	2082083	4026738
(ii) Cash at BANK	5314897	5314897	448343	(ii) Pay & Allowances (Other Staff)	2138151	2138151	
				(ii) Wages	173022	173022	153981
				(iii) Remuneration for Professional and Other Services			
				(iv) Leave salary and Pension Contribution	229366	229366	
				(v) Travel Expenses. (schedule Y)			
				(a) Domestic Travel (Chairperson)	389285	389285	378195
				(b) Foreign Travel(Chairperson)			104298
				(c.) Leave Travel Concession	17467	17467	26675
				(a) Domestic Travel(Other Staff)	7500	7500	
				(b) Foreign Travel(Other Staff)			
				(c) LTC			
				(vi) Honorarium	42500	42500	0
				(vii) Overtime Allowances			
				Medical and Health care facilities(Chairperson)			
				Medical and Health care facilities(Other Staff)	68966	68966	84557
				(ix) Bonus			
				(x) Other Establishment charges			
2				2			
Grants-in-aid from Government of Arunachal Pradesh	8652000	8652000	11500000	Administrative & other office Expenses			
				(i) Meeting/ Conference etc. charges		0	
				(ii) Telephone /Fax/Mobile Bill	34980	34980	
				(iii) (a) Rent			



ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION


ANNEXURE II
(See Rule 5)


Income & Expenditure Accounts for the year ended 31st March 2014


Dr	Income & Expenditure Accounts for the year ended 31st March 2014				Cr.		
Expenditure	Amount Rs.	Total Amount Rs.	Previous Year Rs.	Income	Amount Rs.	Total Amount Rs.	Previous Year Rs.
A	Establishment Charges and (Schedule X1)			A	Grants-in-aid from Government of Arunachal	8652000	11500000
(i)	Pay and allowances (Chairperson)	2082083	4026738		Add: Grants-in-aid receivable		
	Pay & allowances (Other Staff)	2138151					
(ii)	Wages	173022	153981		Total	8652000	11500000
(iii)	CPF of Chairperson	161758					
(iii)	Remuneration for Professional and Other Services				Less: Amount capitalised (Purchase of Assets)	223012	474729
(iv)	Leave salary and Pension Contribution	229366	588955		Net Total:	8428988	11025271
(v)	Travel Expenses : (schedule Y)						
	(a) Domestic Travel(Chairperson)	389285	493195				
	(b) Foreign Travel(Chairperson)		104298				
	(c.) Leave Travel Concession	17467	26675				
	(a) Domestic Travel(Other Staff)	7500					
	(b) Foreign Travel(Other Staff)						
	(c.) Leave Travel Concession						
(vi)	Honorarium	42500					
(vii)	Overtime Allowances						
(viii)	Medical and Healthcare facilities	68966	84557				
(ix)	Bonus						
(x)	Other Establishment charges						
B	Administrative & other office Expenses			B	Receivable from department Of Power		

	Meeting/ Conference etc. charges						Annual License fee for Deemed Distribution license	1770856	1770856
(i)	Telephone & Fax Expenses	34980	34980				Annual License fee for Deemed Transmission license	716032	716032
(ii)	(a) Rent								
(iii)	(b) Rates & taxes	21010	21010			43644			
(iv)	Newspaper/ Periodicals	1243	1243						
(v)	Advertisement/ Publicity	11276	11276			28491			
(vi)	Postage & Courier	1000	1000						
(vii)	Stationery & Other office expenses	208465	208465			313500			
(viii)	Licenses/ Membership subscription fee								
(ix)	Printing								
(x)	Electricity Charges & Water Charges	2851	2851						
(xi)	Diesel & etc Chairperson	189316	189316			175096			
	Petrol (Others)	70911	70911						
(xii)	Vehicle hire charges	241900	241900						
(xiii)	Legal Expenses								
(xiv)	Hospitality Expenses	22249	22249			97506			
(xv)	Audit Fee								
	Repair and Maintenance								
	(a) Office Building								
	(b) Machinery & Equipments								
	(c) Furniture & Fittings								
	(d) Vehicle	87424	87424			12347			
	Depreciation	248979	248979			223740			
(xvii)	Training Fees / Expenses								
(xviii)	Miscellaneous expenses(website)	11950	11950			100			
(xix)	General Insurance Charges	21860	21860			24542			
(xx)	Members (Meetings) fees								
(xxi)	Consultancy Fees	730340	730340			622724			
(xxii)	Liveries								

