

**2020-21**

**18th**  
**ANNUAL**  
**REPORT**



**ASSAM ELECTRICITY GRID CORPORATION LIMITED**  
(A Govt. of Assam Undertaking)

**Registered Office: Bijulee Bhawan, Paltan Bazar, Guwahati-781001**

**ASSAM ELECTRICITY GRID CORPORATION LTD**

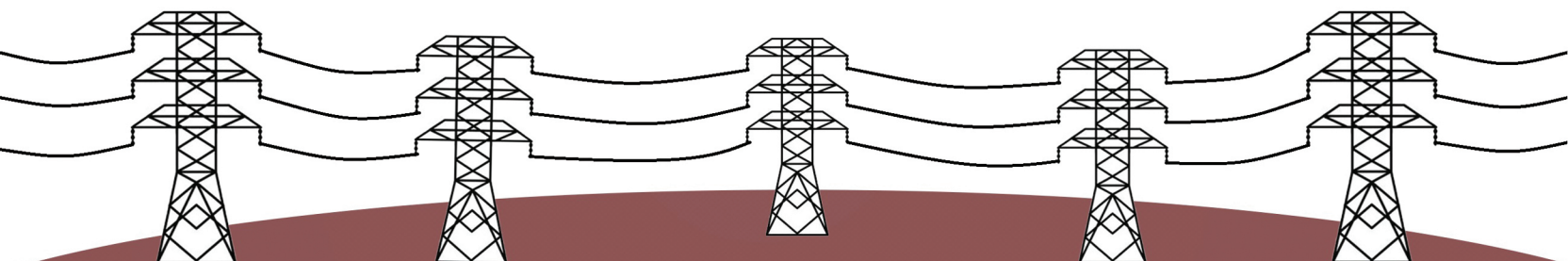
**Existing Transmission Line and Substation Data as on 31.03.2021**

**A. Transmission Line**

SI No	Voltage level	Line Length In Ckt. Km as on 31.03.2021
1	400 KV	7.2
2	220 KV	2048.054
3	132 KV	3069.191
4	66 KV	613
	<b>Total</b>	<b>5737.445</b>

**B. Grid Substation**

SI No	Voltage Level	Transformer Capacity in MVA as on 31.03.2021
1	400/220KV	630
2	220/132KV	2630
3	220/33KV	100
4	132/33KV	3679
5	132/11KV	32
6	132/66KV	40
7	66/33KV	32
	<b>Total</b>	<b>7143</b>





**18<sup>th</sup>**  
**Annual Report**  
**2020-21**



**ASSAM ELECTRICITY GRID CORPORATION LIMITED.**

**CIN: U40101AS2003GC007238**

**(A Govt. of Assam Undertaking)**

**[Registered Office: Bijulee Bhawan, Paltan Bazar, Guwahati - 781001]**

## BOARD OF DIRECTORS

(As on 31st March, 2021)

- |                                      |   |
|--------------------------------------|---|
| 1. Shri V.K. Pipersenia, IAS (Retd.) | <b>Chairman</b>   |
| 2. Shri Niraj Verma, I.A.S.          | <b>Nominee Director, Power Department, Govt. of Assam</b> |
| 3. Shri Rakesh Agarwal, I.A.S.       | <b>Director</b>   |
| 4. Shri Dhrubajyoti Hazarika         | <b>Managing Director</b>                                  |
| 5. Shri Adyut Phukan                 | <b>Independent Director</b>                               |
| 6. Shri Mahendra Konwar              | <b>Independent Director</b>                               |

## AUDITORS

1. **Statutory Auditors** : M/s R.M. Kothari & Co., Chartered Accountants, Office - II Floor, 96, GNB Road, Silpukhuri, Near SBI evening Branch, Guwahati, Assam.
2. **Cost Auditors** : M/s Musib & Co., Flat No. - 403, Kripa Apartment, Samagan Path, Near Hatigaon Chariali, Dist. - Kamrup, Hatigaon - 781038.
3. **Secretarial Auditors** : M/s CS Biman Debnath & Associates, Company Secretaries, Prakash Choudhury Housing Complex, Tarun Nagar, Guwahati - 781005.
4. **Tax Auditors** : M/s Nilotpall Dhar & Associates, Chartered Accountants, Bhangagarh, Guwahati - 781007

## Key Managerial Personnel

- |                           |                                  |
|---------------------------|----------------------------------|
| Shri Dhrubajyoti Hazarika | Managing Director                |
| Shri P.K. Barman          | Chief General Manager (F&A), i/c |
| Shri Dipankar Barua       | Company Secretary                |

**Bankers :**

State Bank of India

**Registered Office :**

Bijulee Bhawan  
1st Floor, Paltan Bazar,  
Guwahati-781001



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**NOTICE**

Notice is hereby given that the 18<sup>TH</sup> Annual General Meeting of the Company will be held on Tuesday, 30th November 2020 at 11.15 A.M. at the Conference Hall, 4th Floor, Bijulee Bhawan, Paltan Bazar, Guwahati to transact the following business at shorter notice:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2021 and the Profit & Loss Accounts for the year ended 31st March, 2021 along with the Statutory Audit Report including comments of the Comptroller and Auditor General of India and the Directors' Report thereon.
2. To fix the remuneration of the Statutory Auditors appointed by the CAG of India for the FY 2020-21.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution : -

"RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the appointment made by the Board of M/s Musib & Co, Cost Accountant, Guwahati, as the Cost Auditor of the Company for the Financial year 2021-22 to conduct audit of cost records of the Company in respect of its units situated all over Assam pursuant to Companies (Cost Records and Audit) Rules, 2014, issued by Ministry of Corporate Affairs, Government of India at a remuneration of Rs. 60,500 /- plus Rs. 15,000/- for E-Filing of Cost Audit Report in XBRL and out of pocket expenses at an amount admissible to the AGM rank of Officers of the Company as per TA Rules be and is hereby ratified and approved."

**By Order of the Board  
for Assam Electricity Grid Corporation Limited**

Place : Guwahati  
Date : 23<sup>rd</sup> November, 2021

Sd/-  
(D.Barua)  
**Company Secretary**



**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.  
EXPLANATORY STATEMENT IN RESPECT OF ITEM OF SPECIAL BUSINESS****ITEM NO: 3.**

M/s Musib & Co, Cost Accountant, Guwahati, was appointed by the Board as the Cost Accountant of the Company for the year 2021-22 in terms of the Companies Act, 2013 at a remuneration of Rs. 60,500/- plus Rs. 15,000/- for E-Filing of Cost Audit Report in XBRL and out of pocket expenses at an amount admissible to the AGM rank of Officers of the Company as per TA rules of the Company.

M/s Musib & Co, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board has approved the remuneration of Rs 60,500 /- plus Rs. 15,000/- for E-Filing of Cost Audit Report in XBRL and out of pocket expenses at an amount admissible to the AGM rank of Officers of the Company as per TA rules of the Company and the ratification by the Shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested in the said resolution.

Accordingly, approval is sought from the Shareholders for ratification.

**By Order of the Board**

Place : Guwahati  
Date : 23<sup>rd</sup> November, 2021

Sd/-  
(D.Barua)  
**Company Secretary**

**NOTICE**

**Notice** is hereby given that the **18<sup>th</sup> Adjourned Annual General Meeting** of the Company will be held on **Thursday, the 7th day of April 2022 at 3.00 P.M. at the Conference Hall, 4th Floor, Bijulee Bhawan, Paltan Bazar, Guwahati at Shorter Notice** to transact the following business :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 and the Profit & Loss Accounts for the year ended 31st March, 2021 along with the **Statutory Audit Report** including comments of **the Comptroller and Auditor General of India and the Directors' Report** and **Secretarial Audit Report** thereon.

**By Order of the Board**

Place : Guwahati  
Date : 31<sup>st</sup> March, 2022

Sd/-  
(D.Barua)  
**Company Secretary**



**DIRECTORS' REPORT**

To,  
The Members,  
**Assam Electricity Grid Corporation Ltd.,**  
Bijulee Bhawan, Paltan Bazar, Guwahati.

It is my privilege on behalf of the Board of Directors to present the 18th **Directors' Report** on the performance of your Company for the financial year ended on 31st March, 2021. It may be mentioned that the Accounts of the Company was approved in the 83rd Board Meeting held on 17th May, 2021 and was forwarded to the Statutory Auditors for their Report thereon and to the Principal Accountant General of Assam for their comments. It may be further mentioned that the necessary comment has already been furnished by the Principal Accountant General of Assam on behalf of the Comptroller & Auditor General of India and the Company has received the communication in this regard and the same are being placed for consideration by the members.

**1. PROJECT OPERATION :**

All the on-going projects of your Company are running smoothly except a few which are delayed due to various reasons beyond the control of your Company.

**2. FINANCIAL PERFORMANCE :**

Particulars	Year Ended (Amount in Rs. Lakhs)	
	March 31st ,2021	March 31st ,2020
Paid-Up Capital	9,993	9,993
Reserve & Surplus	1,68,386	1,61,676
Unsecured Loans	28,492	67,520
Fixed Assets (Net)	1,18,668	1,14,008
Capital work - in - progress	80,332	86,908
Current Assets	1,57,646	1,46,803
Current Liabilities	1,54,845	1,12,750
Total Income	45,198	34,294
Total Expenditure excluding depreciation and tax	35,910	42,301
Profit / (Loss) before Tax excluding depreciation	9,288	(8,007)
Depreciation on fixed Assets	11,550	10,153
Profit / (Loss) before Tax including depreciation	(2,262)	(18,160)
Profit / (Loss) after Tax	(2,262)	(18,160)
Balance of Profit / (Loss) Brought Forward	(39,598)	(23,242)
Balance of Profit / (Loss) Carried Forward	(41,859)	(39,598)

**3. DIVIDEND:**

Your Directors do not recommend any dividend for the year under review.

**4. DEPOSITS:**

During the year, your Company has neither accepted any deposits from the public, nor does it have any scheme to invite such deposits.

**5. MATERIAL CHANGES AND COMMITMENTS:**

There is no material change and commitments affecting the financial position of your Company between the end of the financial year to which this financial statements relate and the date of this Report.

**6. SIGNIFICANT & MATERIAL ORDERS:**

There are no significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status of your Company's operations in future.

**7. EXTRACT OF ANNUAL RETURN:**

In accordance with Section 134 (3) (a) of the Companies Act,2013, an extract of the Annual Return in the prescribed format (MGT-9) is appended as Annexure - I to this Report.

**8. BOARD OF DIRECTORS:**

The Board of Directors of the Company as on 31st March,2021 consisted of the following :- Sri V.K.Pipersenia, IAS (Retd), Chairman, Sri Dhruvajyoti Hazarika, Managing Director , Sri. Niraj Verma, IAS, Nominee,Power Deptt,. Sri. Rakesh Agarwal, IAS, Sri. Mahendra Konwar, Independent Director, and Sri. Adyut Phukan, Independent Director.

**9. DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors has submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act,2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act,2013 and the relevant Rules.

**10. KEY MANAGERIAL PERSONNEL:**

As required under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were designated as Key Managerial Personnel of the Company:

1. Mr. Dhruvajyoti Hazarika : Managing Director,
2. Mr. Paresh Barman : CGM (F&A)
2. Mr. Dipankar Barua : Company Secretary.

**11. STATUTORY AUDITORS:**

M/S R.M.Kothari & Co., Chartered Accountants was appointed as the Auditors of the Company for the financial year 2020-21 by the Comptroller and Auditors General of India.

**12. COST AUDITORS:**

Your Company has re-appointed M/s Musib & Co., Cost Accountants, as Cost Auditors and they have submitted the Cost Audit Report for the financial year 2020-21 which have been filed with the Cost Audit Branch, Ministry of Corporate Affairs.

**13. SECRETARIAL AUDITORS:**

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, M/s Biman Debnath & Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of your Company for the financial year 2020-21.

**14. STATUTORY AUDITORS REPORT:**

The report of the Statutory Auditors for the financial year 2020-21 is appended with the Statement of Accounts. The Management's replies to the Statutory Auditors' Report is being annexed to the Directors' Report.

**15. SECRETARIAL AUDIT REPORT:**

The Secretarial Audit Report for the year ended 31st March, 2021 is attached as Annexure-II. The following are the Qualifications and the Management's Reply.

**REPLY OF THE MANAGEMENT TO THE COMMENTS OF THE SECRETARIAL AUDITOR ON CORPORATE GOVERNANCE.**

<b>SL.NO.</b>	<b>COMMENTS OF THE SECRETARIAL AUDITOR</b>	<b>MANAGEMENT'S REPLY</b>
1.	The existing provisions of the Articles of Association needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.	The amended Articles of Association submitted to the Govt. for approval.
2.	No meeting of Independent Directors was held.	Due to Covid-19 situation.
3.	The composition of the Audit Committee was not as per the requirement of Section 177 of the Companies Act, 2013.	It is due to the fact that one of our Independent Directors resigned from the Board who was a member of the Audit Committee.
4.	The Company has not formed Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.	We do have a Nomination and Remuneration Committee but one Member resigned from the Board.

**16. PARTICULARS OF EMPLOYEES:**

None of the employees of your Company was in receipt of remuneration, in the aggregate Rs. Sixty lakhs or more if employed throughout the financial year, or Rs. Five lakhs or more in a month, if employed in a part of the financial year. None of the employees, either employed throughout the financial year or part thereof, was in receipt of remuneration in excess of that drawn by the Managing Director of the Company.

**17. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA :**

The comments on the Accounts of your Company for the year ended 31st March, 2021 by the Comptroller and Auditor General of India under Section 413(6) (b) of the Companies Act, 2013 are attached herewith as Annexure-III to this Report.

**18. RELATED PARTY TRANSACTION:**

None of the transactions of your Company falls under the scope of Section 188 (1) of the Companies Act, 2013.

**19. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief and ability, confirm that:





- (a) In the preparation of the Annual Accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors had prepared the accounts for the financial year ended on 31st March, 2021 on a going concern basis.
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of business activity of your Company, there is no material consumption of energy or technology absorption, therefore, the provisions of Section 134 (m) of the Companies Act, 2013 do not apply to your Company. There was no foreign exchange inflow or outflow during the year under review.

**21. LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013.**

There were no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 during the year under review and hence, the said provisions are not applicable to your Company.

**22. CAPITAL STRUCTURE:**

The total Equity Paid - Up Capital of your Company as on 31.03.2021 is as per the following table:

<b>Sl.No.</b>	<b>Name of the Shareholder</b>	<b>Numbers of shares held</b>	<b>% of shareholding</b>
1	Govt. of Assam through the Hon'ble Governor of Assam	99,93,186	99.9999

Sl.No.	Name of the Shareholder	Numbers of shares held	% of shareholding
1	Govt. of Assam through the Hon'ble Governor of Assam	99,93,186	99.9999
2	Mr. V.K.Pipersenia, IAS(Retd)	1	0.00001
3	Mr. Dhrubajyoti Hazarika	1	0.00001
4	Ms. Kalyani Baruah	1	0.00001
5	Mr. Deepankar Deka	1	0.00001
6	Mr. Paresh Barman	1	0.00001
7	Mr. Manish Dasgupta	1	0.00001
8	Mr. P.K. Saikia	1	0.00001
9	Mr. Chandan Sarma	1	0.00001
	<b>TOTAL (Rs.100 per share)</b>	<b>99,93,194 shares</b>	<b>100 %</b>

### 23. MEETINGS OF THE BOARD OF DIRECTORS:

During the financial year 2020-21, four meetings of the Board were held. Following are the details of the Board Meetings held during the year.

Sl. No	Name of Director	79 <sup>th</sup> Board Meeting (17.06.20)	80 <sup>th</sup> Board Meeting (09.10.2020)	81 <sup>st</sup> Board Meeting (30.10.2020)	82 <sup>nd</sup> Board Meeting (22.01.2021)
1	Mr. V.K. Pipersenia, IAS	Present	Present	Present	Present
2	Dhrubajyoti Hazarika	Present	Present	Present	Present
3	Mr.Mahendra Konwar	Present	Present	Present	Present
4	Mr. Adyut Phukan	Present	Present	Present	Present
5	Mr. Niraj Verma,IAS	Present	Absent	Absent	Absent
6	Mr.Rakesh Agarwala,IAS	Present	Present	Present	Absent

### 24. BOARD AND INDIVIDUAL DIRECTORS EVALUATION:

Section 178 of the Companies Act,2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and



individual Directors. The practice of the evaluation will be developed and will be implemented in due course of time.

**25. DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Government of Assam appoints all the Directors.

**26. CORPORATE SOCIAL RESPONSIBILITY:**

Since your Company has incurred losses for the past years, Corporate Social Responsibility Committee has not yet been formed.

**27. ACKNOWLEDGEMENTS:**

The Board of Directors wishes to thank Govt. of Assam, Govt. of India, the Central Electricity Regulatory Commission, Assam Electricity Regulatory Commission, Bankers, Suppliers and all other business associates, which are instrumental for the Company's growth. Your Directors further place on record their appreciation to the officers and employees of the Company across levels for their dedication and team work.

Your Directors' are also thankful to the Comptroller and Auditor General of India, the Statutory Auditors and consultants/advisers for their suggestions and co-operation and express their deep sense of appreciation of all the employees whose commitment and initiative have made the Company's growth and success possible and continue to drive its progress.

