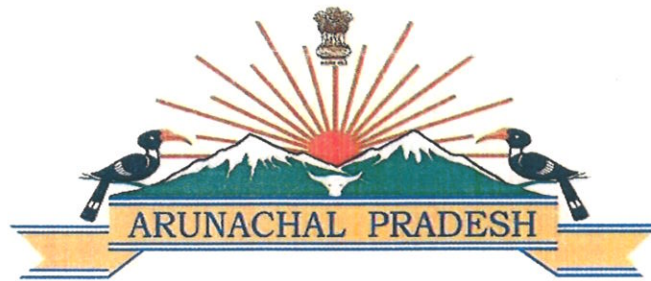




**SEPARATE AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

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



FOR THE YEAR ENDED
31 MARCH 2015

**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 2015**

We have audited the attached Balance Sheet of the Arunachal Pradesh State Electricity Regulatory Commission as at 31 March 2015 and the Income & Expenditure Account/Receipts & Payment Accounts for the year ended on that date under Section 20(1) of the Comptroller & Auditor General's (Duties, Power & 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 (CAG) 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 & Payment 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 2015 have been prepared as per the form of accounts applicable to the West Bengal Electricity Regulatory Commission. Further, the same form of accounts for Arunachal Pradesh State Electricity Regulatory Commission 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 & Payment 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 2015; and
- b. In so far relates to the Income and Expenditure Account, of the surplus for the year ended on that date.

Place: Itanagar.

Date: 22 July 2016

for and on behalf of the C & AG of India


Pr. Accountant General



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION**

**ANNUAL ACCOUNTS
2014-15
(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

Emial : apserc_75@yahoo.com


NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 2014-15

1. The Accounts of the Commission is prepared on accrual basis.
2. The Annual Accounts of the Commission for the year 2014-15 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 as per Schedule- II of the Companies Act, 2013 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. 2013-14 is shown separately as follows :

A) Chairman -	Rs. 20,82,083.00
B) Other Staff -	Rs. 23,11,173.00
Total -	Rs. 43,93,256.00
6. Cut-off date for preparation of Accounts is on 30th April 2015
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 have been laid on the table of State Legislative Assembly on 29/1/2015 but the audited annual accounts for the FY 2012-13 and 2013-14 are yet to be placed before the Legislative Assembly. The Annual Accounts for the FY 2012-13 have already been submitted to the Legislative Assembly Secretariat and is likely to be placed before the Assembly during the forth coming sessions during 2015-16.


(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 2015

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)	2441993	2441993	2082083
(ii) Cash at BANK	1152179	1152179	5314897	(ii) Pay & Allowances (Other Staff)	2647004	2647004	2138151
				(iii) Wages	2683359	2683359	173022
				(iv) Remuneration for Professional and Other Services			
				(v) Leave salary and Pension Contribution	139421	139421	229366
				(vi) Travel Expenses : (schedule Y)			
				(a) Domestic Travel (Chairperson)	431800	431800	389285
				(b) Foreign Travel (Chairperson)			
				(c) Leave Travel Concession	96735	96735	17467
				(a) Domestic Travel (Other Staff)	163276	163276	7500
				(b) Foreign Travel (Other Staff)			
				(c) LTC			
				(vi) Honorarium	24500	24500	42500
				(vii) Overtime Allowances			
				(viii) Medical and Health care facilities (Chairperson)			
				Medical and Health care facilities (Other Staff)	172191	172191	68966
				(ix) Bonus			
				(x) Other Establishment charges			
2				2			
Grants-in-aid from Government of Arunachal Pradesh				Administrative & other office Expenses			
	11800000	11800000	8652000	(i) Meeting/ Conference etc. charges			0
				(ii) Telephone /Fax/Mobile Bill	78313	78313	34980
				(iii) (a) Rent			

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

ANNEXURE II

(See Rule 5)

