



कार्यालय, महालेखाकार (लेखा परीक्षा), असम,

बेलतला, गुवाहाटी - 781 029

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
ASSAM, MAIDAMGAON, BELTOLA, GUWAHATI-781 029

No. AMG-III(PSU)/BS/2-28/2024-25/296

Date : /12/2024

To,

The Managing Director,  
Assam Electricity Grid Corporation Limited,  
Bijulee Bhawan, Paltan Bazar,  
Guwahati- 781001

13 DEC 2024  
G.M. F. A. C.  
16/12/24  
AGM (FSA), Comp  
16-12-24

**Sub:** Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of Assam Electricity Grid Corporation Limited for the year ended 31 March 2024.

Sir,

I am directed to forward herewith the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of Assam Electricity Grid Corporation Limited for the year ended 31 March 2024 for placing them before the Annual General Meeting of the Company.

The date of adoption of accounts in the Annual General Meeting of the Company may please be intimated.

Five copies of the printed Annual Report of the Company, when ready, may please be sent to this office.

Receipt of this letter with its enclosures may please be acknowledged.

**Enclosure:** As stated.

Yours faithfully,

  
Deputy Accountant General,  
(AMG-III)

**REGISTERED**

Memo No. AMG-III(PSU)/BS/2-28/2024-25/297

Date : /12/2024

Copy forwarded for information and necessary action to:

1. The Secretary, Government of Assam, Industries Commerce & Public Enterprise Department, C Block, 2nd Floor, Assam Secretariat, GS Road, Dispur, Guwahati-781006.

Sd/-  
Deputy Accountant General  
(AMG-III)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF ASSAM ELECTRICITY GRID CORPORATION LIMITED FOR  
THE YEAR ENDED 31 MARCH 2024**

The preparation of Financial Statements of **Assam Electricity Grid Corporation Limited** for the year ended **31 March 2024** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 are responsible for expressing an opinion on these financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the auditing standards prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **23 September 2024**.

I, on behalf of the Comptroller and Auditor General of India have conducted the supplementary audit of the financial statements of **Assam Electricity Grid Corporation Limited** for the year ended **31 March 2024** under section 143(6)(a) of the Companies Act, 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Companies Act, 2013 which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report.

## **A. COMMENTS ON PROFITABILITY**

### **1. Statement of Profit and Loss Account**

#### **Income**

**Revenue from Operations (Note-27): ₹621.54 crore**

**Wheeling Charges (Transmission Charges) from APDCL: ₹612.15 crore**

After carrying out (June 2024) truing up of tariff for the year 2022-23, Assam Electricity Regulatory Commission (AERC) approved (June 2024) a 'revenue gap and carrying cost' for 2022-23 and 2023-24 amounting to ₹ 24.94 crore and ₹ 4.23 crore respectively, which was to be recovered from Assam Power Distribution Company Limited (APDCL) during the financial year 2024-25. The Company, however, did not account for the same during the financial year 2023-24. As the financial statements of the Company were approved (16 September 2024) by the Board of Directors after the AERC issued (June 2024) the above orders, the 'revenue gap and carrying cost' allowed by AERC should have been accounted for in the financial statements of 2023-24, in accordance with Para 8 of IND AS-10 (Event after the Reporting Period). Non-recognition of the above regulatory assets in the accounts has resulted in understatement of 'Profit for the year' and 'Current Assets' by ₹ 29.17 crore each.

## **B. COMMENTS ON FINANCIAL POSITION**

### **1. Balance Sheet**

#### **Assets**

#### **Non-current assets**

**Capital Works in progress (Note 4): ₹ 675.33 crore**

This included ₹ 27.89 crore, being the capital cost of four assets, construction for which was completed and accepted by the Company before the close of the current financial year 2023-24. Hence, the same should have been transferred to and shown under 'Property Plant & Equipment' and depreciation charged thereon accordingly. Wrong grouping of the cost of the completed assets under Capital WIP has resulted in overstatement of the above head (Capital WIP) by ₹ 27.89 crore, understatement of 'Property Plant & Equipment' (net block)

by ₹27.18 crore and depreciation by ₹0.71 crore with corresponding overstatement of 'Profit for the year' by ₹0.71 crores.

## 2. Balance Sheet

### Equity and Liabilities

#### Equity

**Other Equity (Note-17): ₹ 25.43 crore**

Regulation 67.9.1 of the Assam Electricity Regulatory Commission Multi- Year Tariff Regulation, 2021 (MYT Regulations, 2021) provides that "*The Transmission Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.10 per cent of the gross fixed assets approved by the Commission at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement*". Further, regulation 67.9.2 of the MYT regulation 2021 provides that "*The Contingency Reserve shall not be drawn upon during the term of the license except to meet such charges as may be approved by the Commission as being the expenses arising out of accidents, natural calamities or circumstances beyond the control of the Licensee.*"

During the truing up for 2022-23, the AERC while taking serious note to utilisation of Contingency Reserve fund for some non-emergency works, decided not to allow further contribution to Contingency Reserve fund in FY 2023-24 and FY 2024-25. Contrary to the above order of the AERC, the Company transferred ₹3.28 crore to Contingency Reserve fund during the financial year 2023-24 by debiting the Statement of Profit and Loss and made expenditure of ₹1.14 crore from the said fund. As AERC did not allow creation of Contingency Reserve fund for the financial year 2023-24, the Company should not have transferred ₹3.28 crore to Contingency Reserve fund and the expenditure of ₹1.14 crore should have been charged to the Statement of Profit and Loss directly instead of routing through the Contingency Reserve fund. This has resulted in understatement of 'Profit for the year' by ₹2.14 crore with the corresponding overstatement of 'Other Equity' by the same amount.

**3. Balance Sheet**

**Assets**

**Current Assets**

**Other Current Assets (Note-15)**

**Income Accrued but not due: ₹ 35.68 crore**

The above is understated by ₹ 1.09 crore due to non-recognition of 'interest accrued but not due' on Fixed deposit valuing ₹ 26.00 crore. This also resulted in understatement of 'Profit for the year' by the same amount.

**For and on the behalf of the  
Comptroller and Auditor General of India**

**Place : Guwahati**

**Date : 13-12-2024**



**Accountant General (Audit), Assam**