**For and on behalf of the Board of Directors  
Assam Electricity Grid Corporation Limited**

Place : Guwahati  
Date : 30-Mar-2022

Sd/-  
**(Jishnu Barua, IAS)**  
**CHAIRMAN**

# ANNEXURE - I TO THE DIRECTORS' REPORT

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.			
<b>I. REGISTRATION &amp; OTHER DETAILS:</b>			
1	CIN	U40101AS2003SGC007238	
2	Registration Date	23/10/2003	
3	Name of the Company	ASSAM ELECTRICITY GRID CORPORATION LIMITED	
4	Category/Sub-category of the Company	Company Limited by shares State Government Company	
5	Address of the Registered office & contact details	BIJULEE BHAWAN, PALTAN BAZAR, GUWAHATI- 781001, ASSAM	
6	Email	<a href="mailto:md_aegcl@yahoo.co.in">md_aegcl@yahoo.co.in</a>	
7	Whether listed company	No	
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA	
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Transmission of electric energy	35107	100
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>			
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate
			% of shares held
1			Applicable Section







IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2020)			No. of Shares held at the end of the year (As on 31-03-2021)]			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF		8	8	0.00%		8	8	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)		9,993,186	9,993,186	100.00%		9,993,186	9,993,186	100.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	9,993,194	9,993,194	100.00%	-	9,993,194	9,993,194	100.00%	0.00%
<b>(2) Foreign</b>									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	-	9,993,194	9,993,194	100.00%	-	9,993,194	9,993,194	100.00%	0.00%
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance			-	0.00%			-	0.00%	0.00%
g) FIIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%





<b>(ii) Shareholding of Promoter</b>		Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
SN	Shareholder's Name	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Assam	9,993,186	100.00%		9,993,186	100.00%		0.00%
2	Mr. S.N.Kalita	1	0.00%		-	0.00%		-100.00%
3	Ms. Kalyani Baruah	1	0.00%		1	0.00%		0.00%
4	Mr. Bijit Bordoloi	1	0.00%		-	0.00%		-100.00%
5	Mr. Paban Kumar Medhi	1	0.00%		-	0.00%		-100.00%
6	Mr. Rajam Baruah	1	0.00%		-	0.00%		-100.00%
7	Shri V.K. Pipersenia, IAS	1	0.00%		1	0.00%		0.00%
8	Shri Sanjay Bhowmic	1	0.00%		-	0.00%		-100.00%
9	Shri Jiten Bortakur	1	0.00%		-	0.00%		-100.00%
10	Shri Dhruvajyoti Hazarika	-	0.00%		1	0.00%		0.00%
11	Shri Deepankar Deka	-	0.00%		1	0.00%		0.00%
12	Shri Paresb Barman	-	0.00%		1	0.00%		0.00%
13	Shri Manish Dasgupta	-	0.00%		1	0.00%		0.00%
14	Shri P.K. Saikia	-	0.00%		1	0.00%		0.00%
15	Shri Chandan Sarma	-	0.00%		1	0.00%		0.00%
	Total	9,993,194	100.00%		9,993,194	100.00%		0.00%
<b>(iii) Change in Promoters' Shareholding (please specify, if there is no change)</b>								
<b>There was no change in the promoters shareholding during the year</b>								
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of total shares	% of total shares
	At the beginning of the	01.04.2020		9,993,194	100.00%	9,993,194	100.00%	100.00%
	Changes during the year			-	0.00%	-	0.00%	0.00%
				-	0.00%	-	0.00%	0.00%
	At the end of the year	31.03.2021		9,993,194	100.00%	9,993,194	100.00%	100.00%

<b>(iv) Shareholding Pattern of top ten Shareholders</b> (Other than Directors, Promoters and Holders of GDRs and ADRs):							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2020		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2021		-	0.00%	-	0.00%
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shri. Vinod Kumar Pipersenia, IAS (Retd.), Chairman						
	At the beginning of the year	01.04.2020		1	0.00%	1	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2021		1	0.00%	1	0.00%
2	Shri Niraj Verma, IAS						
	At the beginning of the year	01.04.2020		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2021		-	0.00%	-	0.00%
3	Shri Dhrubajyoti Hazarika, Managing Director						
	At the beginning of the year	01.04.2020			0.00%		0.00%
	Changes during the year	09.10.2020		1	0.00%	1	0.00%
	At the end of the year	31.03.2021		1	0.00%	1	0.00%



4	Shri Rakesh Agarwal, IAS Nominee Director	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%
5	Shri Adyut Phukan, Independent Director	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%
6	Shri Mahendra Konwar, Independent Director	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%
7	Syeda Hasina M Rahman	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%
8	CS Dipankar Barua, Company Secretary	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%
9	Shri Paresk Kumar Barman, CFO	01.04.2020						At the beginning of the	-	0.00%	-	0.00%
								Changes during the year	-	0.00%	-	0.00%
								At the end of the year	-	0.00%	-	0.00%

<b>V. INDEBTEDNESS</b>				
Particulars	Secured Loans excluding deposits	Unsecured Loans (Rs)	Deposits	Total Indebtedness (Rs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		6,752,000,000.00		6,752,000,000.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		6,752,000,000.00		6,752,000,000.00
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction		3,902,800,000.00		
Net Change				-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		2,849,200,000.00		2,849,200,000.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		2,849,200,000.00		2,849,200,000.00
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
SN.	Particulars of Remuneration	Name	Name of MD/WTD/ Manager	Total Amount
			NIL	
		Designation	NIL	(Rs)
1	Gross salary		-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	0.00
2	Stock Option		-	0.00





3	Sweat Equity	-	-	0.00
	Commission	-	-	0.00
4	- as % of profit	-	-	0.00
	- others, specify	-	-	0.00
5	Others, please specify	-	-	0.00
	<b>Total (A)</b>	-	-	0.00
	<b>Ceiling as per the Act</b>	-	-	-
<b>B. Remuneration to other Directors: NIL</b>				
SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs./Lac)
1	Independent Directors			
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	<b>Total (1)</b>	-	-	-
2	Other Non-Executive Directors			-
	Fee for attending board committee			-
	Commission			-
	Others, (Remuneration)			-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-
	<b>Total Managerial Remuneration</b>			-
	<b>Overall Ceiling as per the Act</b>			-
<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD</b>				
SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs)
	Name	NIL	Shri Dipankar Barua	
	Designation	CEO	Shri Paresh Kumar Barman, CFO	
			CFO	
1	Gross salary	1,539,042.00	CS	3,147,808.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-

2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
4	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	1,539,042.00	-	1,608,766.00	3,147,808.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY: NIL</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS: NIL</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT: NIL</b>					
Penalty					
Punishment					
Compounding					

Sd/-  
**Shri Jishnu Barua, IAS,**  
**Chairman**  
**DIN:03569714**

**ANNEXURE - II TO THE DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST March, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

M/s Assam Electricity Grid Corporation Limited,

Bijulee Bhawan, Paltan Bazar

Guwahati-781001, Assam

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Assam Electricity Grid Corporation Limited (CIN:U40101AS2003SGC007238)**(hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing my opinion thereon.

**Based** on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Electricity Act, 2003;
- b. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

Further, I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1st July, 2015;
- (ii) Order, Instructions of the Government of Assam.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. **except** the following:-

1. *The existing provision of the Articles of Association of the Company needs to be amended so as to reflect the changed provisions of the Companies Act, 2013.*
2. *No Meeting of the Independent Directors was held during the year under review.*
3. *The Composition of the Audit Committee Audit Committee was not as per the requirement of Section 177 of the Companies Act, 2013 since the Audit Committee consists of only Two Directors.*
4. *The Company has not formed Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.*

**I further report that:**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the same has been updated in the Ministry of Corporate Affairs Portal.



All the decisions taken at the Board Meetings and Committee Meetings are carried out unanimously as are recorded in the Minutes Book of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of event date which is enclosed as **ANNEXURE 'I'** and forms integral part of this Report.

**Place: Guwahati**  
**Date: 07-Apr-2022**

Sd/-  
**Biman Debnath**  
**(Company Secretary)**  
**FCS No.: 6717**  
**C P No.: 5857**  
**UDIN: U40101AS2003SGC007238**

**ANNEXURE-I**

**(TO THE SECRETARIAL AUDIT REPORT OF M/S ASSAM ELECTRICITY GRID CORPORATION LIMITED FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021).**

**To,  
The Members,  
M/s Assam Electricity Grid Corporation Limited,  
Bijulee Bhawan, Paltan Bazar  
Guwahati-781001, Assam**

My Report of event date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Biman Debnath  
(Company Secretary)**

**FCS No.: 6717**

**C P No.: 5857**

**UDIN: U40101AS2003SGC007238**

**Place: Guwahati  
Date: 07-Apr-2022**





**AEGCL**

**AUDITOR'S REPORT  
AND  
MANAGEMENT REPLY**

**ANNEXURE - III TO THE DIRECTORS' REPORT****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 2021.**

The preparation of financial statements of **ASSAM ELECTRICITY GRID CORPORATION LIMITED**, for the year ended **31 March 2021**, 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 Act, is responsible for expressing opinion on the financial statements under section 143 of the Act, based on 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 **13 September, 2021**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **ASSAM ELECTRICITY GRID CORPORATION LIMITED**, for the year ended **31 March 2021** under section 143(6)(a) of the act. 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 the 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 Act, 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****Income****Revenue from Operations (Note 19)****Wheeling Charges (Transmission Charges) from APDCL- ₹ 375.66 crore**

- a) The Assam Electricity Regulatory Commission vide order dated 15 February 2021 carried out truing up of tariff of the Company for the financial year 2019-20 and declared a revenue surplus of ₹ 31.74 crores. The revenue surplus was to be refunded to Assam Power Distribution Company Limited (APDCL) in twelve monthly equal instalments in the FY 2021-22 as adjustment to the monthly bills. The Company,



however, did not create provision for Regulatory Liabilities for the amount refundable to APDCL during the 2021-22. This resulted in understatement of 'Loss for the year' and 'Regulatory Liability' by ₹ 31.74 crores each.

- b) The wheeling charges (transmission charges ) from APDCL includes ₹ 5 crore on account of implementation of SAMAST<sup>1</sup> scheme which was allowed by AERC for metering of all inter-connected points for segregation of segment wise proper energy accounting. As the Company is yet to incur any expenditure under the scheme, amount realized from APDCL should have been accounted as Current Liabilities instead of accounting the same as revenue from operation. This has resulted in understatement of Loss for the year and Current Liabilities by ₹ 5 crore each.

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

Place : Guwahati  
Date : 31-12-2021

Sd/-  
**Principal Accountant General (Audit), Assam**

<sup>1</sup> Scheduling ,Accounting, Metering and Settlement of Transactions in Electricity

**REPLY OF THE MANAGEMENT TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF ASSAM ELECTRICITY GRID CORPORATION LIMITED FOR THE YEAR 2020-21.**

<b>COMMENTS OF THE COMPTROLLER &amp; AUDITOR GENERAL OF INDIA</b>	<b>MANAGEMENTS REPLY</b>
<b>A. COMMENT ON PROFITABILITY</b>	
<p><b>1. Statement of Profit and Loss</b></p> <p><b>Income</b></p> <p><b>Revenue from operation (Note 19)</b></p> <p><b>Wheeling Charges (Transmission Charges) from APDCL- ₹ 375.66 crores</b></p> <p>a) The Assam Electricity Regulatory Commission vide order dated 15 February 2021 carried out truing up of tariff of the Company for the financial year 2019-20 and declared a revenue surplus of Rs. 31.74 crore. The revenue surplus was to be refunded to Assam Power Distribution Company Limited (APDCL) in twelve monthly equal instalments in the FY 2021-22 as adjustment to the monthly bills. The Company, however, did not create provision for Regulatory Liabilities for the amount refundable to APDCL during the 2021-22. This resulted in understatement of 'Loss for the year' and 'Regulatory Liability' by Rs. 31.74 crore each.</p>	<p>a) The Hon'ble Commission, vide tariff order dated 15 February 2021, had directed AEGCL to refund the revenue surplus after truing up for the FY 2019-20 to APDCL in twelve monthly equal instalments in FY 2021-22 as adjustment to the monthly bills. Accordingly AEGCL is adjusting the said revenue surplus amount to the monthly bills raised to APDCL during FY 2021-22 and this adjustment of revenue surplus will be reflected in</p>



<b>COMMENTS OF THE COMPTROLLER &amp; AUDITOR GENERAL OF INDIA</b>	<b>MANAGEMENTS REPLY</b>
<p>b) The wheeling charges (transmission charges) from APDCL includes Rs. 5 crore on account of implementation of SAMAST scheme which was allowed by AERC for metering of all inter-connected points for segregation of segment wise proper energy accounting. As the Company is yet to incur any expenditure under the scheme, amount realised from APDCL should have been accounted as Current Liabilities instead of accounting the same as revenue from operation. This has resulted in understatement of Loss for the year and Current Liabilities by Rs. 5 crore each.</p>	<p>the Annual accounts for the FY 2021-22. As such AEGCL did not create provision for Regulatory Liabilities during FY 2020-21.</p> <p>b) The Hon'ble AERC, vide Tariff order dated 07.03.2020 had approved Rs. 9.68 Crore as Aggregate Revenue Requirement (ARR) of SLDC for FY 2020-21, which includes Rs. 5.00 Crore as a special fund for metering of all the interconnection points for segment-wise proper energy accounting.</p> <p>A copy enclosed vide Annexure-A.</p> <p>Accordingly AEGCL billed the approved ARR to APDCL during FY 2020-21 on behalf of SLDC and booked the said amount as Revenue from operations in the Annual Accounts for FY2020-21. Due to some unavoidable</p>

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA	MANAGEMENTS REPLY
	<p>t e c h n i c a l constraints AEGCL was unable to purchase the meters during FY 2020-21. However, the process of procuring the meters is going on and proper accounting will be made after purchase of the said meters. AEGCL has not accounted the said amount under Current Liabilities as the said amount has been realised through Tariff and is not repayable to APDCL or Consumers until further order of the H o n ' b l e Commission.</p>

Sd/-  
**Chief General Manager (F&A),**  
**Assam Electricity Grid Corporation Limited,**  
**Bijulee Bhawan, Guwahati-781 001.**





**ANNEXURES –  
TO THE REPLY OF THE  
MANAGEMENT TO THE C&AG  
(COMPTROLLER & AUDITOR  
GENERAL OF INDIA)  
AUDITOR’S  
REPORT**

**ANNEXURE A**



**ASSAM ELECTRICITY REGULATORY COMMISSION  
(AERC)**

**TARIFF ORDER**

**March 07, 2020**

**True-Up for FY 2018-19, APR for FY 2019-20 and  
Revised ARR and Tariff for FY 2020-21 for AEGCL**

**and**

**APR for FY 2019-20 and Revised ARR and Tariff for  
FY 2020-21 for SLDC**

**Assam Electricity Grid Corporation Limited  
(AEGCL)**

**Petition No.s 11 & 12/2019**

**8.11 Non-Tariff Income**

8.11.1 AEGCL has considered NTI of Rs. 0.44 crore for FY 2020-21. The NTI comprises income from Open Access applications and SLDC charges paid by IEX.

**Commission's Analysis**

8.11.2 The Commission has considered NTI of Rs. 0.44 crore for FY 2020-21, as projected by SLDC.

**8.12 ARR for FY 2020-21**

8.12.1 Considering the above heads of expense and revenue, the net ARR approved for FY 2020-21 is shown in the following Table:

**Table 77: ARR approved for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
1	O&M Expenses	5.28	5.79	4.66
1.1	Employee Cost	4.45	3.49	3.72
1.2	R&M Expenses	0.38	1.11	0.61
1.3	A&G Expenses	0.46	1.18	0.33
1.4	Training Expenses	0.00	0.10	0.10
2	Depreciation	0.13	0.07	0.09
3	Interest & Finance Charges	0.14	0.11	0.06
4	Interest on Working Capital	0.23	0.26	0.21
5	Return on Equity	0.00	0.03	0.00
6	Less: Non-Tariff Income	0.89	0.44	0.44
7	<b>Aggregate Revenue Requirement</b>	<b>4.89</b>	<b>5.92</b>	<b>4.68</b>

8.12.2 Thus, the Commission approves the ARR of Rs. 4.68 Crore for FY 2020-21, as against ARR of Rs. 5.92 crore projected by SLDC.

8.12.3 Further, AEGCL is directed to ensure implementation of SAMAST within a definite timeline. In addition to the funds allotted under SAMAST, the Commission has allowed Rs. 5 Crore as a special fund to SLDC for metering of

all the interconnection points for segment-wise proper energy accounting. AEGCL is directed to maintain separate accounting of this fund and submit quarterly status of progress of the installation of metering to the Commission. Further, as this Fund is being given as a revenue expense, SLDC shall ensure that the expenses against this Fund are not included under the Gross Fixed Assets, and there is no claim of depreciation, interest and RoE against capitalisation achieved using this Special Fund.

8.12.4 Thus, the Commission approves the ARR of Rs. 9.68 Crore (4.68 + 5.00) for FY 2020-21.



## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Assam Electricity Grid Corporation Limited

### **Report on the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the Standalone financial Statements of Assam Electricity Grid Corporation Limited, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on the above date, and a summary of the significant accounting policies and other explanatory information herein after referred to as "the Standalone financial statements".

In our opinion and to the best of information and according to the explanations given to us, except for the possible effects of matters specified in the Basis for Qualified Opinion, the aforesaid Standalone Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the of the Company as at March 31, 2021, the Loss and its cash flows for the year ended on said date.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities with accordance to these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion. We draw attention to the matters described in Annexure 'A' the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matter where we are unable to obtain sufficient and appropriate audit evidence. The effects of matters described in said Annexure 'A' which could be reasonably determined quantified are given therein. Our opinion is qualified in respect of these matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor’s Response
1	<p>Recognition and Measurement of revenue from Transmission of Electricity-</p> <p>The company records revenue from transmission of electricity based on tariff rates approved by the Assam Electricity Regulatory Commission (AERC) and till the final tariff order is received from AERC, Sale of Services are booked on provisional basis.</p> <p>Income from Deposit Works at the reporting date is booked on estimate basis for service rendered to customer but not yet billed i.e. Unbilled Revenue.</p> <p>This is considered as key audit matter due to the nature and extent of estimates made as per the AERC Tariff Regulations, which leads to recognition and measurement of revenues from Transmission Charges, Shutdown Charges and State Load Dispatch Charges being complex and judgmental.</p>	<p>Our audit approach involved;</p> <p>We have obtained an understanding of the AERC Tariff Regulations, orders, circulars, guidelines and the Company’s internal circulars and procedures in respect of recognition and measurement of revenue from Transmission of Electricity comprising of Transmission and State Load Dispatch Charges and adopted the following audit procedures:</p> <p>-Evaluated and tested the effectiveness of the Company’s design of internal controls relating to recognition and measurement of revenue from Transmission of Electricity.</p> <p>-Verified the accounting of revenue from Transmission of Electricity based on tariff rates approved by the AERC and modified later.</p> <p>Based on the above procedure performed, the recognition and measurement of revenue from Transmission of Electricity are considered to be adequate and reasonable.</p>

**Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexures to Board's Report, Director's Responsibility Statement, Corporate Governance, and Shareholder's Information, but does not include financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charges with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company as per the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing & detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent' and design, implementation & maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing the same as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Standalone financial statements.

### **As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate for such control in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclo-



asures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of Financial Statements, including the disclosures, and whether Financial Statements represent the underlying transaction and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user-made using the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and based on such checks of the books and records of the Company as we considered appropriate and as per the information and explanations given to us, we give in Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143(5) of the Act, and based on such check of the books and records of the company as we considered appropriate and according to information and explanation given to us, in the Annexure 'C' on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As the Company is governed by the Electricity Act, 2003, the provisions of the said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 2013.
  - a. As the Company is governed by the Electricity Act, 2003, the provisions of the said act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 2013.
  - b. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - c. We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit of the aforesaid Standalone Financial Statements.
  - d. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of accounts as required by Law relating to the preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books.
  - e. The Balance Sheet, the Statement of Profit & Loss, and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Standalone Financial Statements.
  - f. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - g. Being a Government Company, pursuant to Notification No. G.S.R. 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provision of subsection (2) of section 164 of the Act does not apply to the company.
  - h. Concerning the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in Annexure 'D'.