C	Non Recurring Expenditure				C	Interest on Investment	24075	24075	0
(i)	Land & Buildings								
(ii)	Motor Vechiles								
(iii)	Furniture & Fixtures								
(iv)	Equipment & Machinery								
(v)	Xerox (Photocopy)								
(vi)	Books & Publication								
(vii)	Fax Machines								
(viii)	Telephone Installation								
D	Investments								
E	Advances to Staff								
(i)	House Building Advance						700750	700750	600000
(ii)	Motor Car/ Motor Cycle/ Scooter Advance								
(iii)	Personal Computer Advance								
(iv)	Festival Advance								
(v)	others to be specefied								
F	Contigent Advance								541
(i)	Advance for PI								
(ii)	Advance for Purchase of POL & Others								
(iii)	Advance for TA/DA								
G	Deposits Payments (particulars of deposits si to be indicated)								
H	Excess of Income over Expenditur	4424849	4424849	4605723	H	Excess of expenditure over Income			
Total		11640701	11640701	11625812	Total		11640701	11640701	11625812


 SECRETARY
 State Electricity Regulatory Commission
 Anunachal Pradesh
 Sector A, Naharlagun 791 110


 FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Anunachal Pradesh


 FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Anunachal Pradesh

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

ANNEXURE III

(See Rule 5)

Balance Sheet as at 31st March 2014

Dr		Cr.				
Liabilities	Amount Rs.	Previous Year Rs.	Assets	Amount Rs.	Previous Year Rs.	
Capital	(Schedule I)		Fixed Assets	(Schedule A)	1794616	
Opening Balance	7159513	2079061	Investments	(Schedule B)	6200000	
Add: Additional during the year	223012	474729	Contingent & Other			
Add: (less) Excess of Income (or expenditure over Income) during the year transferred from income & expenditure account(+)	4424849	4605723	Loans & Advances	(Schedule C)	2534546	
			Deposits	(Schedule D)	40000	
Total	11807374	7159513				
Loans:			Profident Funds	(Schedule E)	770223	
Liabilities & provisions			Sundry Debtors	(Schedule F)		
Remittances	(Schedule 2)		Grants Receivable	(Schedule G)		
Profident Funds	(Schedule 3)		Closing balance			
Sundry Creditors & other liabilities	(Schedule 4)	770223	Cash in Hand	(Schedule H)		
Provision for Gratuties	(Schedule 5)		Cash at Bank	(Schedule I)	1152179	
(for all Employees)			R/D account		112000	
Grand Total	12577597	7754971	Grand Total		12577597	
					7754971	

[Signature]
FINANCIAL AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Arunachal Pradesh

[Signature]
SECRETARY
 State Electricity Regulatory Commission
 Arunachal Pradesh

[Signature]
 12/9/14

Chairperson
 State Electricity Regulatory Commission
 Arunachal Pradesh
 Sector A Naharlagun 791 110

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE A)**

FIXED ASSTES as on 31st MARCH 2014

S/No.	Description	Gross Block		Rate of Depreciation	Depreciation				Upto Previous Year	Upto Current Year
		Opening	Additions / Disposals		Upto previous year	Addition during the year	upto current year	Upto Previous Year		
1	2	3	4	5	6	7	8	9	10	11
1	Land									
2	Buildings									
3	Furniture & Fixture	491168	106549	597717	6.33%	47698	37835	85533	443470	512184
	Machinery & Equipment									
4		469058	114093	583151	16.21%	112205	94529	206734	356853	376417
5	Motor Vechiles	1227523		1227523	9.50%	233230	116615	349845	994293	877678
6	Books & Publications		2370	2370						2370
7	Gifted/ Donated assets									
8	Others Assets (to be specefied)									
9	Sub Total (1) to (8)	2187749	223012	2410761		393133	248979	642112	1794616	1768649
10	Capital work in progress									
11	Grand Total(9 + 10)	2187749	223012	2410761		393133	248979	642112	1794616	1768649
12	Previous Year									



R. Kumar

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE B)**

Investment as on 31st MARCH 2014

S/No.	Description	Amount Rupees)	
1	2	3	
1	Fixed Deposits with Bank(s)		
	(a) Opening Balance		
	(b) Investment made	7200000	
	(c) Investment Encashed	1000000	
	(d) Closing Balance	6200000	
2	certificates/ Others Securities(to		
	(a) Opening Balance		
	(b) Investment made		
	(c) Investment Encashed		
	(d) Closing Balance		
	Total balance[1(d) + 2(d)]		
	Total		
	Name of Banks to be mentioned	SBI Naharlagun	
	Details of amount		
	Date of deposits		
	Period of deposits		
	Date of maturity		
	Rate of Interest		
	Interest		