Income & Expenditure Accounts for the year ended 31st March 2015

Dr	Expenditure	Amount Rs.	Total Amount Rs.	Previous Year Rs.	Income	Amount Rs.	Total Amount Rs.	Cr.	
								Previous Year Rs.	Previous Year Rs.
A	Establishment Charges and (Schedule X1)				Grants-in-aid from Government of Arunachal Pradesh	11800000	11800000		8652000
	Pay and allowances (Chairperson)	2441993	2441993	2082083	A				
(i)					Add: Grants-in-aid receivable				
(ii)	Pay & allowances(Other Staff)	2647004	2647004	2138151	Total	11800000	11800000		8652000
(iii)	Wages	268359	268359	173022					
(iv)	CPF of Chairperson			161758					
(v)	Remuneration for Professional and Other Services				Less: Amount capitalised (Purchase of Assets)				
(vi)	Leave salary and Pension Contribution	139421	139421	229366	Net Total:	11629397	11629397	170603	223012
(vii)	Travel Expenses :								
	(a) Domestic Travel(Chairperson)	431800	431800	389285					
	(b) Foreign Travel(Chairperson)								
	(c.) Leave Travel Concession	96735	96735	17467					
	(a) Domestic Travel(Other Staff)	163276	163276	7500					
	(b) Foreign Travel(Other Staff)								
(viii)	Honorarium	24500	24500	42500					
(ix)	Overtime Allowances								
(x)	Medical and Healthcare facilities	172191	172191	68966					

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

ANNEXURE III


(See Rule 5)

Balance Sheet as at 31st March 2015

Dr				Cr.			
Liabilities	Amount Rs.	Previous Year Rs.	Assets	Amount Rs.	Previous Year Rs.		
Capital			Fixed Assets	1311509	1768649	(Schedule A)	
Opening Balance		7159513	Investments (including of Accrued interest)	8504228	6200000	(Schedule B)	
Add: Additional during the year (Schedule 1)	170603	223012	Contingent & Other Loans & Advances	9868	47658	(Schedule C)	
Add: (less) Excess of Income (or expenditure over Income) during the year transferred from income & expenditure account(+)	4438976	4424849	Deposits	40000	40000	(Schedule D)	
Total	16416953	11807374					
Loans:			Profit Fund	839861	770223	(Schedule E)	
Liabilities & provisions			Sundry Debtors	3224372	2486888	(Schedule F)	
Remittances			Grants Receivable			(Schedule G)	
Profit Fund			Closing balance				
Sundry Creditors & other liabilities	839861	770223	Cash in Hand			(Schedule H)	
Provision for Gratuites			Cash at Bank	2990976	1152179	(Schedule I)	
(for all Employees)			R/D account	336000	112000	(Schedule J)	
Grand Total	17256814	12577597	Grand Total	17256814	12577597		


FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Arunachal Pradesh



SECRETARY
 State Electricity Regulatory Commission
 Arunachal Pradesh



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

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

FIXED ASSETS as on 31st MARCH 2015

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
S/No	Description	Original cost of fixed assets (Rs)	Net Value / carrying amount of Fixed Assets as on 31/03/2014	Additions during the period 2014-15	Total value of assets	useful life as per Schedule-II of Companies Act, 2013 (in years)	Date/Period of Acquisitions	Remaining useful life (in years) (F-G)	Residual value on Original cost of Fixed Assets @ 5% as per Schedule-II of Companies Act 2013	Depreciation (D-J/I)	fixed assets upto current year (F-K)
		€	€	€	€	(in years)	(H)	(I)	(J)	(K)	(L)
1	Land										
2	Buildings										443284
3	Furniture & Fixture	597717	512184	✓	512184	10	2011-12	7	29886	68900	443284
4	Machinery & Equipment	583151	376417		376417	3	2011-12	0	29158	347259	29158
				✓	152603	3	2014-15	3	7630	48324	104279
5	Motor Vechiles	1227523	877678		877678	8	2011-12	5	61376	163260	714418
6	Books & Publications	2370	2370		2370		2013-14				2370
				✓	18000		2014-15				18000
7	Gifted/ Donated assets										
8	Others Assets (to be specified)										
9	Sub Total (1) to (8)	2410761	1768649	170603	1939252				128050	627743	1311509
10	Capital work in progress										
11	Grand Total(9 + 10)	2410761	1768649	170603	1939252				128050	627743	1311509
12	Previous Year										


FINANCE OFFICER
 Accounts Officer
 State Electricity Regulatory Commission
 Arunachal Pradesh


SECRETARY
 State Electricity Regulatory Commission
 Arunachal Pradesh

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

(SCHEDULE B)

Investment as on 31st MARCH 2015

S/No.	Description	Amount Rupees)		
1	2	3		
1	Fixed Deposits with Bank(s)			
	(a) Opening Balance	6200000		
	Add: Interest received	451831		
	Add: Accrued interest (FY-2014-2015)	477450		
	Add: Deposit	2000000	9129281	
	Less: Withdrawal (600000+21183+3870)		625053	
	Total balance		8504228	
2	Investment in National savings certificates/ Others Securities(to be specified)			
	(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			


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13/3/2015

FINANCE AND ACCOUNTS OFFICER
State Electricity Regulatory Commission
Arunachal Pradesh