- i. With respect to the other matters to be included in the Auditor's Report under Rule II of the Companies (Audit and Auditor's ) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us:
  - i. Necessary information has not been furnished in respect of other pending litigations existing as on the date of financial statement and whether the existence of such liability reported or not, have a material impact on the financial statement also not stated and hence unable to comment.
  - ii. Due to possible effects of the matters described in the Basis for Qualified Opinion paragraph, the company has not made any provision for any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

**For, R.M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143C**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**

**ANNEXURE A**  
**Referred to in our report under "Basis of Qualified Opinion" paragraph**

**1. Property, Plant & Equipment**

- a. The company has maintained a fixed asset register but proper identification of assets & physical verification has not been conducted of the same due to COVID 19 situation as inter-district traveling restrictions were imposed by the State Govt.
- b. Value of freehold land as on 31.03.2021 stood at Rs. 38.67 Cr out of which only Title Deeds of Rs. 20.44 Cr land holding documents were verified satisfactorily. We have considered certification from the Deputy Commissioner and other official Govt documents through which we can ascertain the holding of land by AEGCL.
- c. On further verification of land documents and the books of Accounts following anomalies were found:
  - In Kahilipara division Construction of a Boundary Wall at Sonapur amounting to Rs. 99,82,652/- was included under Land. It should have been capitalized under Buildings.
  - Zirat Compensation on land was wrongly classified under Land & Right instead it should have been added to the particular Asset for which compensation was paid to use the land. Following wrongful classification of land (in various divisions) were observed on scrutiny of documents:

Sl. No	Division	Zirat Compensation on Land (in Rs)
1	T & T Circle Garmur	2,15,831.00
2	Narengi Transmission Division	4,73,400.00
3	T & T Division Jorhat	12,03,938.00

- d. Anomalies were found in the transfer of assets from one division to another. It was observed that proper recording of assets was not done in various Divisions resulting to which particular Assets along with its depreciation were undervalued. Following irregularities were observed:
  - Meter Testing Laboratory Equipment was transferred from MRT Narengi Division to other divisions for an amount of Rs 27,14,000/- out of which only Guwahati Transmission Division and 132 kV Chirakhundi Rangia have booked the asset at the value of Rs. 5,42,800 each and remaining assets of Rs. 16,28,400/- has not



been booked by the respective divisions. As a result, the assets were undervalued by Rs. 16,28,400/- and depreciation was undervalued by Rs. 2,11,015 because the difference was not included in the asset register at the HO level.

- Tools and Tackles (10.520) transferred from MRT Division Narengi to 220 kV Samaguri GSS Division for an amount of Rs.5,62,224/- which is the original cost of the asset put to use on 03-08-2013. While booking the asset 220KV Samaguri GSS Division failed to claim depreciation from the date of capitalization instead claim depreciation for the Current Year from the date of transfer. As a result, accumulated depreciation was understated by Rs 1,89,580/-
- e. In respect of Capitalization of Fixed Assets, it has been observed that there are numerous assets which are capitalized during the year under Prior Period and the effect of the same has been given during the year, in relation to the above, we are of the opinion that there must have been such Non Capitalization during the Audit Period also, as reports from various divisions in respect of Capitalization were not maintained at Head office and owing to COVID-19, we could not visit individual divisions and therefore are unable to comment upon the accuracy of Capitalization carried out by company.
- f. It has been observed that AEGCL is not maintaining proper records, so as to check accurately the capitalization of interest on loan received from State Govt and ADB. Further, it has been observed that the method used for apportionment of interest on loan towards Capital Expenditure and Revenue Expenditure is based on proportionate utilization of Loans and Grants. However, on review of the data prepared by the management for apportionment of interest, it has been observed that there is gross negligence in taking the amount from various sources for apportionment from the books of accounts.

The differences are highlighted in the table below:

Funds	Calculations of Funds Utilized for apportionment of various funds as Per AEGCL calculations (in Rs Crores)	Actual Funds Utilized as per books Of accounts of AEGCL (in Rs Crores) {Ref Note No. 4 & 8 for Principal Amount of Loans and Note No. 2 for Grants of Annual Accounts}	Difference in Proportionate amount utilized (In crores)
State Govt Loan	674.33	542.73	131.60
State Govt Grant	902.21	751.62	150.59
ADB Loan	62.80	95.67	-32.87
ADB Grant	634.69	966.86	-332.17
Central Govt Grant	293.92	236.56	57.36

Due to the lack of proper records and on the basis of examination of available records we are of the opinion that there has been gross negligence in the calculation and apportionment of interest. However, because of the reason mentioned above, we are not in a position to give the figures accurately in respect of Individual capitalization of Interest.

**g. Interest capitalization of ADB Loan: -**

Total Project Works related to ADB loans stands at Rs 886.14 Crores as on 31.03.2021 as declared by the management. Interest is to be capitalized only on work in progress which stands at Rs 24.45 Crores and not on completed works out of the Total Project Works related to ADB Loans. Accordingly, interest is capitalized proportionately against ADB loan on CWIP portion only which stands at Rs. 27.71 Lacs for FY 2020-21 out of total interest of Rs 10.05 Crores. Accordingly, the same policy was used for the previous year (2019-20) and rectification entries were booked in the current year by posting as interest paid for the prior period (83.700) amounting to Rs. 8.42 Crores as the whole portion of interest expense of Rs.10.04 Crores was capitalized assuming that all projects related to ADB loan were under CWIP in the previous year. However, no effect of interest expenses booked under CWIP for previous years (before 2019-20) has been given in the accounts of the company and the same cannot be commented as data of previous years are not available with regards to Work Completion related to ADB loan.

- h.** In relation to the study to be conducted for determining the Impairment of Assets, it was observed same was not done by AEGCL, and the conditions as prescribed in AS 28 was not complied with.
- i.** The company has provided information of the current status with regards to various Court Cases going in respect of Land and other compensation matters but no Contingent Liability has been provided in respect of the same. (Ref. Table 1)

**2. Inventory**

- a.** With reference to Point no. 14 (Annual Accounts), it has been stated that there is a difference of ₹7.51 Cr in the Stocks as per Books and the Physical Verification Report, the same remains mismatched and no further explanation has been provided in this regard.
- b.** Provision for stock-dated-31-03-2021 as reflected in Note 14 - Inventory of Annual Accounts of AEGCL as on 31-03-2021 is Rs. 17.88 Cr. This consists of Rs.12.62 Cr as Transfer Scheme Opening Balance as on 01-04-2005, Rs.2.28 Cr is the total of Provision in respect of obsolete, damaged, and unserviceable stock as per Physical Verification carried out for year ending 2020-21 and the remaining amount of Rs.





2.97 Cr are rectification made during the year 2012-13 and 2013-14 on account of short provision for obsolete, damage & unserviceable stock. But on scrutiny of PVR statement, it was observed that Rs 2.97 Cr remains unreconciled and same has not been included in detailed Physical Verification Report for Current Financial Year as the provision in respect of obsolete, damage & unserviceable stock is carried out at the end of each year, and the same must be a part of provision created at the end of the current year amounting to Rs.2.28 Cr.

- c. As observed by us, the inventory records have fallen into error due to the difference in recording of material, which exists because of mismatch in material entry system in PSL maintained by the store in charge and Books of account maintained by the division in charge of that particular store.
- d. In respect of inter-unit material transfer (Ref Point no. 18 in Annual Accounts) amounting to Rs. 789 Lacs, that is the stocks which are transferred from one unit to another, the same should be recorded under their respective divisions. However, there are numerous items which are lying under the head Inter Unit Material Transfers and the same have not been recorded in the respective divisions, thus cannot be reconciled.
- e. On a visit to 132 kV GSS Chirakhundi, Rangia Store, it was found on physical verification that PVR submitted by the unit did not contain items physically lying in the stores neither were they recorded in their stock books. As per PVR, it is noticed that only good stocks are accounted for but it was found that repairable and obsolete items also exist in the store which has not been recorded.
- f. It was further observed that a few stocks that were returned from the site after completion of a project work and were not accounted for. Ideally, the concerned officer should have recorded the material inward and reduced the account which was earlier debited to either CWIP/Fixed Assets/ R&M head.

### **3. Loans**

- a. In respect of Interest on Loans availed from the State Government, it has been observed that the company is not making any Interest payments and is creating a provision in respect of Penal Interest Ref. Note - 22.1. It is pertinent to mention that the AERC does not allow/ consider, any penal interest amount paid by the company to the suppliers/vendors/lenders, for the determination of tariff. Hence, the Company may have to absorb all penal interest amount payable to GoA as it may not be realizable through tariff as revenue.
- b. It was further observed that Penal interest charged on non-payment of outstanding Principal amount of loan and interest thereon to the State Govt is overvalued by Rs. 1,14,41,144/-. As penal interest was calculated on the outstanding amount of



both principal and interest amount due to the State Govt @2.75%, it was observed that AEGCL was calculating the penal interest on the outstanding principal amount at installment amount multiplied by no. of year unpaid. This leads to an increase of principal amount more than the amount repayable resulting in overcharging of penal interest. Kindly ref Table-3, for detailed calculations.

- c. General Provident Fund - A sum of Rs. 3517 lakhs is shown under the above head which represents the amount of subscription, GPF Advance made; recovery of such advance and final withdrawal of GPF of the employees of its erstwhile organization ASEB who were absorbed by AEGCL and interest provision made thereon. We have been informed that a request for the formation of GPF Trust has been made to Govt. of Assam vide letter dated 25.09.2017 but they are yet to receive the confirmation from GoA. The matter is still pending at GoA, the above amount is lying under the above head, a separate Bank A/c is maintained for the same and is being used by the Company as Internal Resources and no specific investment of the same is made. Also, the learned AERC had directed the Company to maintain a separate account for the amounts received from the employees towards provident fund & its utilization to be duly audited by statutory audit but the same is not followed.
- d. No balance confirmation certificates have been provided for loan received from Govt. of Assam and ADB loan to us. Accuracy on the principal amount, interest amount, and penal interest could not be ascertained during our audit.

#### 4. Fixed Deposits -

- a. Term Deposits with SBI -

- On verification of documents, it was found that no accrued interest was booked for Fixed Deposits maintained with SBI PALTAN BAZAR branch. It was found that the Rate of interest is 4.4% and interest income is to be calculated for 154 days, a manual calculation has been done by us to ascertain the short booking of the accrued interest.

STDR No	PRINCIPAL AMOUNT (in ₹)	DATE OF Fixed Deposit	Maturity amount	Manual calculation of accrued interest for FY 2020-21 (in ₹)
38879672110	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879671332	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879671875	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879671682	1,06,88,785.00	29.10.20	29.04.21	198,431.00



38879671514	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879671070	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879670430	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879670768	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879670203	1,06,88,785.00	29.10.20	29.04.21	198,431.00
38879669979	1,06,88,785.00	29.10.20	29.04.21	198,431.00
<b>Total Accrued interest not booked</b>				<b>19,84,310.00</b>

**b. Term Deposits with UCO Bank -**

- Wrong ascertainment of accrued interest in UCO bank FDs. They have overstated interest amount by Rs.5,109/- for STDR no. 19250310034934 and Rs.10,373/- for FD 19250310034941 respectively.
- In UCO bank FD no. - 450310036617, the principal amount is understated by Rs19,911. It was observed that the principal amount was taken as Rs.3,92,723 taken instead of Rs.4,12,634 as per the FD Certificate. As a result interest amount was also understated by Rs.19,911/-. The interest of Rs.39,298 was booked instead of Rs. 59,209/- as per FD Certificate

**c. Deposits with Syndicate Bank -**

- It was observed that accrued interest of Syndicate Bank STDR No.73304580000054/ 3 has been understated by Rs.9,45,297.38.

**d. Interest Certificates**

- In respect of the following Fixed Deposits maintained with Allahabad Bank duly certified interest certificates were not made available to us to verify the correctness of the total accrued interest during the year which accumulates to Rs.36,23,652/

Sl. No.	FD No.	Principal Amount	Rate of Interest	Accrued Interest
1	50392594481	10,845,032.00	5.50%	495753.00
2	50392524242	10,845,032.00	5.50%	497441.00
3	50392153231	10,845,032.00	5.50%	499130.00
4	50392767070	10,845,032.00	5.50%	494064.00
5	50392985390	10,845,032.00	5.50%	492375.00
6	50393213463	2,233,290.00	5.50%	101045.00
7	50391309917	10,845,032.00	5.75%	534582.00
8	50391457264	10,845,032.00	5.50%	509262.00

- e. It was observed that Interest Income of fixed deposit is booked only on the net amount after deduction of TDS, which is a wrong practice as gross amount should be booked under Interest Income from Fixed Deposit. It was found that TDS deducted by various banks are booked under Income from investment. Due to which there is a possibility of revenue leakage in the form of Non-reporting of TDS by various parties which leads to interest income being under-booked.

**5. Grant**

- a. It has been noticed that there is a non-adherence of the principles and procedures as laid under AS-12 (Accounting for Government Grant). It is noticed that assets created out of various grants received from State Government, Central Government & ADB are not recorded at nominal value and instead recorded at full value. We have been provided a letter issued by the Government of Assam in respect of the treatment of grants as promoter's contribution. However, no such letter or other documentary evidence has been received in respect of grants received from Central Govt. and ADB. Therefore, in our opinion, the assets created out of such grants should be recorded at nominal value after adjustment of the respective grant received from the Central Government and ADB. The above non-adherence has resulted in a claim of excessive depreciation in books of accounts, the amount for same may be worked out after classification of Assets created out of the respective Grants.

The total amount of Grants as received from Central Government and ADB as per the books of accounts are Rs. 236.56 Crores and Rs. 966.86 Crores, however since records in respect of assets created out of such grants were not made available to us, we are not in a position to quantify the overvaluation of individual assets. It is advised to carry out the detailed study in respect of assets created out of such Grants and make necessary adjustments in the Books of accounts.

- b. TDF funds are Grants received from the State Govt, which amounted to Rs. 2548 lacs. This amount has been directly transferred to respective parties from GoA Finance Dept. AEGCL just books the grant and does asset creation in their books of accounts on receipt of relevant documents from divisions and contractors. On verifying the documents, it has been observed that AEGCL has made 75% advance payment with their own fund due to urgency and continuity of the project work as disbursement from the concerned department was taking a longer time. Approval of the same was taken from the Board of directors in the 75th Meeting of the Board of Directors against submission of Indemnity Bond and cheque as Guarantee and again on 79th Meeting against submission of Bank Guarantee. On verification of the document related to TDF Fund it was observed that for the contractors to whom this advance was paid, AEGCL has not created any head as "Receivable



from The Contractors" in the books of accounts, but instead directly adjusted the contractor's control account. This has resulted in the reduction of the amount payable to Contractors in respect of various works carried out, however, such amount which is paid to contractors against such Indemnity Bonds/ Guarantee shall be disclosed separately and recovery of such amount from contractors shall be taken care off.

Below is the list of the contractors who were given advances: -

Sr.No.	Vendor Name	Name Of Scheme	Amount remitted
1	NECCON	Agia-Hatsingimari	7,34,22,366.00
2	AG Associates	Agia-Hatsingimari	95,42,741.00
3	GB Construction	Agia-Hatsingimari	5,84,40,207.00
4	GB Construction	Barpeta GSS	55,65,715.00

## 6. Balance with Banks and Cash in Hand

- a. Balances with banks were verified with the Bank Statements provided, along with reconciliation, however it is to be noted that an amount of Rs. 110.25 lakhs pertain to the balance of AEGCL as per Governor notified transfer scheme opening balance as on 01.04.2005 still exist. As explained by the management proper authority to rectify the same was not received by them.
- b. No reconciliation statement could be provided for Inter Unit Accounts- Remittances to Head Office (33.xxx) and Inter Unit Accounts- Fund Transferred from HQ (34.xxx) which is a part of Bank Balance. The account should not carry any balance and it merely reflects un-adjusted balances between remittances send from HQ to Division or vice versa. Hence it should not be a part of Cash and Cash Equivalent as the same is not included in the bank balance of H.O. or division and there is no question of remittances to be in transit as the entire banking of the company is with Scheduled banks, where CORE Banking is enabled. This merely reflects the unreconciled portion of Cash and Bank Balances and the same needs to be reconciled.
- c. No bank statement has been received for Miscellaneous Bank (29.400) amounting to Rs. 5,27,922. As per management, it's just a virtual account and this account is created to keep a track of a particular type of transaction. However, it is to be noted that the opening of such virtual bank account depicts a weakness in accounting procedures of the organization, where the management has not defined a proper system of recording of transactions in a particular ledger and has resorted

to the opening of such virtual accounts and their inclusion in the head of Cash and Cash Equivalents.

- d. It is also to be noticed that there are huge balances in the Imprest Account, for which no reconciliation is provided, hence we cannot comment upon the accuracy of Cash in Hand as it has been observed from Accounts of the company that the Imprest accounts are not adjusted in a timely manner with the relevant expenditure or assets account, resulting to which Closing Balance of Temporary Imprest stands at Rs.105.22 Lakhs and Permanent Imprest stands at Rs.17.82 Lakhs. It has been further noticed that the management has made a policy for adjustment of Imprest accounts, which may take up to 3 months from the date of actual payment, further this has also resulted in the delayed booking of Expenses/ Assets, as the records for the month of Jan to March are reported in the next financial year. It is advised that the company may look into establishing a proper system for Imprest Accounting, so as to record the entries promptly.
- e. It was observed in many instances while going through temporary Imprest that Cash Transaction of more than Rs.10000 was paid for expenditures, which is not allowed under section 40 A(3) of Income Tax Act. We are reporting few instances from our audit sample, which we have found during our course of Audit.

Sl. No.	Particulars of Imprest	Date	Amount	Remarks
1	For carrying out the works related to painting and Renovating of First floor MRT Bldg, Kahilipara	25/03/2021	Rs. 80,000/-	1. Payment to Ananta Trade centre Inv No 633 dtd 19-04-20 Rs. 19700/- 2. Labour payment for Painting job Rs.3,1530/- 3. Payment made to Jainal Ali Rs.37,170/-
2	Repairing of Transformer cooling Fan Motor at 400KV Kukurmara (Mirza) GSS	07/01/2021	Rs. 42000/-	1. Payment made to Swapan Mandal Bill No 175 dtd 05/02/2021 Rs.22,400/- and Bill No 177 Dtd 10/02/2021 Rs.19,600/-
3	Purchase of tyre from Krantityre Hub SLDC Kahilipara		Rs. 17,300/-	1. Tyre purchased for Tata Xenon
4	Temporary Imprest to AGM 132 KVEHV GSS, AEGCL. Kahilipara	27-02-2021	Rs.99,200/-	1. Imprest was adjusted after almost 10 Months on 27-11-2021 2. Payment to Meals Your Way- bill No MYW/CD-03-07626 dtd 14/03/2020 amounting to Rs 39,200/- 3. Payment made to Sharmistaa Aviates invoice no 888/889/65 dtd24-02-2020 amounting to Rs. 28050/- and invoice no 890/891/66 dtd24-02-2020 amounting to Rs. 19,994/-

**7. Short Term Loans & Advances**

- a. No policy has been provided in relation to Loans given to staff or advances issued to Supplier/ Contractors, and no Interest has been recovered on such amounts, thereby resulting in loss of revenue to the company.
- b. Advance to Supplier/contractors (Capital) amounting to Rs.9.31 Cr for various projects, we were not provided with details in respect of the Assets for which such amount was advanced, nor any the details in respect of contractors to whom such money was advanced, further it has been noticed that there were no adjustments made during the audited period as opening and closing balance for the Current year stood same.