**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE C)**

CONTINGENT AND OTHER LOANS & ADVANCES as on 31st MARCH 2014

S/No.	Description	Opening Balance	Additions	Recoveries & Adjustments	Closing Balance
1	2	3	4	5	7
A	Contingent Advance				
(a)	Advance to TA/DA		20000		20000
(b)	Advance to DGS & D				
(c.)	Advance to Suppliers (POL/ Others)		17557		17557
(d)	Other Advances/ PI	10000	10000	10000	10000
	Sub-total	10000	47557	10000	47557
B	Advance to Employees				
(a)	House building advance				
(b)	Motor Car/Computer advance				
(c.)	Scooter (Motor Cycle)				
(d)	Others Advances(to be Specified)				
(E)	Others Receivable/Adjustable				
	i) Calculation Mistake in CBP 56 & 144				
	144		101		101
	Total	10000	47658	10000	47658

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE D)
(See Rule 5)**

DEPOSITS as on March'2014

S/No.	Description	Opening Balance	Additions	Recoveries & Adjustments	Closing Balance
1	2	3	4	5	7
1	Securities deposit	40000	0	0	40000
2	earnest Money deposits				
3	Any other Deposits				
	Total	40000	0	0	40000





(SCHEDULE E)
Provident Fund as on 31st MARCH 2014

Sl/N	Description	Amount (Rupees)
1	2	3
1	APSERC Contributory Provident Fund	
2	Opening Balance	595458
3	Add: Contribution made during the year by investing in Fixed Deposit	161758
4	Add: Interest earned on investment during the year	13007
5	Closing Balance	770223

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE F)

SUNDRY DEBTORS as on 31st MARCH 2014

Sl.No.	Description	Amount (Rupees)
1	2	3
A	From Deptt. of Power	
	Opening Balance	
	Claim for the year (Annual License Fee)	2486888
	Less: Received during the year	Nil
	Total	2486888





GRANTS RECEIVABLE as on 31st MARCH 2014

S/No.	Description	Opening Balance	Additions	Adjustments	Closing Balance
1	2	3	4	5	6
	Total	NIL	NIL	NIL	NIL

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE H)**

CASH IN HAND as on 31st MARCH 2014

SL/N	Description	Amount (Rupees)
1	2	3
1	Salary	
2	Tarvelling Allowance	
3	Contigencies	
4	Office Expences	
5	Others	
	Total	

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE I)**

CASH AT BANK as on 31st MARCH 2014

Sl.No.	Description	Amount (Rupees)
1	Salary	
(i)	Tarvelling Allowance	
(ii)	Contigencies	
(iii)	Office Expences	
(iv)	Others	
	Total	





ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

(SCHEDULE 1)

(See Rule 5)

CAPITAL FUND AS ON 31ST MARCH 2014

S/No	Description	Opening Balance	Additions	Total	Amount Written off	Closing Balance
1	2	3	4	5	6	7
1	Land					
2	Building					
3	Furniture & Fixture	491168	106549	597717		597717
4	Machinery & Equipment	469058	114093	583151		583151
5	Motor Vechiles	1227523	0	1227523		1227523
6	Books & Publications		2370	2370		2370
7	Gifted/ Donated Assets					
8	Others(to be Specefied)					
	Total	2187749	223012	2410761	0	2410761

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

(SCHEDULE 2)

(See Rule 5)

REMITTANCES AS ON 31ST MARCH 2014

S/No	Description	Opening Balance	Additions	Total	Amount Written off	Closing Balance
1	2	3	4	5	6	7
1	General Profident Fund etc. of Staff on Deputation GIS		2310			2310
2	GPF		80000			80000
3	Licence Fee					
4	Income Tax		660879			660879
5	Sales tax/ VAT Tax		19701			19701
6	Recoveries of Loans & Advances					
7	TDS on Vechile Hire Charge		1309			1309
8	Others (to be Specified)					
	Total		764199			764199

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ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
SCHEDULE 3)
(See Rule 5)
PROVIDENT FUND as on 31st MARCH 2014