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SECRETARY
State Electricity Regulatory Commission
Arunachal Pradesh

Statement showing interest accrued for FY-2014-15 as per Bank records

Sl/No	Details of fixed Deposit	Date of Deposit	Amount of Deposit (Rs.)	Accrued Interest (Rs)(upto 31st march 2015)
1	33307455174	19-06-2014	5,24,773.00	48,848.00
2	34807783924	20-03-2015	10,00,000.00	-
3	34807785285	20-03-2015	10,00,000.00	-
4	33307459951	18-07-2014	6,33,092.00	33,092.00
5	33307466345	18-08-2014	5,30,474.00	30,474.00
6	33307489679	18-09-2014	32,71,240.00	2,71,240.00
7	33307473432	18-09-2014	5,45,207.00	45,207.00
8	33307501030	23-05-2014	5,21,992.00	48,589.00
TOTAL				4,77,450.00


FINANCE AND ACCOUNTS OFFICER
State Electricity Regulatory Commission
Arunachal Pradesh


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State Electricity Regulatory Commission
Arunachal Pradesh

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


CONTINGENT AND OTHER LOANS & ADVANCES as on 31st MARCH 2015

S/No.	Description	Opening Balance	Additions	Recoveries & Adjustments	Closing Balance
1	2	3	4	5	7
A	Contigent Advance				
(a)	Advance to TA/DA	20000		20000	0
(b)	Advance to DGS & D				
(c)	Advance to Suppliers (POL/ Others)	17557		17557	0
(d)	Other Advances/ PI	10000		132	9868
	Sub-total	47557	0	37689	9868
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				
	ii) Calculation Mistake in CBP 56 & 144				
	144	101		101	
	Total	47658	0	37790	9868

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

DEPOSITS as on March'2015

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


FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Arunachal Pradesh


SECRETARY
 State Electricity Regulatory Commission
 Arunachal Pradesh

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE E)
Profident Fund as on 31st MARCH 2015

Sl/N	Description	Amount (Rupees)
1	2	3
1	APSERC Contributory Provident Fund	
2	Opening Balance	770223
3	Add: Contribution made during the year by investing in Fixed Deposits	
4	Add: Interest earned on investment during the year	69638
5	Closing Balance	839861

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
(SCHEDULE F)
SUNDRY DEBTORS as on 31st MARCH 2015

Sl.No.	Description	Amount (Rupees)
1	2	3
A	From Deptt. Of Power	
	Opening Balance	2486888
	Claim for the year (Licence fees for Distribution)	484584
	Claim for the year (Licence fees for transmission)	252900
	Less: Grant Received during the year	nil
	Total	3224372


13/8/2015

FINANCE AND ACCOUNTS OFFICER
State Electricity Regulatory Commission
Arunachal Pradesh


SECRETARY
State Electricity Regulatory Commission
Arunachal Pradesh

GRANTS RECEIVABLE as on 31st MARCH 2015 (SCHEDULE G)

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 2015

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 2015

Sl.No.	Description	Amount (Rupees)
1	Salary	
(i)	Tarvelling Allowance	
(ii)	Contigencies	
(iii)	Office Expences	
(iv)	Others	
Total		2990976

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

R/D as on 31st MARCH 2015

Sl.No.	Description	Amount (Rupees)
1	Opening Balance	112000
2	Add: Contribution made during the year	224000
3	Add: Interest earned during the year	
4	Closing balance	336000

[Signature]
 FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission

[Signature]
 SECRETARY
 State Electricity Regulatory Commission

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

(SCHEDULE 1)

(See Rule 5)

CAPITAL FUND AS ON 31ST MARCH 2015

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	597717	0	597717		597717
4	Machinery & Equipment	583151	152603	735754		735754
5	Motor Vechiles	1227523	0	1227523		1227523
6	Books & Publications	2370	18000	20370		20370
7	Gifted/ Donated Assets					
8	Others(to be Specefied)					
	Total	2410761	170603	2581364	0	2581364

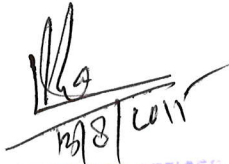
ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

SCHEDULE 2)

(See Rule 5)

REMITTANCES AS ON 31ST MARCH 2015

S/No	Description	Opening Balance	Additions	Total	Amount Written off	Closing Balance
1	2	3	4	5	6	7
	General Profident Fund etc. of Staff on Deputation					
1	GIS	2310	2520	4830		4830
2	GPF	80000	88000	168000		168000
3	Licence Fee					
4	TDS on salaries	660879	771386	1432265		1432265
5	Sales tax/ VAT Tax	19701	21882	41583		41583
6	Recoveries of Loans & Advances					
7	TDS on other	1309	14374	15683		15683
8	Others (to be Specified)					
	Total	764199	898162	1662361		1662361