**8. Other Current Assets**

- a. **Inter Unit Account Materials** - Rs. 789 Lacs - The account should be netted to zero and effect should have been given to the respective divisions by the closing date, however the same has not been done.
- b. **Inter Unit Account Capital Expenditure & Fixed Assets** - Rs. 31 Lacs - The account should be netted to zero and effect should have been given to respective division by the closing date in the books of the company, however the same has not been done.
- c. **Inter Unit Account Other Transaction / Adjustments**- Rs.114 Lacs - The account should be netted to zero and effect should have been given to respective division by the closing date in the books of the company, however the same has not been done.
- d. **Receivable from Pension Trust** - Rs. 22660 Lacs - As per the Balance Confirmation statement provided by management, the amount receivable from ASEB Pension Trust is Rs. 22361.47 Lacs, therefore there is a difference of Rs 298.41 Lacs.
- e. **Net Receivable from APDCL** - Net Receivable from APDCL Stood at Rs 8390 Lacs in the Books of AEGCL. It was observed that APDCL has given confirmation of only Rs.5979 lacs out of the total receivable amount. Due to which we are unable to comment on the correctness of amount stated in the books.
- f. **Receivable from Income Tax Department** - Rs. 1293 Lacs - On verification of the data available on the Income Tax portal of the company, it has been noticed that there is no such balance due to be received from the Income tax department, except for the amount of refund due to be received for AY 2020-21 amounting to Rs 3.38 Crores, it should be further noted that the portal is reflecting a demand of Income Tax pertaining to AY 2009-10, which is not provided for in the books of accounts. It is to be noted that proper adjustment entries needs to be posted so as to depict the correct balance of amount due from Income Tax Department.

**g. Tax Deducted at Source -**

- i. For the FY 2019-20 it was observed that Tax deducted by various Party were short booked by Rs 2.13 Cr. On review of books of account TDS were booked as per table below:

Sr. No	TDS Received and booked as per 26 AS for FY 2019-20 as on 02.05.2020	TDS Received As per 26 AS for FY 2019-20 as on 30.06.2021	Amount Understated in the CY 2020-21
1.	1,25,26,352	3,38,57,813	2,13,31,461

As a result, AEGCL has not booked Rs. 2,13,31,461/- as Prior Period Income (65.xxx) in the Current year and under stated Receivable From Income Tax Authority(28.905) by Rs. 2,13,31,461/-.

- ii. It is to be noted that in respect of current year 2020-21, TDS booked as per books of the company is Rs. 115 Lacs, however on review of Income Tax portal, the total TDS is amounting to Rs. 280 Lacs, therefore resulting in short booking of income to the extent of Rs. 165 Lacs.

*It has been observed that AEGCL is not booking the entries on accrual concept basis, as Tax deducted is not booked at the time of receipt instead the same is booked as per 26 AS from TRACES. This results in non-compliance with AS 1 Accrual concept. Due to which there is a possibility of revenue leakage in the form of Non reporting/ depositing of TDS by various parties and hence the same should be reconciled.*

- h. Miscellaneous Receivable - Rs. 1394 Lacs - It comprises of opening balance from CPF trust and Miscellaneous Receivable for which no Confirmation or explanation has been provided.

*In respect of above balances, we are unable to comment upon the actual recovery of the amounts and authenticity of such claims as no records/ Reconciliations/ or Third-Party Confirmations have been made available in relation to same.*

**9. Other Current Liabilities**

- a. **Liabilities for Capital Supplies and O&M Supplies** - Rs. 5204 Lacs - No information has been provided at the Head office so as to reconcile the amounts with the Individual Contractors or divisions or projects or Goods in respect of which liability has been booked, it has further been stated that data is not available in the accounting records maintained by the company, therefore we are not in a position to comment upon the accuracy of such liabilities as depicted in accounts,
- b. **Deposits and Retention from Suppliers and Contractors** - Rs. 7222 Lacs - It has been observed that no proper register/ record has been maintained so as to reconcile the amount with the contractor to whom such amounts are payable or to identify the projects in respect of which such amounts have been retained, there is no ageing analysis prepared in respect of same.





- c. **Advance from APGCL- 33 Lacs** - It has been observed that same balance has been carried forward from previous years, and no adjustments are made in relation to same and no satisfactory explanation has been provided by the management for the above-mentioned balance payable.
- d. **Unpaid Salaries, Wages, Bonus etc.** - 6 Lacs - no details are maintained for this head, as per management Rs 2.40 Lacs is per Governor notified Transfer Scheme Opening Balance as on 01.04.2005 and the remaining amount may be due to misclassification of head, the same could be not confirmed due to lack of documentation.

## 10. Statutory Dues

### a. Income Tax

- On reviewing the Income Tax portal of AEGCL it was found that Rs.11,49,40,608 and Rs 2,66,200 for AY 2009-10 was reflecting as outstanding demand this liability is not booked nor is shown as a contingent liability in the books of accounts. (Ref. Table 2.1)
- It has also been observed from the records of the company on TDS filing portal TRACES, there is pending demand of Rs. 113 Lacs in respect of various TDS Defaults and no action has been initiated by the company in relation to same. (Ref. Table - 2.2)

### b. GST

- It was observed that AEGCL has claimed ITC for an amount of 10.36 Cr during the FY 2020-21 as per GSTR 3B but the same has not been recorded in the books of accounts.
- It was also observed that ITC should be claimed proportionately between Taxable Supply and Non-Taxable Supply but AEGCL has claimed ITC of Rs 10.36 Cr as against the total Taxable supplies as per the returns of Rs. 72 Lacs.
- It was noticed in GSTR 3B for the month of December 2020 that an amount of 0.24 cr was shown under inward supply liable to reverse charge (RCM) but the same could not be reconciled with the books of account. It was also observed that no Tax Liability of any sort were raised against CGST and SGST for the mentioned transaction.

RCM input for an amount of Rs.0.05 Cr and Rs. 2.31 Cr was taken in the month of Feb'21 and Mar '21 respectively as reflected in GSTR 3B, we have observed that no RCM Liability was paid during this period and value taken by AEGCL could not be reconciled.



- It is also observed from the books of accounts of the company, that Company has not declared the Taxable Supplies in the GST returns (GSTR - 1) to the full extent as compared to the books of Accounts, kindly find the below details for perusal -
  - o Total amount of Taxable Supplies reported in GSTR - 1 - Rs. 77,12,564
  - o Details in respect of various Taxable Supplies as per the Annual Accounts-

Accounting Code	Description	Amount
62.950	Other Misc. Receipts	3,29,35,928
62.914	Income from Supervision Charges on Deposit Work	10,55,00,864
62.912	Penalties Recovered from Contractors /Supplier	1,14,38,649
62.910	Sale of Tender Forms	3,17,100
62.902	Rental from Contractors/Other	58,91,817
62.324	Hire Charges from Others/Suppliers	8,91,505
62.400	Profit on Sale of Fixed Assets	2,36,987
	Total	15,72,12,850

**11. Registrar of Companies Compliance -**

It has been observed that the company has not filed the Annual Returns and other mandatory ROC forms within the prescribed time limits, details in respect of same are attached in **Table - 4**

**12. Wheeling charges From Open Access Consumers -**

It was observed during our audit that Wheeling Charges from Open Access Consumers amounting to Rs. 1,202 Lakhs is booked on receipt basis. It has been observed that a weekly statement is received from IEX with regards to sale of units to Open Access Consumers. However, we could not reconcile the amount received in the bank with the statement provided by IEX, and the company has booked the income on the basis of receipt in bank account. As a result, due to discrepancy in proper reconciliation of statements there is a high chance of revenue leakage/ under booking of income and accounting must be done on accrual basis.

**13. Penalties/ Liquidation damages -**

- a. It was observed during our audit that penalties recovered from supplier in the form of deduction from their bills (62.912) which is recognised as an income to a tune of Rs 114 lakhs out of which Rs. 470 lacs is booked as income and Rs 356 lakhs are repaid to suppliers. This is a negligence on the part of **AS -9 Revenue Recognition**, which states that the revenue should be recognised if there is a reasonable certainty in relation to recovery of such amount, however it has come to our understanding that actual recovery of such penalties is subject to finalisation



of a contract and the same can be ascertained and becomes recoverable at the time of finalisation, therefore such income should be recognised only at the time of reasonable certainty over the recovery of such income.

- b. Further it has been observed that an amount of Rs. 282 Lacs has been recovered in the form of invocation of Bank Guarantee in respect of non-performance by contractor, however the same is included under the head **Misc Receipts**, instead of being included under the head Penalties and Liquidation Damages.
- c. Further such penalties should be subjected to GST and Tax Invoices should be raised for same, however no GST has been deposited on the Penalty Income.

#### **14. Deferred Tax Assets/ Liability -**

In accordance with the provisions contained in AS-22, Accounting for Taxes on Income, it has been observed that the company has not created any provisions in respect of Deferred Tax Assets or Liability and no further explanation has been provided by the management for such non-compliance.

#### **15. Bijulee Bhawan Maintenance Account (BBM) -**

- It has been observed that Bijulee Bhawan Building situated in Paltan Bazar, Guwahati is a property owned and maintained by AEGCL, where APDCL and APGCL occupies space for their respective offices. Every month AEGCL raise monthly invoices as a contribution towards cost of maintenance of Bijulee Bhawan to APDCL and APGCL at the rate of Rs.11,48,950/- and Rs. 3,82,958/- respectively regardless of actual R&M expense. AEGCL itself contributes Rs.3,82,958/- which cumulatively comes at Rs.19,14,866/-. To conclude the contribution is divided in the ratio of 6:2:2 among the respective Companies occupying the space and all expenses incurred by this fund, AEGCL books 20% of the particular expense.
- Through scrutiny of documents and understanding the scenario it is evident that practice followed by AEGCL is incorrect in assuming this fund as Contributory Fund whereas it should have been recognized as Rental Income from APDCL and APGCL. Based on following facts we can assume this as rental income are as follows:
  - a. Bijulee Bhawan Building is an Asset of AEGCL.
  - b. BBM is not a separate entity/Trust, they are a part of AEGCL.
  - c. All Record Keeping, Procurement of goods, execution of project related to the building and payments to various contractors are responsibility of AEGCL.
  - d. Bank a/c of BBM Fund is a part AEGCL books of accounts, even Interest Earned through the Bank are booked as Interest Income.

- e. Contribution is raised monthly from the respective parties irrespective of Actual Expenditure,
- It is noticed that capital assets created are charged off as revenue expenses resulting in non-recording of assets which were purchased and installed at BijuleeBhawan. It is non-adherence of AS 10 Property, Plant and Equipment. AEGCL should book any capital goods under fixed assets and claim depreciation on it.
  - Here are few instances where Capital assets were recognized as revenue expenses:-

Sr. No.	Party Name	Particulars	Amount
1	M/s Godrej & Boyce MFG Co Ltd	Supply installation Testing & Commissioning with AMC of Heavy-duty Boom Barrier, Flap Barrier, X ray Baggage Scanner, Door Frame pass through Metal Detector & CCTV Surveillance System in BijuleeBhawan	Rs. 86,68,883/-
2	M/s Buildrite Constructions	Building Work of toilet from 2 <sup>nd</sup> Floor to 6 <sup>th</sup> floor of Bijulee Bhawan	Rs. 77,71,596/-

- Following are the anomalies found during our audit of BBM a/c:
  - a. It is observed that no Receivables are booked for the invoice raised against a particular company.
  - b. Registers for stock of any consumable purchased or issued have not been maintained,
  - c. List of cash Transactions above Rs. 10,000, found during our audit of BBM -

**16. Consolidation of Accounts -**

- a. The company is following a practice of receiving Monthly Trial balances from various divisions and circles; however, it has been noticed that the adjustment entries in respect of various payments and receipts are not given effect in such divisions or circles, thereby resulting in difference in balances as per the ledger of head office and the division's trial balance.
- b. It has been observed that there are huge Inter Unit balances which are pending for reconciliation, and no explanation has been provided in respect of the same. Considering the nature of account same must be zeroed by the year end after posting adjustment entries, but the process is not being followed.



- c. It has been observed that, the standard accounting procedure as prescribed by the accounting policies of the company have not been followed consistently at the divisional level and errors were noticed in their accounting entries, thereby, resulting in misstatement in the books of accounts.

**17. Disclaimer Regarding Non-Visit of Units -**

- We were not able to visit various units of the corporation outside Guwahati due to the travel restrictions in place all over the state with a view to combat the spread of Covid-19 virus. Thus, we have relied upon the management's statements regarding the transactions in the units. We have not physically verified any of the records of the units and hence we cannot comment on the accuracy of the same.
- Although, bank statements and BRS of the various units were produced before us for verification, we were unable to make an in-depth analysis of the transactions due to non-visit of units. The vouching and physical verification have not been made due to the reasons listed above.

**For, R.M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143C**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**  
**Date: 13.09.2021**  
**Place: Guwahati**

**ANNEXURE - B TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory requirements" in the 'Independent Auditor's Report' of even date to the members of Assam Electricity Grid Corporation Limited on the Standalone Financial Statements for the year ended March 31,2021)**

- i. (a) The Company has maintained Fixed Asset Register but assets have not been clearly & separately identified as observed in the Fixed Asset Register;
- (b) As explained to us the company does not have a regular program of physical verification of its fixed assets, therefore question of adjustment of any discrepancy does not arise;
- (c) Value of freehold land as on 31.03.2021 in the books of accounts stood at Rs. 38.67 Cr out of which Title deeds of only Rs. 20.44 Cr land booking documents were verified satisfactory.
- ii. As explained to us the company has conducted a physical verification of Inventory, however as per the disclosure in notes to accounts, it has been observed that there is a difference of 7.51 Crores in the inventory in the Book figure and Physical verification report, the same is yet to be adjusted in books of accounts;
- iii. According to the information and explanations given to us, the Company has not granted loans (secured or unsecured) during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, there are no loans, guarantees, investments and securities granted/provided in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable, however there are certain advances made to staff and contractors for which further details are not made available to us, hence we cannot comment upon the same.
- v. According to the information and explanation given to us, during the year the company has not accepted any deposits from the public within the meaning of Section 73 & 76 or any other relevant provisions of the Companies Act 2013.
- vi. As per information given to us, Cost Records under section 148 (1) (d) of the Companies Act, 2013 for the activities carried out by the company have been prepared for the Financial Year 2019-20, however, we have not made a detailed examination of such records with a view to determine whether those are accurate and complete. As informed to us, cost records for the year 2020-21 are under preparation; hence we are unable to verify them.



vii. (a) As explained to us, the company has been generally regular in depositing undisputed statutory dues with appropriate authorities, including Provident Fund, Income tax, Goods and Services Tax, Custom Duty, cess and other statutory dues applicable to it. Further according to the information & explanation given to us, no undisputed amounts payable in respect of aforesaid dues, which were in arrear as at 31.03.2020 for a period of more than six month from the date they become payable except delay in GST liabilities as detailed in Table 2A of this report, Tax Deducted at Source Liabilities as reported in Table 2.2

(b) Details of dues of Income Tax and Service Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Name of Statute	Nature of Dispute/ Statutory Due	Forum where Dispute is Pending	Period to which the Amount relates	Disputed Amount
Income Tax Act	Section 143(3), Income Tax Act	Assessing Officer	AY 2009-2010	Rs. 11,52,06,808/-
Income Tax Act	Section 270(A), Income Tax Act	Assessing Officer	AY 2017-2018	Not made available to us
Income Tax Act	Section 270(A), Income Tax Act	Assessing Officer	AY 2018-2019	Not made available to us
Income Tax Act	Section 143(1)(a), Income Tax Act	Assessing Officer	AY 2019-2020	Not made available to us

(c) According to the information and explanations given to us there are no dues of sales tax, value added tax etc, which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debentures or bonds holders during the year except for the loan availed from State Government and ADB in respect of which no Interest or Principal has been paid (Ref. Note -8.1);

Sl. No.	Loan Availed From	Amount of Loan	Overdue Outstanding Amount of Principal	Overdue Outstanding Amount of Interest
1	State Government Loan	54273	35347	55099
2	ADB Loan	9568	3519	9111

ix. Based upon the Audit Procedures performed and the information and explanation given by the management, the Company has not raised moneys by way of initial public

offer or further public offer including debt Instruments. Therefore, the provisions of this clause are not applicable to the company.

- x. Based upon the audit procedures performed and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. As per the Notification dated 05.06.2015 issued by Ministry of corporate Affairs, the provisions of section 197 relating to managerial remuneration shall not apply to a Government company.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected to him and therefore, provisions of clause 3(w) of the order are not applicable to the Company'
- xvi. On the basis of information and explanations provided to us, the Company is not required to be registered with under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company and hence not commented upon.

**For, R. M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**  
**Date: 13.09.2021**  
**Place: Guwahati**

**ANNEXURE-C**

**(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" in the 'Independent Auditor's Report' of even date to the members of Assam Electricity Grid Corporation Limited on the Financial Statements for the year ended March 31,2021)**

Report on the matters specified in the directions and sub directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 ('the Act')

S. No.	GENERAL DIRECTIONS	AUDITOR'S REPLIES	IMPACT ON FINANCIAL STATEMENT
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As informed to us the company doesn't have any system in place to process all accounting transactions through IT System. The company uses Tally at various divisions and consolidation is carried out by the Head Office on the basis of Monthly Trial Balances received from them.	It should be noted that the balances amongst various divisions and Head office are not tallying and this has resulted in various reconciliations which are pending for adjustments.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information given to us, there was no case of restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc made by a lender to the company due to the company's inability to repay the loan	NIL
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per the respective terms and conditions	NIL

**For, R. M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143C**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**  
**Date : 13.09.2021**  
**Place : Guwahati**



**ANNEXURE D - Report on Internal Financial Controls under Section 143(3) (i) of the Companies Act 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Assam Electricity Grid Generation Corporation Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The' Company's management is responsible for establishing and maintaining internal financial controls with reference to Financial statements based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

**Auditor's Responsibility**

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.



The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Standalone Ind AS financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

### **Meaning of Internal Financial Control over Financial Reporting**

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for the external purposes in accordance with generally accepted accounting principle. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertains to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the Company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparations of Financial Statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the Company are being made only in accordance with authorization of management of directors of the Company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial Statements.

### **Inherent Limitations of Internal Financial Control over Financial Reporting**

Because of the Inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or frauds may occur and not be detected. Also, projection of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, except to the

instances as reported in our paragraph in relation to the Basis of Qualified Opinion (Annexure A), based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

**For, R. M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143C**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**  
**Date : 13.09.2021**  
**Place : Guwahati**

**Table-1 (Part of Independent Auditors Report)****List of Litigation Cases pending against the company as on 31.03.2021**

- A. Cases related to Land: 9 cases.**  
**B. Cases related to Transmission Line (ROW): 16 cases.**  
**C. Case related to HR and Finance Wing of AEGCL : 12 cases**  
**D. Cases related to Electrical Accident : 1 case**  
**E. Cases related to Arbitration: 2 cases.**  
**F. Cases related to termination of contract by AEGCL : 2 cases**

<b>A CASES RELATED TO LAND</b>			
<b>Sl No</b>	<b>Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
1	(Rebati Prashad Sharma -VS- ASEB &Ors)	T.S. No. 130/08	Petitioner claimed for their ownership over 7 Bighas 3 kathas 13 lechas land at Kahilipara under Village-Udalbakhra, Mouza-Beltola
2	(Sri Amulya Kumar das and ors -VS- AEGCL)	Ref case No. 111/2014 with Ors.	Petitioner prayed before the collector, Kamrup (M) to refer this petition before the Hon'ble District Judge, Kamrup for determination of adequate and fair compensation of land which was acquired by AEGCL for Kukurmara (Mirza) sub-station. Accordingly, the said cases has been referred to the Learned District Judge, Kamrup. Some of the petitioners expired & substitution petition filed. Pending for substitution appearance.
3	Abdus Sattar Sikdar and Ors - VS- AEGCL and Ors	T.S. No. 138/ 2015	Case is regarding 11 bighas of land at Sonapur
4	Gulapuddin Sheikh -VS- AEGCL & Ors	WP (C) 2743/ 2015	Case is regarding land measuring 6B-2K-7L at Vill Matiabag Mouza- Gauripur, District Dhubri.
5	Sheel Mikir -VS- AEGCL &Ors	T.S. 476/2016 and Misc Case No. 718/2016	Plaintiff's contention is that AEGCL has encroached over his land at Sonapur which is adjacent to Sonapur Grid -Sub-station.
6	Abdul Kuddus Hazarika -VS- AEGCL &Ors	Misc (J) Case No. 893/2017 T.S. No.446/ 2017	Case is regarding 11 bighas of land at Sonapur.