S/No	Description	Amount (Rupees)	Amount
1	2	3	4
A	SERC Provident Fund		
1	Opening Balance		
2	Subscription		
3	Recovery of Advance		
4	Interest		
	Total		
	Less: Advance/Final Payment/ Investment		
B	Pension & Others Retirement Benefits Fund		
1	Opening Balance		
2	Pension Balance		
3	Retirement benefits fund		
4	Interest		
	Total		
	Less: Payment/Investment		
	Total		

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE 4)
(See Rule 5)
SUNDRY CREDITORS & OTHER LIABILITIES as on 31st MARCH 2014

S/No	Description	Opening Balance	Additions	Total	Amount Written off	Closing Balance
1	2	3	4	5	6	7
1	Security deposits					
2	earnest money deposits					
3	Sundry creditors					
4	Other liabilities(to be specefied)					
5	Unspent grants returnable/ refundable to Government					
6	CPF a/c	595458	174765	770223		770223
	Total	595458	174765	770223	0	770223





ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE 5)
(See Rule 5)

PROVISION FOR GRATUITIES as on 31st MARCH 2014

S/No	Description	Amount (Rupees)	Amount (Rupees)
1	2	3	4
1	Opening Balance		
2	Provision made during this Year		
	Total		
	Less: Payment made during this year		
	Total		





ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

EXECUTIVE SUMMARY 2013-14

The Arunachal Pradesh State Electricity Regulatory Commission stepped into its third Financial Year during 2013-14.

The Arunachal Pradesh State Electricity Regulatory Commission was established and incorporated by the Government of Arunachal Pradesh through a notification No. PWRS/W-1075/2004 dated 7th May' 2010 under section 82 of the Electricity Act, 2003 with its office presently located at Naharlagun. The Commission derives its powers under Section 86 of the Electricity Act 2003. The Govt. of Arunachal Pradesh vide its order no. PWRS/W-1075/2004, Dated 29th October'2010 appointed the Single Member-cum-Chairman of the Arunachal Pradesh State Electricity Regulatory Commission. The Commission started functioning w.e.f 2nd March' 2011 on joining of the Chairperson. Though the Chairman joined the Commission in the beginning of March 2011, but the regular activities of the Commission could start in mid of July 2011 when the Secretary to the Commission and the Finance & Accounts Officer of the Commission was posted by the Government of Arunachal Pradesh.

The main functions assigned to the Commission under Section 86 of the Act are as follows: -

1. The State Commission shall discharge the following functions, namely:-

- determine the tariff of generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case be, within the State : Providing that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- facilitate intra-state transmission and wheeling of electricity;
- issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- levy fee for the purpose of this Act;
- specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
- specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- fix the trading margin in the intra-state trading of electricity, if considered necessary; and
- discharge such other functions as may be assigned to it under this Act



2. The State Commission shall also advise the State Government on all or following matters, namely :

- promotion of competition, efficiency and economy in activities of the electricity industry;
- promotion of investment in electricity industry;
- reorganization and restructuring of electricity industry in the State;
- matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government

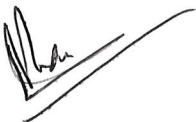
3. In discharge of its functions, the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under sub-section (2) of section 3. From the beginning the State of Arunachal Pradesh did not have its own State Electricity Board and the Power Sector has been managed directly by the State Government through the Department of Power (the deemed licensee for Distribution and Transmission of Electricity) and the Department of Hydro Power Development (for Generation of Electricity from Micro / Mini / Small Hydro). There is therefore no Board to be unbundled with the enforcement of Indian Electricity Act 2003 and the corporatization of Power Department and Department of Hydro Power Development into Government Companies appears to be the only answer so far as the process of reforms of the Power Sector is concern.

Establishment of Office : The Commission's Office is still running from the congested accommodation provided by the Government of Arunachal Pradesh in the office building of S.E.(E), Coordination, Department of Power at Naharlagun.