FINANCE AND ACCOUNTS OFFICER
 State Electricity Regulatory Commission
 Arunachal Pradesh


SECRETARY
 State Electricity Regulatory Commission
 Arunachal Pradesh

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
SCHEDULE 3)
(See Rule 5)

PROVIDENT FUND as on 31st MARCH 2015

S/No.	Description	Amount (Rupees)	Amount (Rupees)
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 2015

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	770223	69638	839861		839861
	Total	770223	69638	839861	0	839861

[Handwritten Signature]
 14/8/15
 FINANCE AND ACCOUNTS OFFICER

[Handwritten Signature]
 SECRETARY

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

PROVISION FOR GRATUITIES as on 31st MARCH 2015

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		


13/8/2015

FINANCE AND ACCOUNTS OFFICER
State Electricity Regulatory Commission
Arunachal Pradesh


SECRETARY
State Electricity Regulatory Commission
Arunachal Pradesh

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

EXECUTIVE SUMMARY 2014-15

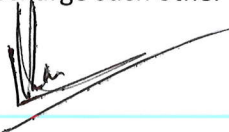
The Arunachal Pradesh State Electricity Regulatory Commission stepped into its fourth Financial Year during 2014-15.

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 been absorbed in the Commission during 2013-14 . The post of LDC is lying vacant. The Driver is presently appointed on



ad hoc basis against the sanctioned post. Other than the above regular posts, the Commission still has one full time 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 did not notify any new Regulation during the current financial year. However the Commission has drafted/proposed regulations for Service Rules for the employees of the Commission and been sent to the Govt. of Arunachal Pradesh for its approval as per the provisions of Section 91(2) of the Indian Electricity Act, 2013. The approval of the State Govt. is awaited.

State Advisory Committee (SAC) : The third meeting of the SAC was held on 30th May 2014 to discuss amongst others about the Annual Revenue Requirement of the Deptt. of Power for the FY 2014-15, comparison of retail tariff proposed by the Deptt. of Power for FY 2014-15 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/notified 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. 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. 10,00,110.00 (Rupees ten lakh one hundred and ten only) during the current Financial Year. 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 & 2014-15.

The statement of fund available and expenditure during this year has been compiled in the enclosed statement of accounts in prescribed formats as suggested by the AG's office.

Audit by the C&AG : The audit of the annual accounts of the Commission for the FY 2013-14 was done by the Audit Team of the Accountant General's office.

Tariff Petition & Tariff Orders : The Commission issued its tariff order for the FY 2014-15 in respect of Deptt. of Power on 3rd June 2014.

The Generation Deptt. of the Govt. i.e. Deptt. of Hydro Power Development (DHPD) did not file their tariff petition for the FY 2014-15.

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. Forum of Regulators for Eastern & North-Eastern States(FORENS)


5. CIGRE India

Training Programmes : Sh. Rakesh Kumar, Secretary of the Commission attended the following training programmes/workshops during the current financial year, viz;

1. One day workshop at Guwahati on smart grids conducted by Indian Smart Grid Forum and Ministry of Power, Govt. of India on 7-5-2014.
2. 7th capacity building/training programme for officers of Electricity Regulatory Commissions from 28th to 30th Jan'2015 at IIT Kanpur organised by Forum of Regulators.
3. 8th capacity building/training programme for officers of Electricity Regulatory Commissions from 18th to 20th Feb'2015 at Singapore organised by Forum of Regulators.
4. One day workshop on the topic " Critical role of Secretaries in Regulatory Commissions" at Vigyan Bhawan, New Delhi on 23rd Feb'2015.

Laying of the Audit Report before the State Legislative Assembly: The certified copy of the audit report received from the C&AG, Govt. of India through the AG, Arunachal Pradesh for the FY 2011-12 & 2012-13 has been submitted by the Commissioner(Power), Govt. of A.P. to the Legislative Assembly Secretariat(through Parliamentary Affairs Deptt. in the month of Jan'2015). Annual Accounts for the FY 2011-12 have been laid on the table of the State Legislative Assembly on 29/1/2015 but the Annual Accounts for the FY 2012-13 & 2013-14 are yet to be laid before the State Legislative Assembly and are expected to be laid in the forth coming sessions of the Assembly during FY 2015-16.


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


(Rakesh Kumar)
Secretary, APSERC

(Digvijai Nath)
Chairman, APSERC