<b>Sl No</b>	<b>Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
7	Bulu Bora -Vs- AEGCL	T.S. No. 202/2019	Regarding construction of boundary wall over the land in possession of the plaintiff at Kahilipara.
8	Mr. Noor Rahman -VS- APDCL and Ors	Misc (J) Case No. 136/2019 in T.S. No. 118/2019	Plaintiff prayed for direction to the defendant not to construct boundary wall over their land at Dibrugarh 132 kv sub-station and colony. AEGCL engaged Advocate for defending the case on behalf of AEGCL .
9	Biren Saloi -VS- AEGCL & Ors	WP (C) 1766/2021	Case is regarding land under Kamalpur Sub-Station
<b>B. CASES RELATED TO TRANSMISSION LINE (RIGHT OF WAY)</b>			
<b>SI No.</b>	<b>Case No and Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
1	Sri Babu Gosh and Ors -VS- AEGCL and Ors	WP (C) No. 684/2014	Petitioner prayed before the Hon'ble court for shifting of Tower for 132kV Gauripur to Bilashipara Line from his land.
2	Sri Parshuram Prajapati &Ors - VS- AEGCL &Ors	T.S. No. 34/2015	Petitioner prayed for shifting of Rupai- Tinsukia LILO Line from his land.
3	Sri Champak Deka and one other. -VS- AEGCL &Ors	WP (C) No. 4778/2015	Petitioner claimed for Zirat Compensation against Rangia-Sipajhar-Rowta Transmission Line.
4	Meera Banik-VS- AEGCL & Ors	Misc Petition 222/2016 in Rev Petition 118/2012	Petitioner claimed for enhancement of Compensation for transmission line crossed over their land at Karimganj.
5	Kanuram Borgoyari-VS- AEGCL	M.S.07/ 2016	Plaintiff claimed for Compensation against land for Rangia -Salakati Transmission Line
6	Ratan Sutradhar -VS- AEGCL &Ors	WP (C) No. 4984/2016	Petitioner claimed for Zirat compensation against Rangia-Salakati Transmission line



<b>Sl No</b>	<b>Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
7.	Harus Ali Laskar -VS- AEGCL And Ors	WP (C) No. 776/2018	Petitioner claimed for his job in AEGCL for laying transmission line, tower footing in connection with LILO section 132/33kV Hailakandi Sub-Station
8.	Dwimlu Basumatary & Ors -VS- AEGCL and Ors	WP (C) No. 5223/2018	Petitioner Prayed for proper assessment of land and Zirat compensation for Rangia- salakati transmission line.
9.	Sri Jagadish Barman -VS- The State of Assam &Ors	WP (C) No. 5988/2018	Petitioner claimed for Zirat compensation and Land compensation against Chandrapur-Kahilipara Transmission Line.
10.	Sri Thanu Mushahary -VS- The Union of India	WP (C) No. 8708/2018	Line compensation related to PGCIL but AEGCL has been arrayed as party.
11.	Sri Dhanjit Kr. Roy -VS- The Union of India and Ors	WP (C) No. 5918/2018	Petitioner prayed for adequate compensation against Rangia -Salakati transmission line crossed over petitioner's land
12.	Prathiba Basumatary -VS- Union of India and Ors	WP (C) No. 6272/2018	Regarding PGCIL Transmission Line crossed over Petitioner's Land but AEGCL has been arrayed as Party.
13.	(Jalil Seikh & 3 Ors -VS- AEGCL)	WP (C) No. 1378/2019	Claimed for proper assessment of compensation against 220kV DC Transmission line from Salakati - Rangia .
14.	Jiten Boro and Ors -VS- AEGCL and Ors	WP (C) 8022/2018	Petitioner claimed for Enhancement of Compensation for Rangia Salakati Transmission Line
15.	Hatigor Tea Estate -VS- The Union of India	WP (C) No. 662/2019	Petitioner challenged the Letter of PGCIL regarding compensation against Transmission line.

Sl No	Party Name	Case No and year of filing	Subject Matter of the case
			<p>Petitioner contention is that compensation against Transmission line should be paid as per land acquisition Act.</p> <p>Challenged the Order of PGCIL but AEGCL has been arrayed as a party.</p>
16.	Sri Prabhat Chandra das -VS- AEGCL and Ors	T.S. No. 7/19	Plaintiff claimed for compensation against 132kV Transmission Line , 33kV, 11kV Line etc. at Nagaon
<b>C.</b>	<b>CASES RELATED TO HR AND FINANCE WING</b>		
1.	Sri Dinesh Chandra Deka - VS- AEGCL	WP (C) No. 6175/2013	Petitioner contention is that he should be promoted to the post of Asstt. Manager (Law) in AEGCL from the post of Superintendent.
2.	Badan Ch. Boragohain -VS- AEGCL and Ors	WP (C) No. 767/2016	Petitioner claimed for his promotion and retirement benefit.
3.	Sri Chandan Uria -VS- AEGCL	WP (C) No. 5242/2016	Petitioner claimed for recruitment in AEGCL as Sahayak.
4.	Smti Protima Gogoi -VS- AEGCL and Ors)	T.S. No. 29/17	Plaintiff is the second wife and claimed for Death benefits of her husband.
5.	Ajanta Mahanta & Ors-VS-State of Assam & Ors	WP (C) No. 5724/2017	Petitioners' contention is that they were recruited in the years 2005 to 2012 & they have been posted in APGCL. But due to restrain on inter-company transfer the incumbent who are junior to them have been promoted.
6.	Nizamuddin Ahmed -VS- AEGCL and Ors	WP (C) No. 1870/2018	Petitioner Challenged the calculation for fixation of quarter rent amount for his excess period of service and deduction of amount by AEGCL
7.	Smti Lakhayajyoti Borah Bhagawati - VS- AEGCL and Ors	WP (C) 785/2018	Petitioner challenged her termination from AEGCL's Service after Departmental proceedings against her.



<b>Sl No</b>	<b>Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
8.	Deben Chandra Medhi -VS- AEGCL	WP (C) No. 916/2019.	The Petitioner claimed for his promotion which was rejected as he was under punishment of stoppage of 3 increments with cumulative effect till his retirement on 31st august 2020.
9.	Mukut Das -VS- APGCL & Ors	WP (C) 1607/2020	The petitioner claimed for his revision of pensioner benefit
10.	Bipul Haloi & other-VS- State of Assam & Ors	WP (C) 107/2021	The petitioners are employees of AEGCL (Asstt. Manager Acctts) have challenged the seniority list prepared by AEGCL for the employees of AEGCL Accounts wing who joined in AEGCL service in the year 2010.
11.	Synthia Begum - VS- AEGCL	WP (C) No.1754/2021	Petitioner states that she has not been allowed to appear before the Interview Board for recruitment of Asstt. Engineer in AEGCL under EWS reservation in spite of her having the valid EWS certificate.
12.	Smti Ritu Bora & Ors -VS- AEGCL & Ors	WA (C) No.119/2021	Petitioners prayed for their regularisation for the post of LDACCO in AEGCL  Petitioner also challenged the Decision of BOD, AEGCL to rescind its earlier resolution for regularisation of LDACCO in AEGCL , in their WP(C) No 7589/2017 and 7790/2018 but Hon'ble Gauhati high Court passed an order on 19-02-2021 where the Hon'ble High Court was pleased to dismiss their claim of regularisation with a direction to AEGCL that in future recruitment in AEGCL their service in AEGCL is to be considered and any condonation of age if required for such petitioners that also to be considered. Hence they preferred this present appeal challenging the Order of Hon'ble Gauhati High Court.



Sl No	Party Name	Case No and year of filing	Subject Matter of the case
<b>D. CASES RELATED TO ELECTRICAL ACCIDENT</b>			
1.	Debo Pator -Vs- AEGCL	T.S. No. Execution Case 6/ 2018	Plaintiff claimed for Compensation against electrical accident. Both the parties already mutually settled the case & placed before the Learned Civil Judge Morigaon. Order of disposal in this regard is yet to be passed by the Hon'ble Civil Judge Morigaon.
<b>E. CASES RELATED TO ARBITRATION</b>			
1.	M/S Electrokings Pvt Ltd -VS- AEGCL	Arbitration Appeal 11/2019	The Hon'ble District Judge , Kamrup (M) vide order dated 06/02/2019 restrained AEGCL from giving effect to award the contract to other party regarding railway traction deposit work. But Hon'ble Gauhati High court on AEGCL's prayer stayed order of the Hon'ble court below accordingly AEGCL awarded the contract to other party. Against the aforesaid order of the Hon'ble High Court preferred this appeal.
2.	M/S Electrokings Pvt Ltd -VS- AEGCL	Arbitration OS/ EP-AEGCL/ 2020	Petitioner was awarded contract by AEGCL for construction of 132kV S/C line on D/C Tower from 132 kV Joyma GSS to Gossaingaon Railway Traction -Sub-Station on turnkey basis under deposit Scheme. But for contractual failure on the part of contractor, aforesaid contract was terminated . Hence the petitioner preferred this Arbitration Proceeding.
<b>F CASES RELATED TO TERMINATION OF CONTRACT BY AEGCL</b>			
1	. M/S Megha Electricals-VS- State of Assam and Ors	WP (C) No. 8023/2019	Petitioner was awarded Construction of 132kv transmission line from Nalbari GSS to Nalbari traction sub-station under deposit scheme but the scope of work was changed due to ROW Issues and instead of Over Head line , a portion was replaced with under ground cable and type of foundation was also modified. So for that portion re-tendering was done and subsequently



<b>Sl No</b>	<b>Party Name</b>	<b>Case No and year of filing</b>	<b>Subject Matter of the case</b>
			awarded the contract to M/S SunSteel Industries Pvt. Limited. Challenging that action petitioner prayed for stay of such action by AEGCL. But Hon'ble High Court was pleased not to provide any restrained order against AEGCL . But case is pending.
2.	SMEC Int. Pvt Limited -Vs- AEGCL &Ors	WP (C) 5518/ 2020	Petitioner challenged the bid evaluation for project management consultant whereby Petitioner Company has not been selected and Pt Feedback Infra has been selected.

**Table-2**

*(Part of Independent Auditors Report)*

Amounts Payable in respect of Income tax and GST

**Table 2.1**

Delay in Payment of Income Tax (Information as per E-filing Website)

Sr. No.	Nature of Demand & Relevant Section	Relevant A.Y. and Date of Order	Amount of Demand	Our Comments
1	Demand U/s 220(2)	2009-10, order issued on 04/08/2018	Rs. 11,49,40,608	It has been observed that the company has not provided any information regarding by way Notes to Accounts or at any other place in the Financial Statements.  It should also be noted that such demand entails a Simple Interest @ 1 % p.m. for delay in payment of same.
2	Demand U/s 220(2)	2009-10, order issued on 18/04/2020	Rs. 2,66,200/-	

**Table 2.2**

**TDS default of AEGCL under different TAN Deductors as declared by Management from TDS Traces Logins**

Sr. No.	DIV NAME	TAN	Form	Total Amount	Auditors Comment
1	GUWAHATI WORK DIV, AEGCL	SHLG00208F	24Q/26Q	88,380	No disclosure or details have been provided in respect of the same, and no rectification has been filed yet.
2	132 KV GRID AEGCL	SHLR00328G	24Q	78,220	
3	EXECUTIVE ENGINEER TRANSMISSION AND TRANSFORMATION DIVISION JORHAT	SHLE00252A	24Q/26Q	2,64,240	
4	SILCHAR T & T CIRCLE	SHLA01751B	24Q/26Q	71,620	
5	Silchar T & T Division	SHLA01260A	24Q/26Q	42,100	
6	MRT DIVISION,NARENGI	SHLM00455A	24Q/26Q	1,93,558	



**TABLE - 2A**  
(Part of Independent Auditors Report)

7	GOALPARA TRANSMISSION DIVISION,AEGCL AGIA	SHLE00219C	24Q/26Q	11,328
8	ASSISTANT GENERAL MANAGER PANCHGRAM SUBSTATION DIVISION AEGCL PANCHGRAM	SHLR00582B	24Q/26Q	17,340
9	220 KV SALAKATI GSS AEGCL	SHLS02935C	24Q/26Q	1,17,990
10	MRT DIVISION JORHAT	SHLE00284E	24Q/26Q	2,14,170
11	220KV GSS AEGCL MARIANI	SHLA00808D	24Q/26Q	1,787,345
12	AGM, 220KV GSS Samaguri	SHLR00642F	24Q/26Q	1,28,970
13	AGM,132KV Gargaon Grid Sub-Station, AEGCL, Nazira	SHLS03172B	24Q/26Q	9,480
14	AGM, GTD, AEGCL, Narengi	SHLT00210A	24Q/26Q	17,010
15	LATTC NARENGI	SHLS00804G	24Q/26Q	9,380
16	SUPERINTENDING ENGINEER UPPER ASSAM T & T CIRCLE	SHLS01676D	24Q/26Q	4,97,920
17	EXECUTIVE ENGINEER PLCC DIVISION JORHAT	SHLP00869B	24Q/26Q	1,770
18	PLCC COMMUNICATION, AEGCL	SHLA03242B	24Q	120
19	C & C, LDC, AEGCL	SHLS00965G	24Q/26Q	4,70,870
20	AEGCL Head Office	SHLG01018D	26Q/24Q/27EQ/ 27Q	72,62,080
21	132 KV Dibrugarh GSS	SHLR00464C	24Q/26Q	8,930
	Total			1,12,92,821

**TABLE - 2A**  
*(Part of Independent Auditors Report)*

Delay in filing of GST Returns

<b>GSTR-3B</b>			
<b>Month</b>	<b>Due Date</b>	<b>Filing Date</b>	<b>Penalty</b>
20-Apr	24-May-2020	13-Oct-2020	7100
20-May	14-Jul-2020	13-Oct-2020	4550
20-Jun	24-Jul-2020	13-Oct-2020	4050
20-Jul	24-Aug-2020	13-Oct-2020	2500
20-Aug	03-Oct-2020	13-Oct-2020	500
20-Sep	24-Oct-2020	10-Dec-2020	2350
20-Oct	24-Nov-2020	10-Dec-2020	800
20-Nov	24-Dec-2020	23-Dec-2020	0
20-Dec	24-Jan-2021	06-Feb-2021	260
21-Jan	25-Feb-2021	27-Mar-2021	1750
21-Feb	25-Mar-2021	27-Mar-2021	350
21-Mar	24-Apr-2021	26-May-2021	0

<b>GSTR 1</b>		
<b>Month</b>	<b>Date of Filing</b>	<b>Due Date of Filing</b>
20-APRIL	12/10/2020	11/05/2020
20-MAY	14/10/2020	11/06/2020
20-JUNE	14/10/2020	11/07/2020
20-JULY	14/10/2020	11/08/2020
20-AUGUST	14/10/2020	11/09/2020
20-SEPTEMBER	10/12/2020	11/10/2020
20-OCTOBER	10/12/2020	11/11/2020
20-NOVEMBER	10/12/2020	11/12/2020
20-DECEMBER	04/02/2021	11/01/2021
21-JANUARY	26/03/2021	11/02/2021
21-FEBRUARY	26/03/2021	11/03/2021
21-MARCH	24/05/2021	11/04/2021

**TABLE - 3***(Part of Independent Auditors Report)*

Calculation of Penal Interest of State Govt Loan for FY 2020-21

YEAR	Actual Loan amount drawn from State Govt	Outstanding Principal amount of the loan amount (auditors calculation)	Outstanding principal amount of the loan amount (AEGCL)	Interest Overdue	Penal interest as per AEGCL calculation	Corrected Figure of penal interest	Difference of overcharged Penal Interest
2003-04	23,166,000.00	23,166,000.00	37,065,600.00	39,729,690.00	2,111,870.48	1,729,631.48	382,239.00
2004-05	34,870,000.00	34,870,000.00	52,305,000.00	54,920,250.00	2,948,694.38	2,469,231.88	479,462.50
2005-06	306,861,000.00	306,861,000.00	429,605,400.00	451,085,670.00	24,219,004.43	20,843,533.43	3,375,471.00
2006-07	414,000,000.00	414,000,000.00	538,200,000.00	565,110,000.00	30,341,025.00	26,925,525.00	3,415,500.00
2007-08	512,463,000.00	512,463,000.00	614,955,600.00	617,039,940.00	33,879,877.35	31,061,330.85	2,818,546.50
2008-09	352,700,000.00	352,700,000.00	387,970,000.00	387,970,000.00	21,338,350.00	20,368,425.00	969,925.00
2009-10	196,400,000.00	196,400,000.00	196,400,000.00	196,400,000.00	10,802,000.00	10,802,000.00	-
2010-11	287,068,000.00	258,361,200.00	258,361,200.00	258,361,200.00	14,209,866.00	14,209,866.00	-
2011-12	-	-	-	-	-	-	-
2012-13	63,371,424.00	44,359,996.80	44,359,996.80	44,513,996.80	2,444,034.82	2,444,034.82	-
2013-14	909,762,000.00	545,857,200.00	545,857,200.00	545,857,200.00	30,022,146.00	30,022,146.00	-
2014-15	46,065,000.00	23,032,500.00	23,032,500.00	23,459,725.00	1,278,536.19	1,278,536.19	-
2015-16	396,970,000.00	158,788,000.00	158,788,000.00	158,788,000.00	8,733,340.00	8,733,340.00	-
2016-17	438,679,000.00	131,603,700.00	131,603,700.00	131,773,725.00	7,242,879.19	7,242,879.19	-
2017-18	748,611,000.00	149,722,200.00	149,722,200.00	149,843,640.00	8,238,060.60	8,238,060.60	-
2018-19	312,283,900.00	31,228,390.00	31,228,390.00	31,259,929.50	1,718,428.79	1,718,428.79	-
Total	5,043,270,324.00	3,183,413,186.80	3,599,454,786.80	3,656,112,966.30	199,528,113.21	188,086,969.21	1,14,41,144.00

**TABLE - 4**  
*(Part of Independent Auditors Report)*

Details of Mandatory ROC Forms

Sl No.	Form Name	Particulars	Status of Filing Forms
1.	MGT-14	Approval of Accounts for the FY 2020-21	Not filed
2.	ADT-1	Appointment of Auditors	For the FY 2020-21 not filed
			For the FY 2019-20 filed on 14.11.2019 with additional fee of Rs. 3600/-
3.	CRA-2	Appointment of Cost Auditors	For the FY 2020-21 not filed
4.	MGT-7	Annual Return FY 2019-2020	Filed on 29.04.2021 with Additional Fees of Rs.6000
5.	MSME 1	Outstanding Payments of MSME (Half Yearly) 30/09/2019 , 31/03/2020, 30/09/2020 and 31/03/2021	Not Filed
6.	AOC-4 XBRL	AOC -4 XBRL FY 2019-2020	Filed on 05.08.2021
	AOC-4 CFS XBRL		



**AEGCL**

## **AUDITORS' COMPLIANCE CERTIFICATE**

We have conducted the audit of accounts of **Assam Electricity Grid Generation Corporation Limited** having its registered office at BIJULEE BHAWAN, PALTAN BAZAR, GUWAHATI for the financial year ended on March 31, 2021 in accordance with the directions/sub-directions issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act 2013 and certify that we have complied with all the directions / sub directions issued to us.