Staffing Pattern : The Staff strength sanctioned by the Government of Arunachal Pradesh for the Commission is still the same as below:

Sl. No.	Name of Post	Scale of Pay	No. of Post
1.	Chairman	HAG Scale Rs.75,500-80,000/-	1
2.	Secretary	PB4: Rs.37400-67000+GP Rs. 8700/-	1
3.	Finance & Accounts Officer	PB3: Rs.15600-39100+GP Rs.5400/-	1
4.	Private Secretary	PB3: Rs.15600-39100+GP Rs.5400/-	1
5.	Personal Assistant	PB1: Rs.5200-20200+GP Rs. 2800/-	1
6.	LDC cum Computer Operator	PB1: Rs.5200-20200+GP Rs. 1900/-	1
7.	Driver	PB1: Rs.5200-20200+GP Rs. 1900/-	1

Out of the above, the post of Secretary has been now filled up on regular basis by appointment of Sh. Rakesh Kumar on his permanent absorption to the Commission from the Govt. of Ar. Pr. But the post of Finance & Accounts Officer still remains to be filled up on full time basis. As of now an Officer of Government of Arunachal Pradesh(Directorate of Accounts & Treasuries) is holding additional charges of F&AO in the Commission. The post of P.S. to the Chairman is still filled up by official of the Government of Arunachal Pradesh(Deptt. of Power) on deputation to the Commission. However the candidate working as Personal Assistant on deputation has now been absorbed in the Commission. The post of LDC is lying vacant. The Driver is appointed on adhoc basis against the



sanctioned post. Other than the above regular posts, the Commission still has one Accountant on Retainer basis and 4 nos. casual staff for the purpose of office Peon, Caretaker of the residence & Camp Office of the Chairperson etc.

Regulations : The Commission has continued with the framing of essential Regulations. The Commission notified the following 3 nos. of Regulations during the current financial year:

Sl. No.	Name of Regulation
1.	Arunachal Pradesh Electricity Supply Code - 2013
2.	Regulation regarding reconstitution of State Advisory Committee.
3.	Multi Year Tariff Regulations -2013

State Advisory Committee (SAC) : The second meeting of the SAC was held on 11th April'2013 to discuss amongst others about the Annual Revenue Requirement of the Deptt. of Power for the FY 2013-14, comparison of retail tariff proposed by the Deptt. of Power for FY 2013-14 and the high AT&C losses of the Deptt.

Finance & Accounts : As of now fund for operationalization of the Commission is provided by the Government of Arunachal Pradesh through the budget of Department of Power as Grant-in-Aid. SERC fund rules as per Section 103 of the Indian Electricity Act 2003 are yet to be framed by the Government of Arunachal Pradesh. Similarly, the formats for preparation of Annual Statement of Accounts are also yet to be notified by the State Government in consultation with the CAG under Section 104 of the Indian Electricity Act. However, the proposal for the above has already been initiated and is under active consideration of the Govt. In the interim period, the Commission is submitting its budget to the Government and maintaining the necessary accounts in the manner as being advised by the Accountant General of Arunachal Pradesh during the audit of the Annual Accounts of the Commission for the year 2011-12 & 2012-13.

The Commission earned a revenue of Rs. 7,00,750.00(Rupees seven lakh and seven hundred and fifty only) during the current Financial Year(Rs. 5.00 lakh as fee for Tariff Petition and Rs. 2.00 lakh as renewal fee of Intra State Trading License). However the Department of Power has still not paid the Annual License Fees for Distribution and Transmission of electricity for the year 2011-12 , 2012-13 & 2013-14.

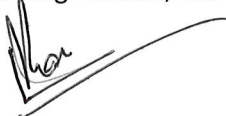
The statement of fund available and expenditure during this year has been compiled in the enclosed statement of accounts in prescribed formats.

Audit by the C&AG : The first audit of the accounts of the Commission for the FY 2011-12 & 2012-13 was done by the Audit Team of the Accountant General's office.

Tariff Petition & Tariff Orders : The Commission issued its first ever tariff order for the FY 2013-14 in respect of Deptt. of Power on 30th May'2013.

The Generation Deptt. of the Govt. i.e. Deptt. of Hydro Power Development(DHPD) filed their first Tariff Petition on 10th April'2013 and the Commission issued the tariff order in respect of DHPD on 23rd July'2013.

Memberships : The Commission alike previous years has continued to be the Members of the following Forums, viz.



1. Forum of Regulators.(FOR)
2. Forum of Indian Regulators.(FOIR)
3. South Asia Forum for Infrastructure Regulation(SAFIR)
4. CIGRE India

Training Programmes : Sh. Rakesh Kumar, Secretary of the Commission attended the 13th SAFIR Course at Dhaka, Bangladesh w.e.f 23/3/2014 to 25/3/2014 sponsored by SAFIR Secretariat.



(C.W. Lohan)
F&AO, APSERC



(Rakesh Kumar)
Secretary, APSERC



(Digvijai Nath)
Chairman, APSERC