**For, R. M. KOTHARI & CO**  
**Chartered Accountants**  
**Firm's Registration No: 000143C**

**Sd/-**  
**PRATEEK KOTHARI**  
**Partner**  
**Membership No: 413362**  
**UDIN - 21413362AAAAAS3031**  
**Date : 13.09.2021**  
**Place : Guwahati**



**REPLY OF THE MANAGEMENT TO THE STATUTORY AUDITOR'S REPORT ON THE ACCOUNTS OF ASSAM ELECTRICITY GRID CORPORATION LTD. FOR THE YEAR ENDED 31ST MARCH, 2021**

**REPLY OF THE MANAGEMENT TO ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

<b>Sl. NO.</b>	<b>STATUTORY AUDITOR'S OBSERVATION</b>	<b>MANAGEMENT'S REPLY</b>
1.	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	
a.	The company has maintained a fixed asset register but proper identification of assets & physical verification has not been conducted of the same due to COVID 19 situation as inter-district traveling restrictions were imposed by the State Govt.	AEGCL had updated the fixed asset register up to 31.03.2021 but due to inter-district traveling restrictions imposed by the State Govt. in order to combat the spread of Covid-19 virus, AEGCL was unable to conduct the physical verification of the fixed assets during FY 2020-21. However, now steps have been initiated for physical verification and identification code of the assets.
b.	Value of freehold land as on 31.03.2021 stood at Rs. 38.67 Crores out of which only title deeds of Rs. 20.44 Crores land holding documents were verified satisfactorily. We have considered certification from the Deputy Commissioner and other official Govt. documents through which we can ascertain the holding of land by AEGCL.	AEGCL had produced all documents related to lands available with AEGCL amounting to Rs26.24 Crore to the Statutory audit during the course of audit. AEGCL is in the process of collecting the documents related to the remaining amounts of land. Besides, this cost also includes land development & other costs.



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY												
c.	<p>On further verification of land documents and the books of Accounts following anomalies were found:</p> <p>-In Kahilipara division Construction of a Boundary wall at Sonapur amounting to Rs. 99, 82,652/- was included under Land. It should have been capitalized under Buildings.</p> <p>-Zirat Compensation on land was wrongly classified under Land &amp; Right instead it should have been added to the particular Asset for which compensation was paid to use the land, Following wrongful classification of land (in various divisions) were observed on scrutiny of documents:</p> <table border="1" data-bbox="256 1283 1047 1402"> <thead> <tr> <th>Sr. No.</th> <th>Division</th> <th>Zirat Compensation on Land (in Rs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>T&amp;T Circle Gormur</td> <td>2,15,831.00</td> </tr> <tr> <td>2</td> <td>Narengi Transmission Division</td> <td>4,73,400.00</td> </tr> <tr> <td>3</td> <td>T &amp; T Division Jorhat</td> <td>12,03,938.00</td> </tr> </tbody> </table>	Sr. No.	Division	Zirat Compensation on Land (in Rs)	1	T&T Circle Gormur	2,15,831.00	2	Narengi Transmission Division	4,73,400.00	3	T & T Division Jorhat	12,03,938.00	<p><u>132kV GSS Kahilipara</u> : After proper scrutiny it was found that, this amount of ₹ 99,82,652/- was booked as Land &amp; Rights to record land development cost (i.e. earth filling) at 220 KV GSS Sonapur in FY 2016-17. Thus there was no wrong classification of asset head.</p> <p>1. <u>UA T&amp;T Circle, Gormur, Jorhat</u> : The amount of ₹ 2,15,831 was paid to the Deputy Commissioner, Sivasagar on 25-08-2016 against Zirat compensation of Betbari substation.</p> <p>The said amount was booked against Land because it was the compensation paid against acquiring of land.</p> <p>Thus there was no wrong classification of asset head.</p> <p>2. <u>Narengi Transmission Division</u>: This is under scrutiny and necessary action will be taken</p>
Sr. No.	Division	Zirat Compensation on Land (in Rs)												
1	T&T Circle Gormur	2,15,831.00												
2	Narengi Transmission Division	4,73,400.00												
3	T & T Division Jorhat	12,03,938.00												

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		<p>after proper scrutiny.</p> <p>3.</p> <p><u>T&amp;T Division Jorhat:</u> The said amount of ₹ 12,03,938/- was deposited to the Deputy Commissioner of Golaghat on 09-11-2005 against purchase of 30 bighas land for construction of 132KV Substation at Bokakhat. The Treasury Challan received from the Treasury Office, Golaghat in this regard is available with the division office . Hence the amount was booked against "Land".</p>
d.	<p>Anomalies were found in the transfer of assets from one division to another. It was observed that proper recording of assets was not done in various Divisions resulting to which particular Assets along with its depreciation were undervalued. Following irregularities were observed:</p> <ul style="list-style-type: none"> <li>- Meter Testing Laboratory Equipment was transferred from MRT Narengi Division to other divisions for an amount of Rs 27,14,000/- out of which only Guwahati Transmission Division and 132 kV Chirakhundi Rangia have booked the asset at the value of Rs. 5,42,800 each and remaining assets of Rs. 16,28,400/- has not been booked by the respective divisions. As a result, the assets were undervalued by Rs. 16,28,400/- and depreciation was undervalued by Rs. 211015 because the difference was not included in the asset register at the HO level.</li> </ul>	<p>-</p> <p>Necessary entries will be made in the subsequent year.</p> <p>-</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
	<p>- Tools and Tackles (10.520) transferred from MRT Division Narengi to 220 kV Samaguri GSS Division for an amount of Rs.5,62,224/- which is the original cost of the asset put to use on 03-08-2013. While booking the asset 220KV Samaguri GSS Division failed to claim depreciation from the date of capitalization instead claim depreciation for the Current Year from the date of transfer. As a result, accumulated depreciation was understated by Rs 1,89,580/-</p>	<p>Rectification entry shall be made in the subsequent year</p> <p>-</p>
e.	<p>In respect of Capitalization of Fixed Assets, it has been observed that there are numerous assets which are capitalized during the year under Prior Period and the effect of the same has been given during the year, in relation to the above, we are of the opinion that there must have been such Non Capitalization during the Audit Period also, as reports from various divisions in respect of Capitalization were not maintained at Head office and owing to COVID-19, we could not visit individual divisions and therefore are unable to comment upon the accuracy of Capitalization carried out by company.</p>	<p>Capitalization of Fixed Assets is done after receipt of completion certificates issued by the competent authority and these are available with the respective units and may be seen.</p>
f.	<p>It has been observed that AEGCL is not maintaining proper records, so as to check accurately the capitalization of interest on loan received from State Govt and ADB. Further, it has been observed that the method used for apportionment of interest on loan towards Capital Expenditure and Revenue Expenditure is based on proportionate utilization of Loans and Grants. However, on review of the data prepared by the management for apportionment of interest, it has been observed that there is gross negligence in taking the amount from various sources for apportionment from the books of accounts.</p> <p>The differences are highlighted in the table below:</p>	<p>AEGCL receives funds from various sources viz., State Govt. Loan &amp; Grant, ADB Loan &amp; Grant and Central Govt. Grant. Some portion of these funds are utilized for Capital Works (CWIP &amp; Fixed assets) and the balance funds are temporarily parked at Banks in the form Fixed Deposits. While calculating the amount of Capitalization of Interest on State Govt. Loan,</p>

SI. NO.	STATUTORY AUDITOR'S OBSERVATION				MANAGEMENT'S REPLY
	Funds	Calculations of Funds Utilized for apportionment of various funds as Per AEGCL calculations (in Crores)	Actual Funds Utilized as per books Of accounts of AEGCL (in Crores) {Ref Note No. 4 & 8 for Principal Amount of Loans and Note No. 2 for Grants of Annual Accounts}	Difference in Proportionate amount utilized (In Crores)	<p>AEGCL apportions the funds in the proportion of their utilizations. While making apportionment of various funds, AEGCL had excluded the ADB Loan &amp; Grant from the Total Funds utilized for creation of Fixed Deposits with Banks, because ADB funds are directly utilized for Project Works and Fixed Deposits are not made with ADB Funds. This is the reason for mismatch between the apportioned amount of funds and actual funds received as per the books of accounts. Thus AEGCL has not made any negligence while making apportionment of funds. However, AEGCL humbly requests the Statutory Auditor to show us the calculation of Interest Capitalization being a guide to the Corporation.</p>
	State Govt Loan	674.33	542.73	131.60	
	State Govt Grant	902.21	751.62	150.59	
	ADB Loan	62.80	95.67	-32.87	
	ADB Grant	634.69	966.86	-332.17	
	Central Govt Grant	293.92	236.56	57.36	
	<p>Due to the lack of proper records and on the basis of examination of available records we are of the opinion that there has been gross negligence in the calculation and apportionment of interest. However, because of the reason mentioned above, we are not in a position to give the figures accurately in respect of Individual capitalization of Interest.</p>				
g.	<p><b>Interest capitalization of ADB Loan: -</b></p> <p>Total Project Works related to ADB loans stands at Rs 886.14 Crores as on 31.03.2021 as declared by the management. Interest is to be capitalized only on work in progress which stands at Rs 24.45 Crores and not on completed works out of the Total Project Works related to ADB Loans. Accordingly, interest is capitalized</p>				<p>Data of previous years in respect of Work Completion related to ADB loan are available with AEGCL and these were produced to the previous auditors and</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
	<p>proportionately against ADB loan on CWIP portion only which stands at Rs. 27.71 Lacs for FY 2020-21 out of total interest of Rs 10.05 Crores. Accordingly, the same policy was used for the previous year (2019-20) and rectification entries were booked in the current year by posting as interest paid for the prior period (83.700) amounting to Rs. 8.42 Crores as the whole portion of interest expense of Rs.10.04 Crores was capitalized assuming that all projects related to ADB loan were under CWIP in the previous year. However, no effect of interest expenses booked under CWIP for previous years (before 2019-20) has been given in the accounts of the company and the same cannot be commented as data of previous years are not available with regards to Work Completion related to ADB loan.</p>	<p>rectification in this respect had been made by AEGCL in the previous years of the errors if any committed by AEGCL as per the comments of the CAG issued in the previous years.</p>
h.	<p>In relation to the study to be conducted for determining the Impairment of Assets, it was observed same was not done by AEGCL, and the conditions as prescribed in <b>AS 28</b> was not complied with.</p>	<p>Impairment of Assets will be done by AEGCL in the subsequent year.</p>
i.	<p>The company has provided information of the current status with regards to various Court Cases going in respect of Land and other compensation matters but no Contingent Liability has been provided in respect of the same. <b>(Ref. Table 1)</b></p>	<p>There is no certainty of outflow of fund and as such Contingent Liability has not been provided in the Annual Accounts.</p>
2.	Inventory	
a.	<p>With reference to Point no. 14 (Annual Accounts), it has been stated that there is a difference of ₹ 7.51 Cr in the Stocks as per Books and the Physical Verification Report, the same remains mismatched and no further explanation has been provided in this regard.</p>	<p>AEGCL has started the reconciliation of the difference between book value of stock and physical value of stock on monthly basis from the month of April, 2021 and the amount of discrepancy will be rectified and will be shown in the Annual Accounts for the FY 2021-22.</p>

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b.	<p>Provision for stock-dated-31-03-2021 as reflected in Note 14 - Inventory of Annual Accounts of AEGCL as on 31-03-2021 is Rs. 17.88 Cr. This consists of Rs.12.62 Cr as Transfer Scheme Opening Balance as on 01-04-2005, Rs.2.28 Cr is the total of Provision in respect of obsolete, damaged, and unserviceable stock as per Physical Verification carried out for year ending 2020-21 and the remaining amount of Rs. 2.97 Cr are rectification made during the year 2012-13 and 2013-14 on account of short provision for obsolete, damage &amp; unserviceable stock. But on scrutiny of PVR statement, it was observed that Rs 2.97 Cr remains unreconciled and same has not been included in detailed Physical Verification Report for Current Financial Year as the provision in respect of obsolete, damage &amp; unserviceable stock is carried out at the end of each year, and the same must be a part of provision created at the end of the current year amounting to Rs.2.28 Cr.</p>	<p>Rs. 2.97 crore is the rectification of short provision of stock made in the books of accounts during FY 2012-13 &amp; 2013-14 as pointed out by the AG audit during the course of their audit.</p>
c.	<p>As observed by us, the inventory records have fallen into error due to the difference in recording of material, which exists because of mismatch in material entry system in PSL maintained by the store in charge and Books of account maintained by the division in charge of that particular store.</p>	<p>As mentioned in Para 2.a., this difference is under reconciliation and will be rectified in the subsequent FY.</p>
d.	<p>In respect of inter-unit material transfer (Ref Point no. 18 in Annual Accounts) amounting to Rs. 789 Lacs that is the stocks which are transferred from one unit to another, the same should be recorded under their respective divisions. However, there are numerous items which are lying under the head Inter Unit Material Transfers and the same have not been recorded in the respective divisions, thus cannot be reconciled.</p>	<p>The balance under Inter Unit A/c - Materials is in the process of reconciliation and will be adjusted in the subsequent FY.</p>
e.	<p>On a visit to 132 kV GSS Chirakhundi, Rangia Store, it was found on physical verification that PVR submitted by the unit did not contain items physically lying in the stores neither were they recorded in their stock books. As per PVR, it is noticed that only good stocks are</p>	<p>It would be beneficial for AEGCL to make the necessary entries in the PSL &amp; Books, if the auditor would have</p>



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	accounted for but it was found that repairable and obsolete items also exist in the store which has not been recorded.	mentioned the amount of items lying in the stores, repairable and obsolete items, which were not recorded. However, AEGCL will look into the matter seriously and all the necessary entries will be made in the subsequent FY.
f.	It was further observed that a few stocks that were returned from the site after completion of a project work and were not accounted for. Ideally, the concerned officer should have recorded the material inward and reduced the account which was earlier debited to either CWIP/ Fixed Assets/ R&M head.	AEGCL will look into the matter seriously and the necessary entries will be made in the subsequent FY.
3.	<b>Loans</b>	
a.	In respect of Interest on Loans availed from the State Government, it has been observed that the company is not making any Interest payments and is creating a provision in respect of Penal Interest <b>Ref. Note - 22.1</b> . It is pertinent to mention that the AERC does not allow/ consider, any penal interest amount paid by the company to the suppliers/vendors/lenders, for the determination of tariff. Hence, the Company may have to absorb all penal interest amount payable to GOA as it may not be realizable through tariff as revenue.	AEGCL has been suffering from a loss. The accumulated loss as on 31.03.2021 stood at Rs. 418.60 Crore. Moreover, the amount approved by the Hon'ble AERC for payment of interest on loan is much lower than the actual amount of interest computed in the Annual Accounts as per the loan agreement. Thus due to shortage of fund, AEGCL is unable to pay the interest on loan.



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		<p>AEGCL makes a provision for penal interest in the Annual Accounts as per the loan agreement with GoA. But the Hon'ble AERC, while approving ARR allows Interest on loan capital as per the normative formula mentioned in the Tariff Regulations, where penal interest has not been approved because this is not an element of ARR of AEGCL.</p>
b.	<p>It was further observed that Penal interest charged on non-payment of outstanding Principal amount of loan and interest thereon to the State Govt is overvalued by Rs. 1,14,41,144/-. As penal interest was calculated on the outstanding amount of both principal and interest amount due to the State Govt @2.75%, it was observed that AEGCL was calculating the penal interest on the outstanding principal amount at installment amount multiplied by no. of years unpaid. This leads to an increase of principal amount more than the amount repayable resulting in overcharging of penal interest. Kindly <b>ref Table-3</b>, for detailed calculations.</p>	<p>Penal Interest has been computed @ 2.75% on the overdue amount of principal and interest as on 31.03.2021 as per GoA, Finance (Budget) Dept. Order No. BW.22/89/175 dated 27.03.2006</p>
c.	<p><b>General Provident Fund</b> - A sum of Rs. 3517 lakhs is shown under the above head which represents the amount of subscription, GPF Advance made; recovery of such advance and final withdrawal of GPF of the employees of its erstwhile organization ASEB who were absorbed by AEGCL and interest provision made thereon. We have been informed that a request for the formation of GPF Trust has been made to Govt. of Assam vide letter dated 25.09.2017 but they are yet to receive the</p>	<p>Presently AEGCL has been maintaining a bank account for the purpose of all payments related to GPF.</p> <p>The Hon'ble AERC had directed AEGCL vide Directive 3, T.O. dated 01.03.2019 to complete</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																																																												
	confirmation from GoA. The matter is still pending at GoA, the above amount is lying under the above head, a separate Bank Ac is maintained for the same and is being used by the Company as Internal Resources and no specific investment of the same is made. Also, the learned AERC had directed the Company to maintain a separate account for the amounts received from the employees towards provident fund & its utilization to be duly audited by statutory audit but the same is not followed.	the formalities of forming the Trust for Employee's Provident Fund as early as possible but not yet directed for statutory audit of utilization of GPF. A copy attached vide Annexure I.																																																												
d.	No balance confirmation certificates have been provided for loan received from Govt. Of Assam and ADB loan to us. Accuracy on the principal amount, interest amount, and penal interest could not be ascertained during our audit.	AEGCL has received loans from GoA and ADB. The Govt. issued sanctioned letters against various loans and based on these sanctioned letters AEGCL had made the accounting of loan. Govt. does not provide any balance certificate for the same.																																																												
4.	<b>Fixed Deposits -</b>																																																													
a.	<p><b>Term Deposits with SBI -</b></p> <p>-On verification of documents, it was found that no accrued interest was booked for Fixed Deposits maintained with SBI PALTAN BAZAR branch. It was found that the Rate of interest is 4.4% and interest income is to be calculated for 154 days, a manual calculation has been done by us to ascertain the short booking of the accrued interest.</p> <table border="1" data-bbox="289 1724 1024 2003"> <thead> <tr> <th>STDR No</th> <th>PRINCIPAL AMOUNT (in ₹)</th> <th>DATE OF Fixed Deposit</th> <th>Maturity amount</th> <th>Manual calculation of accrued interest for FY 2020-21 (in ₹)</th> </tr> </thead> <tbody> <tr><td>38879672110</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879671332</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879671875</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879671682</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879671514</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879671070</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879670430</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879670768</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879670203</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr><td>38879669979</td><td>1,06,88,785.00</td><td>29.10.20</td><td>29.04.21</td><td>198,431.00</td></tr> <tr> <td colspan="4"><b>Total Accrued interest not booked</b></td> <td><b>19,84,310.00</b></td> </tr> </tbody> </table>	STDR No	PRINCIPAL AMOUNT (in ₹)	DATE OF Fixed Deposit	Maturity amount	Manual calculation of accrued interest for FY 2020-21 (in ₹)	38879672110	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879671332	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879671875	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879671682	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879671514	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879671070	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879670430	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879670768	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879670203	1,06,88,785.00	29.10.20	29.04.21	198,431.00	38879669979	1,06,88,785.00	29.10.20	29.04.21	198,431.00	<b>Total Accrued interest not booked</b>				<b>19,84,310.00</b>	The interests on all FDs are completely recorded in books of accounts on the basis of the interest certificates / FD statements as furnished from the bank as on 31-03-2021. This stands same for the SBI Paltan Bazar Branch.
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SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
b.	<p><b>Term Deposits with UCO Bank -</b></p> <p>-Wrong ascertainment of accrued interest in UCO bank FDs. They have overstated interest amount by Rs.5,109/- for STDR no. 19250310034934 and Rs.10,373/- for FD 19250310034941 respectively.</p> <p>-In UCO bank FD no. - 450310036617, the principal amount is understated by Rs19911. It was observed that the principal amount was taken as Rs.3,92,723 taken instead of Rs.4,12,634 as per the FD Certificate. As a result interest amount was also understated by Rs.19,911/-. The interest of Rs.39,298 was booked instead of Rs. 59,209/- as per FD Certificate</p>	<p>Rectification entries are already made for both FDs in FY 2021-22.</p>
c.	<p><b>Deposits with Syndicate Bank -</b></p> <p>-It was observed that accrued interest of Syndicate Bank STDR No.73304580000054/3 has been understated by Rs.945297.38.</p>	<p>Interest accrued on the said FD was calculated by considering the difference of the closing balance of this FD as on 31-03-2021 with that of its opening principal value as on 01-04-2020 which was mentioned in the FD statements provided by the Syndicate bank.</p> <p>Thus the view of auditor may not be accepted.</p>
d.	<p><b>Interest Certificates</b></p> <p>-In respect of the following Fixed Deposits maintained with Allahabad Bank duly certified interest certificates were not made available to us to verify the correctness of the total accrued interest during the year which accumulates to Rs.36,23,652/-.</p>	<p>Copies of certified interest certificates from Allahabad Bank were produced to the statutory auditor during the course of audit along with details of other FDs. These are available with AEGCL and may be seen.</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION					MANAGEMENT'S REPLY
	Sr. No.	FD No.	Principal Amount	Rate of Interest	Accrued Interest	
	1	50392594481	10,845,032.00	5.50%	495753.00	
	1	50392524242	10,845,032.00	5.50%	497441.00	
	2	50392153231	10,845,032.00	5.50%	499130.00	
	3	50392767070	10,845,032.00	5.50%	494064.00	
	4	50392985390	10,845,032.00	5.50%	492375.00	
	5	50393213463	2,233,290.00	5.50%	101045.00	
	6	50391309917	10,845,032.00	5.75%	534582.00	
	7	50391457264	10,845,032.00	5.50%	509262.00	
e.	<p>It was observed that Interest Income of fixed deposit is booked only on the net amount after deduction of TDS, which is a wrong practice as gross amount should be booked under Interest Income from Fixed Deposit. It was found that TDS deducted by various banks are booked under Income from investment. Due to which there is a possibility of revenue leakage in the form of Non-reporting of TDS by various parties which leads to interest income being under-booked.</p>					<p>It was noticed that a few banks credit the amount of TDS on renewal which was earlier deducted on interest income of those FDs.</p> <p>In order to ensure true and fair view of accounting, 26AS is considered more authentic for accounting of TDS related matters.</p> <p>Interest income on FDs is booked based on the FD receipts/ certificates furnished from respective banks.</p>
5.	Grant					
a.	<p>It has been noticed that there is a non-adherence of the principles and procedures as laid under <b>AS-12 (Accounting for Government Grant)</b>. It is noticed that assets created out of various grants received from State Government, Central Government &amp; ADB are not recorded at nominal value and instead recorded at full value. We have been provided a letter issued by the Government of Assam in respect of the treatment of grants as promoter's</p>					<p>The grants received by AEGCL are in the nature of promoters' contribution as per GoA Order No. PEL. 133/2003/pt/463 dated 03.03.2009. A copy is attached vide Annexure</p>

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
	<p>contribution. However, no such letter or other documentary evidence has been received in respect of grants received from Central Govt. and ADB. Therefore, in our opinion, the assets created out of such grants should be recorded at nominal value after adjustment of the respective grant received from the Central Government and ADB. The above non-adherence has resulted in a claim of excessive depreciation in books of accounts, the amount for same may be worked out after classification of Assets created out of the respective Grants.</p> <p>The total amount of Grants as received from Central Government and ADB as per the books of accounts are Rs. 236.56 Crores and Rs. 966.86 Crores, however since records in respect of assets created out of such grants were not made available to us, we are not in a position to quantify the overvaluation of individual assets. It is advised to carry out the detailed study in respect of assets created out of such Grants and make necessary adjustments in the Books of accounts.</p>	<p>II.</p> <p>As per para 5.4 of AS 12, "it is generally considered appropriate that accounting for government grant should be based on the nature of the relevant grant. Grants which have the characteristics similar to those of promoters' contribution should be treated as part of shareholders' funds. Income approach may be more appropriate in the case of other grants".</p> <p>As per para 16 of AS 12, "Government grants of the nature of promoters' contribution should be credited to capital reserve and treated as a part of shareholders' funds".</p> <p>As such AEGCL claims depreciation on the assets created out of the Grant fund.</p> <p>In general Grants received from Central Govt &amp; ADB are routed through GoA.</p> <p>Moreover, as per the minutes of the meeting of Power Sector by the Hon'ble Chief Minister of</p>



<b>SI. NO.</b>	<b>STATUTORY AUDITOR'S OBSERVATION</b>	<b>MANAGEMENT'S REPLY</b>
		Assam held with AEGCL, APGCL and APDCL on 14.06.2021, the Hon'ble Chief Minister had directed to convert Loans & Grants to AEGCL APGCL & APDCL into equity and in response, AEGCL had placed a proposal before the Govt. of Assam to convert all Loans and Grants received by AEGCL up to 31.03.2021 into Equity vide letter No. AEGCL/HQ/ACCTTS/08-09/Misc. Part V(A)/6 dated 06.09.2021. A copy attached vide Annexure III. After receipt of order from the Govt. of Assam, AEGCL will take necessary action in the next FY.
b.	TDF funds are Grants received from the State Govt, which amounted to Rs. 2548 lacs. This amount has been directly transferred to respective parties from GOA Finance Dept. AEGCL just books the grant and does asset creation in their books of accounts on receipt of relevant documents from divisions and contractors. On verifying the documents, it has been observed that AEGCL has made 75% advance payment with their own fund due to urgency and continuity of the project work as disbursement from the concerned department was taking a longer time. Approval of the same was taken from the Board of directors in the 75th Meeting of the Board of Directors against submission of Indemnity Bond and cheque as Guarantee and again on 79th Meeting against submission of Bank	As per Board of Directors approval in the 75th Board meeting and 79th Board meeting, 75% of Gross bill amount was made as advance payment to the contractors. The same advance payment was shown as payment against contractors control account in the books of AEGCL. An amount of Rs.

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																				
	<p>Guarantee. On verification of the document related to TDF Fund it was observed that for the contractors to whom this advance was paid, AEGCL has not created any head as "Receivable from The Contractors" in the books of accounts, but instead directly adjusted the contractor's control account. This has resulted in the reduction of the amount payable to Contractors in respect of various works carried out, however, such amount which is paid to contractors against such Indemnity Bonds/ Guarantee shall be disclosed separately and recovery of such amount from contractors shall be taken care off.</p> <p>Below is the list of the contractors who were given advances: -</p> <table border="1" data-bbox="261 1003 1057 1245"> <thead> <tr> <th>Sr.No.</th> <th>Vendor Name</th> <th>Name Of Scheme</th> <th>Amount remitted</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NECCON</td> <td>Agia-Hatsingimari</td> <td>734,22,366.00</td> </tr> <tr> <td>2</td> <td>AG Associates</td> <td>Agia-Hatsingimari</td> <td>95,42,741.00</td> </tr> <tr> <td>3</td> <td>GB Construction</td> <td>Agia-Hatsingimari</td> <td>584,40,207.00</td> </tr> <tr> <td>4</td> <td>GB Construction</td> <td>Barpeta GSS</td> <td>55,65,715.00</td> </tr> </tbody> </table>	Sr.No.	Vendor Name	Name Of Scheme	Amount remitted	1	NECCON	Agia-Hatsingimari	734,22,366.00	2	AG Associates	Agia-Hatsingimari	95,42,741.00	3	GB Construction	Agia-Hatsingimari	584,40,207.00	4	GB Construction	Barpeta GSS	55,65,715.00	<p>14,69,71,029.00 was paid as advance. Out of this, Rs. 12,28,67,797.00 has already been recovered from the contractors and statement against same was already submitted to the Audit team during the course of audit. The remaining amount of Rs. 2,41,03,232.00 will be recovered from the contractors as soon as they receive their pending bills from Government of Assam. Also, regarding booking of the same amount against "Receivable from contractors" in the books of the accounts of AEGCL, the same will be rectified in the subsequent financial year.</p>
Sr.No.	Vendor Name	Name Of Scheme	Amount remitted																			
1	NECCON	Agia-Hatsingimari	734,22,366.00																			
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6.	<b>Balance with Banks and Cash in Hand</b>																					
a.	Balances with banks were verified with the Bank Statements provided, along with reconciliation; however it is to be noted that an amount of Rs. 110.25 lakhs pertain to the balance of AEGCL as per Governor notified transfer scheme opening balance as on 01.04.2005 still exist. As explained by the management proper authority to rectify the same was not received by them.	This bank balance of Rs. 110.25 lakhs is as per Governor notified transfer scheme opening balance as on 01.04.2005.																				
b.	No reconciliation statement could be provided for Inter Unit Accounts- Remittances to Head Office (33.xxx) and Inter Unit Accounts- Fund Transferred from HQ (34.xxx) which is a part of Bank Balance. The account should not carry any balance and it merely reflects un-adjusted balances between remittances send from HQ to Division	The heads "Inter Unit Accounts- Remittances To Head Office (33.xxx)" and "Inter Unit Accounts- Fund Transferred From HQ (34.xxx)" are operated																				



<b>Sl. NO.</b>	<b>STATUTORY AUDITOR'S OBSERVATION</b>	<b>MANAGEMENT'S REPLY</b>
	<p>or vice versa. Hence it should not be a part of Cash and Cash Equivalents as the same is not included in the bank balance of H.O. or division and there is no question of remittances to be in transit as the entire banking of the company is with Scheduled banks, where CORE Banking is enabled. This merely reflects the unreconciled portion of Cash and Bank Balances and the same needs to be reconciled.</p>	<p>to record the amount of funds in transit at the time of transfer of funds between the HQ and Division Offices. The head "Inter Unit Accounts- Remittances To Head Office (33.xxx)" is used for revenue remittances, if any and the head "Inter Unit Accounts- Fund Transferred From HQ (34.xxx)" is used for transfer of normal allotments. These heads are shown against "Balances with Bank under Note 16, Cash &amp; Cash Equivalents" in order to get the true reflection of Bank Balance during the transit period when the funds are transferred from HQ to Divisions and vice versa. In this context it may be mentioned that 'transit period' refers to the time interval between the recording of transactions by the transferor and transferee units.</p> <p>These Inter Unit heads are in the process of reconciliation.</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
c.	<p>No bank statement has been received for Miscellaneous Bank (29.400) amounting to Rs. 5,27,922. As per management, it's just a virtual account and this account is created to keep a track of a particular type of transaction. However, it is to be noted that the opening of such virtual bank account depicts a weakness in accounting procedures of the organization, where the management has not defined a proper system of recording of transactions in a particular ledger and has resorted to the opening of such virtual accounts and their inclusion in the head of Cash and Cash Equivalents.</p>	<p>Miscellaneous Bank (29.400) is a virtual account used by the field units to record certain incomes earned by the field units when the Cheques are issued in the name of MD, AEGCL. However, balance reflected against this head is in the process of reconciliation and necessary rectification will be made in the subsequent FY.</p>
d.	<p>It is also to be noticed that there are huge balances in the Imprest Account, for which no reconciliation is provided, hence we cannot comment upon the accuracy of Cash in Hand as it has been observed from Accounts of the company that the Imprest accounts are not adjusted in a timely manner with the relevant expenditure or assets account, resulting to which Closing Balance of Temporary Imprest stands at Rs.105.22 Lakhs and Permanent Imprest stands at Rs.17.82 Lakhs. It has been further noticed that the management has made a policy for adjustment of Imprest accounts, which may take up to 3 months from the date of actual payment, further this has also resulted in the delayed booking of Expenses/ Assets, as the records for the month of Jan to March are reported in the next financial year. It is advised that the company may look into establishing a proper system for Imprest Accounting, so as to record the entries promptly.</p>	<p>Regarding adjustment of imprests, a guideline has been framed and circulated to all the accounting units of AEGCL. As per this guideline temporary imprests are generally adjusted within 15 to 45 days from the date of issue of the imprest but this may vary depending upon the nature of work.</p>
e.	<p>It was observed in many instances while going through temporary Imprest that Cash Transaction of more than Rs.10000 was paid for expenditures, which is not allowed under section 40 A(3) of Income Tax Act. We are reporting</p>	<p>AEGCL falls under essential service category which</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																									
	<p>few instances from our audit sample, which we have found during our course of Audit.</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Particulars of Imprest</th> <th>Date</th> <th>Amount</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>For carrying out the works related to painting and Renovating of First floor MRT Bldg, Kahilipara</td> <td>25/03/2021</td> <td>Rs. 80000/-</td> <td>1. Payment to Ananta Trade centre Inv No 633 dtd 19-04-20 Rs. 19700/- 2. Labour payment for Painting job Rs.31530/- 3. Payment made to Jainal Ali Rs.37170/-</td> </tr> <tr> <td>2</td> <td>Repairing of Transformer cooling Fan Motor at 400KV Kukurmara (Mirza) GSS</td> <td>07/01/2021</td> <td>Rs. 42000/-</td> <td>1. Payment made to Swapna Mandal Bill No 175 dtd 05/02/2021 Rs.22400/- and Bill No 177 Dtd 10/02/2021 Rs.19600/-</td> </tr> <tr> <td>3</td> <td>Purchase of tyre from Kranti tyre Hub SLDC Kahilipara</td> <td></td> <td>Rs. 17300/-</td> <td>1. Tyre purchased for for Tata Xenon</td> </tr> <tr> <td>4</td> <td>Temporary Imprest to AGM 132 KVEHV GSS, AEGCL. Kahilipara</td> <td>27-02-2021</td> <td>Rs.99,200/-</td> <td>1. Imprest was adjusted after almost 10 Months on 27-11-2021 2. Payment to Meals Your Way- bill No MYW/CD-03-07626 dtd 14/03/2020 amounting to Rs 39200/- 3. Payment made to Sharmistha Aviates invoice no 888/889/65 dtd24-02-2020 amounting to Rs. 28050/- and invoice no 890/891/66 dtd24-02-2020 amounting to Rs. 19994/-</td> </tr> </tbody> </table>	Sr. No.	Particulars of Imprest	Date	Amount	Remarks	1	For carrying out the works related to painting and Renovating of First floor MRT Bldg, Kahilipara	25/03/2021	Rs. 80000/-	1. Payment to Ananta Trade centre Inv No 633 dtd 19-04-20 Rs. 19700/- 2. Labour payment for Painting job Rs.31530/- 3. Payment made to Jainal Ali Rs.37170/-	2	Repairing of Transformer cooling Fan Motor at 400KV Kukurmara (Mirza) GSS	07/01/2021	Rs. 42000/-	1. Payment made to Swapna Mandal Bill No 175 dtd 05/02/2021 Rs.22400/- and Bill No 177 Dtd 10/02/2021 Rs.19600/-	3	Purchase of tyre from Kranti tyre Hub SLDC Kahilipara		Rs. 17300/-	1. Tyre purchased for for Tata Xenon	4	Temporary Imprest to AGM 132 KVEHV GSS, AEGCL. Kahilipara	27-02-2021	Rs.99,200/-	1. Imprest was adjusted after almost 10 Months on 27-11-2021 2. Payment to Meals Your Way- bill No MYW/CD-03-07626 dtd 14/03/2020 amounting to Rs 39200/- 3. Payment made to Sharmistha Aviates invoice no 888/889/65 dtd24-02-2020 amounting to Rs. 28050/- and invoice no 890/891/66 dtd24-02-2020 amounting to Rs. 19994/-	<p>at times necessitates such payments. However, a guideline has been framed and circulated to all the accounting units of AEGCL to avoid such situations.</p>
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7.	<b>Short Term Loans &amp; Advances</b>																										
a.	<p>No policy has been provided in relation to Loans given to staff or advances issued to Supplier/ Contractors, and no Interest has been recovered on such amounts, thereby resulting in loss of revenue to the company.</p>	<p>Loans and advances to staff mainly relates to T.A. Advance, Medical Advance, LTC Advance, etc. Loans and advances to staff are issued as per the ASEB Employees' Service Regulations, 1960 and the amendments made from time to time by the Management of AEGCL through different orders/circulars. Advances are issued to Supplier/ Contractors as per clause 24.2 of AEGCL General Conditions of</p>																									

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		<p>Supply and Erection, 2009.</p> <p>In this context it may be mentioned that all the above loans and advances are interest free as per the terms &amp; conditions. The account heads &amp; terms &amp; conditions mentioned in the above books may kindly be seen. As such no Interest has been recovered on such loans and advances and thereby loss of revenue has not been incurred.</p>
b.	<p>Advance to Supplier/contractors (Capital) amounting to Rs.9.31 Cr for various projects, we were not provided with details in respect of the Assets for which such amount was advanced, nor any the details in respect of contractors to whom such money was advanced, further it has been noticed that there were no adjustments made during the audited period as opening and closing balance for the Current year stood same.</p>	<p>Noted &amp; agreed. Already proper reconciliation process is undertaken &amp; shall be adjusted accordingly.</p>
8.	<p><b>Other Current Assets</b></p>	
a.	<p><b>Inter Unit Account Materials</b> - Rs. 789 Lacs - The account should be netted to zero and effect should have been given to the respective divisions by the closing date, however the same has not been done.</p>	<p>Reconciliation of Inter Unit A/c - Material is going on.</p>
b.	<p><b>Inter Unit Account Capital Expenditure &amp; Fixed Assets</b> - Rs. 31 Lacs - The account should be netted to zero and effect should have been given to respective division by the closing date in the books of the company, however the same has not been done.</p>	<p>Inter Unit A/c - Capital Expenditure &amp; Fixed Assets has been reconciled and adjusted and the balance against this head has been decreased to Rs.31 lakhs</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		as at 31.03.2021 from Rs. 364 Lakhs as at 31.03.2020. The remaining balance is in the process of reconciliation.
c.	<b>Inter Unit Account Other Transaction / Adjustments-</b> Rs.114 Lacs - The account should be netted to zero and effect should have been given to respective division by the closing date in the books of the company, however the same has not been done.	Reconciliation of Inter Unit A/c Other Transaction / Adjustments is going on.
d.	<b>Receivable from Pension Trust</b> - Rs. 22660 Lacs - As per the Balance Confirmation statement provided by management, the amount receivable from ASEB Pension Trust is Rs. 22361.47 Lacs, therefore there is a difference of Rs 298.41 Lacs.	This difference is in the process of reconciliation.
e.	<b>Net Receivable from APDCL</b> - Net Receivable from APDCL Stood at Rs 8390 Lacs in the Books of AEGCL. It was observed that APDCL has given confirmation of only Rs.5979 lacs out of the total receivable amount. Due to which we are unable to comment on the correctness of amount stated in the books.	The difference is in the process of reconciliation and necessary adjustments will be made in the subsequent FY.
f.	<b>Receivable from Income Tax Department</b> - Rs. 1293 Lacs - On verification of the data available \on the Income Tax portal of the company, it has been noticed that there is no such balance due to be received from the Income tax department, except for the amount of refund due to be received for AY 2020-21 amounting to Rs 3.38 Crores, it should be further noted that the portal is reflecting a demand of Income Tax pertaining to AY 2009-10, which is not provided for in the books of accounts. It is to be noted that proper adjustment entries needs to be posted so as to depict the correct balance of amount due from Income Tax Department.	The amount of Rs. 1293 Lacs is the accumulated amount of TDS receivable from Income Tax Authority, which consists of the amount of TDS receivables as per 26AS on a date during the finalization of Annual Accounts of different FYs.  An advance Income Tax was paid against a Demand of Rs 14, 07,

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY								
		<p>90,350/- for A.Y 2009-10 raised by CPC, Bangalore which disallowed unabsorbed Depreciation losses of earlier years. Appeal was filed against the said order with Commissioner of Income Tax (Appeals). The Commissioner (Appeal) on his order dated 22.11.2012 has directed the assessing officer to make necessary rectification U/S 154 of the Income Tax Act for the said assessment year. But the rectification is still pending with assessing officer as the scrutiny under section 143(3) is under process. After receiving final decision of the Income Tax authority necessary adjustment will be made in the books of accounts.</p>								
g.	<p><b>Tax Deducted at Source -</b></p> <p>i. For the FY 2019-20 it was observed that Tax deducted by various Party were short booked by Rs 2.13 Cr. On review of books of account TDS were booked as per table below:</p> <table border="1" data-bbox="261 1864 1057 1986"> <thead> <tr> <th>Sr. No</th> <th>TDS Received and booked as per 26 AS for FY 2019-20 as on 02.05.2020</th> <th>TDS Received As per 26 AS for FY 2019-20 as on 30.06.2021</th> <th>Amount Understated in the FY 2019-20</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1,25,26,352</td> <td>3,38,57,813</td> <td>2,13,31,461</td> </tr> </tbody> </table>	Sr. No	TDS Received and booked as per 26 AS for FY 2019-20 as on 02.05.2020	TDS Received As per 26 AS for FY 2019-20 as on 30.06.2021	Amount Understated in the FY 2019-20	1.	1,25,26,352	3,38,57,813	2,13,31,461	
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SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
	<p>As a result, AEGCL has not booked Rs. 2,13,31,461/- as Prior Period Income (65.xxx) in the Current year and under stated Receivable From Income Tax Authority(28.905) by Rs. 2,13,31,461/-.</p>	
	<p>ii. It is to be noted that in respect of current year 2020-21, TDS booked as per books of the company is Rs. 115 Lacs, however on review of Income Tax portal, the total TDS is amounting to Rs. 280 Lacs, therefore resulting in short booking of income to the extent of Rs. 165 Lacs.</p> <p><i>It has been observed that AEGCL is not booking the entries on accrual concept basis, as Tax deducted is not booked at the time of receipt instead the same is booked as per 26 AS from TRACES. This results in non-compliance with AS 1 Accrual concept. Due to which there is a possibility of revenue leakage in the form of Non reporting/ depositing of TDS by various parties and hence the same should be reconciled.</i></p>	<p>Rectification entries for both FY 2019-20 &amp; 2020-21 has been made and will be shown in the Annual Accounts for the FY 2021-22.</p>
h.	<p><b>Miscellaneous Receivable</b> - Rs. 1394 Lacs - It comprises of opening balance from CPF trust and Miscellaneous Receivable for which no Confirmation or explanation has been provided.</p> <p><i>In respect of above balances, we are unable to comment upon the actual recovery of the amounts and authenticity of such claims as no records/ Reconciliations/ or Third-Party Confirmations have been made available in relation to same.</i></p>	<p>Out of Rs. 1394 Lacs, Rs. 907 Lacs (Receivable from CPF Trust) and Rs. 5 Lacs (Receivable from State Govt. on account of payment made for company fees) are as per the Governor notified Transfer scheme opening balance as on 01.04.2005. The balance amount relates to various types of works done by different units of AEGCL viz., Transformer oil filtration, Testing of Circuit Breaker, various</p>

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		types of rental bills, etc., which are maintained at different Division levels. For detailed explanations the auditor may visit different field offices.
9.	<b>Other Current Liabilities</b>	
a.	<b>Liabilities for Capital Supplies and O&amp;M Supplies - Rs. 5204 Lacs</b> - No information has been provided at the Head office so as to reconcile the amounts with the Individual Contractors or divisions or projects or Goods in respect of which liability has been booked, it has further been stated that data is not available in the accounting records maintained by the company, therefore we are not in a position to comment upon the accuracy of such liabilities as depicted in accounts.	The detailed register of Capital and O&M works and supplies are maintained at the respective field offices & HQ. Generally the liabilities are booked at different units of AEGCL where the actual work is executed. Finally project bills (under different schemes) are paid at AEGCL HQ. There are huge number of contractors and suppliers spread all over the Assam and their records are maintained in the Contractors & Suppliers Control Registers at the field offices and the auditor may check these when they will visit the field offices.
b.	<b>Deposits and Retention from Suppliers and Contractors - Rs. 7222 Lacs</b> - It has been observed that no proper register/ record has been maintained so as to reconcile the amount with the contractor to whom such amounts	There are huge number of contractors & suppliers with AEGCL. Liabilities are created after



<b>Sl. NO.</b>	<b>STATUTORY AUDITOR'S OBSERVATION</b>	<b>MANAGEMENT'S REPLY</b>
	are payable or to identify the projects in respect of which such amounts have been retained, there is no ageing analysis prepared in respect of same.	issuance of the work orders & all relevant documents are kept with the offices of the concerned CGMs. If specifically mentioned the requirement then AEGCL will make available for your perusal.
c.	<b>Advance from APGCL- 33 Lacs</b> - It has been observed that same balance has been carried forward from previous years, and no adjustments are made in relation to same and no satisfactory explanation has been provided by the management for the above-mentioned balance payable.	These are related to the materials transferred from BTPS (Salakati, APGCL) to 220 kV GSS, Salakati, AEGCL during earlier periods. The records of the materials received are available at Salakati GSS. It is as per the books of AEGCL. Proper scrutiny will be done by AEGCL & necessary action will be taken accordingly. After proper reconciliation, balance confirmation will be sought from APGCL.
d.	<b>Unpaid Salaries, Wages, Bonus etc.</b> - 6 Lacs - no details are maintained for this head, as per management Rs 2.40 Lacs is per Governor notified Transfer Scheme Opening Balance as on 01.04.2005 and the remaining amount may be due to misclassification of head, the same could be not confirmed due to lack of documentation.	Out of Rs. 6 Lakhs, Rs. 2.40 Lakhs is as per Governor notified Transfer Scheme opening balance as on 01.04.2005. The remaining amount was booked by some field units of AEGCL during FY 2005-06. This may be due



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		to misclassification of head. Necessary rectification will be made in the next FY after proper reconciliation.
10.	<b>Statutory Dues</b>	
a.	<b>Income Tax</b>	
	<p>- On reviewing the Income Tax portal of AEGCL it was found that Rs.11,49,40,608 and Rs 2,66,200 for AY 2009-10 was reflecting as outstanding demand this liability is not booked nor is shown as a contingent liability in the books of accounts. <b>(Ref. Table 2.1)</b></p>	<p>An advance Income Tax was paid against a Demand for A.Y 2009-10 raised by CPC, Bangalore which disallowed unabsorbed Depreciation losses of earlier years. Appeal was filed against the said order with Commissioner of Income Tax (Appeals). The Commissioner (Appeal) on his order dated 22.11.2012 has directed the assessing officer to make necessary rectification U/S 154 of the Income Tax Act for the said assessment year. But the rectification is still pending with assessing officer as the scrutiny under section 143(3) is under process. After receiving final decision of the Income Tax authority necessary adjustment will be made in the books of accounts.</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
	<p>- It has also been observed from the records of the company on TDS filing portal TRACES, there is pending demand of Rs. 113 Lacs in respect of various TDS Defaults and no action has been initiated by the company in relation to same. <b>(Ref. Table - 2.2)</b></p>	<p>The matter related to pendency of TDS defaults has been taken up with AEGCL's Tax consultants at different divisional offices to resolve the issue at the earliest.</p>
b.	GST	
	<p>- It was observed that AEGCL has claimed ITC for an amount of 10.36 Cr during the FY 2020-21 as per GSTR 3B but the same has not been recorded in the books of accounts.</p>	
	<p>- It was also observed that ITC should be claimed proportionately between Taxable Supply and Non-Taxable Supply but AEGCL has claimed ITC of Rs 10.36 Cr as against the total Taxable supplies as per the returns of Rs. 72 Lacs.</p>	<p>All the liabilities against GSTR-1 is duly calculated &amp; paid monthly via challans. The question of adjustment of ₹ 10.36 crores might be a system generated anomaly which will require thorough investigation &amp; scrutiny. Necessary steps have been initiated to fix the matter accordingly.</p>
	<p>- It was noticed in GSTR 3B for the month of December 2020 that an amount of 0.24 cr was shown under inward supply liable to reverse charge (RCM) but the same could not be reconciled with the books of account. It was also observed that no Tax Liability of any sort were raised against CGST and SGST for the mentioned transaction.</p> <p>RCM input for an amount of Rs.0.05 Cr and Rs. 2.31 Cr was taken in the month of Feb'21 and Mar '21 respectively as reflected in GSTR 3B, we have observed that no RCM Liability was paid during this period and value taken by AEGCL could not be reconciled.</p>	<p>Figure of Rs. 0.24 crores is the auto populated data shown in GSTR-3B. No such data was entered in GSTR-1 as no such bills or transactions were held in Dec-2020.</p> <p>Besides, the figure of Rs.0.05 Cr and Rs. 2.31 Cr as RCM Input could not be traced &amp; seems to be an auto-populated data which will require thorough investigation &amp; scrutiny. Necessary steps have been initiated to fix the matter.</p>

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																											
	<p>- It is also observed from the books of accounts of the company, that Company has not declared the Taxable Supplies in the GST returns (GSTR - 1) to the full extent as compared to the books of Accounts, kindly find the below details for perusal -</p> <ul style="list-style-type: none"> <li>o Total amount of Taxable Supplies reported in GSTR - 1 - Rs. 77,12,564</li> <li>o Details in respect of various Taxable Supplies as per the Annual Accounts -</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Accounting Code</th> <th style="text-align: left;">Description</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>62.950</td> <td>Other Misc. Receipts</td> <td style="text-align: right;">3,29,35,928</td> </tr> <tr> <td>62.914</td> <td>Income from Supervision Charges on Deposit Work</td> <td style="text-align: right;">10,55,00,864</td> </tr> <tr> <td>62.912</td> <td>Penalties Recovered from Contractors /Supplier</td> <td style="text-align: right;">1,14,38,649</td> </tr> <tr> <td>62.910</td> <td>Sale of Tender Forms</td> <td style="text-align: right;">3,17,100</td> </tr> <tr> <td>62.902</td> <td>Rental from Contractors/Other</td> <td style="text-align: right;">58,91,817</td> </tr> <tr> <td>62.324</td> <td>Hire Charges from Others/Suppliers</td> <td style="text-align: right;">8,91,505</td> </tr> <tr> <td>62.400</td> <td>Profit on Sale of Fixed Assets</td> <td style="text-align: right;">2,36,987</td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td style="text-align: right;">15,72,12,850</td> </tr> </tbody> </table>	Accounting Code	Description	Amount	62.950	Other Misc. Receipts	3,29,35,928	62.914	Income from Supervision Charges on Deposit Work	10,55,00,864	62.912	Penalties Recovered from Contractors /Supplier	1,14,38,649	62.910	Sale of Tender Forms	3,17,100	62.902	Rental from Contractors/Other	58,91,817	62.324	Hire Charges from Others/Suppliers	8,91,505	62.400	Profit on Sale of Fixed Assets	2,36,987		Total	15,72,12,850	<p>All the particulars mentioned in the revenue head of said audit para are duly considered &amp; accordingly returns will be filed in the subsequent year as the process of GST Audit is still in progress for FY 2020-21 &amp; due date is 31-Dec-2021.</p>
Accounting Code	Description	Amount																											
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11.	<p><b>Registrar of Companies Compliance -</b></p> <p>It has been observed that the company has not filed the Annual Returns and other mandatory ROC forms within the prescribed time limits, details in respect of same are attached in</p> <p><b>Table - 4</b></p>	<p>Furnished vide Annexure V</p>																											
12.	<p><b>Wheeling charges From Open Access Consumers -</b></p> <p>It was observed during our audit that Wheeling Charges from Open Access Consumers amounting to Rs. 1,202 Lakhs is booked on receipt basis. It has been observed that a weekly statement is received from IEX with regards to sale of units to Open Access Consumers. However, we could not reconcile the amount received in the bank with the statement provided by IEX, and the company has booked the income on the basis of receipt in bank account. As a result, due to discrepancy in proper reconciliation of statements there is a high chance of revenue leakage/ under booking of income and accounting must be done on accrual basis.</p>	<p>The Open Access Consumers purchase power through IEX and IEX pays the transmission charges to A E G C L , computed as per the quantum of electric energy wheeled by AEGCL to the OA Consumers and the rate approved by the Hon'ble AERC. The detailed</p>																											



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		record of the electric energy wheeled to the OA Consumers are available with the Assam SLDC and as such there may not be any revenue leakage.
13.	<b>Penalties/ Liquidation damages -</b>	
a.	It was observed during our audit that penalties recovered from supplier in the form of deduction from their bills (62.912) which is recognised as an income to a tune of Rs 114 lakhs out of which Rs. 470 lacs is booked as income and Rs 356 lakhs are repaid to suppliers. This is a negligence on the part of AS -9 Revenue Recognition, which states that the revenue should be recognised if there is a reasonable certainty in relation to recovery of such amount, however it has come to our understanding that actual recovery of such penalties is subject to finalisation of a contract and the same can be ascertained and becomes recoverable at the time of finalisation, therefore such income should be recognised only at the time of reasonable certainty over the recovery of such income.	Noted. However, AEGCL will account for <i>Liquidated Damage Charges as "Liability for Liquidated Damage Charges"</i> instead of booking the same as income from the subsequent FY and for this purpose necessary steps has already been initiated.
b.	Further it has been observed that an amount of Rs. 282 Lacs has been recovered in the form of invocation of Bank Guarantee in respect of non-performance by contractor, however the same is included under the head Misc Receipts, instead of being included under the head Penalties and Liquidation Damages.	Noted for future compliance.
c.	Further such penalties should be subjected to GST and Tax Invoices should be raised for same, however no GST has been deposited on the Penalty Income.	The BG has been invoked as a compensation for the loss incurred by AEGCL due to non fulfilment of the contract by the contractor. Thus it is not in the nature of income

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		received from supply of goods or services provided. Thus AEGCL has not charged GST on the same
	<b>Deferred Tax Assets/ Liability -</b>	
14.	In accordance with the provisions contained in AS-22, Accounting for Taxes on Income, it has been observed that the company has not created any provisions in respect of Deferred Tax Assets or Liability and no further explanation has been provided by the management for such non-compliance.	Noted for future compliance.
15.	<b>Bijulee Bhawan Maintenance Account (BBM) -</b>	
	<ul style="list-style-type: none"> <li>- It has been observed that Bijulee Bhawan Building situated in Paltan Bazar, Guwahati is a property owned and maintained by AEGCL, where APDCL and APGCL occupies space for their respective offices. Every month AEGCL raise monthly invoices as a contribution towards cost of maintenance of Bijulee Bhawan to APDCL and APGCL at the rate of Rs.11,48,950/- and Rs. 3,82,958/- respectively regardless of actual R&amp;M expense. AEGCL itself contributes Rs.3,82,958/- which cumulatively comes at Rs.19,14,866/-. To conclude the contribution is divided in the ratio of 6:2:2 among the respective Companies occupying the space and all expenses incurred by this fund, AEGCL books 20% of the particular expense.</li> <li>- Through scrutiny of documents and understanding the scenario it is evident that practice followed by AEGCL is incorrect in assuming this fund as Contributory Fund whereas it should have been recognized as Rental Income from APDCL and APGCL. Based on following facts we can assume this as rental income are as follows:</li> </ul>	<p>This has been done as per minutes of the meeting on fixation of Rent of the Bijulee Bhawan held among APDCL, APGCL and AEGCL on 29.10.2011. A copy attached vide Annexure IV</p> <p>As per the above mentioned meeting minute, the contribution received from APDCL &amp; APGCL is not to make a profit but only to meet up the regular maintenance and development works of Bijulee Bhawan. As such AEGCL has been booking these contributions as liability for expenses.</p>



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY												
	<p>a. Bijulee Bhawan Building is an Asset of AEGCL.</p> <p>b. BBM is not a separate entity/Trust, they are a part of AEGCL.</p> <p>c. All Record Keeping, Procurement of goods, execution of project related to the building and payments to various contractors are responsibility of AEGCL.</p> <p>d. Bank a/c of BBM Fund is a part AEGCL books of accounts, even Interest Earned through the Bank are booked as Interest Income.</p> <p>e. Contribution is raised monthly from the respective parties irrespective of Actual Expenditure.</p>													
	<p>- It is noticed that <b>capital assets created are charged off as revenue expenses</b> resulting in non-recording of assets which were purchased and installed at Bijulee Bhawan. It is <b>non-adherence of AS 10 Property, Plant and Equipment</b>. AEGCL should book any capital goods under fixed assets and claim depreciation on it.</p> <p>- Here are few instances where Capital assets were recognized as revenue expenses: -</p> <table border="1" data-bbox="285 1461 1049 1724"> <thead> <tr> <th>Sr. No.</th> <th>Party Name</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>M/s Godrej &amp; Boyce MFG Co Ltd</td> <td>Supply installation Testing &amp; Commissioning with AMC of Heavy-duty Boom Barrier, Flap Barrier, X ray Baggage Scanner, Door Frame pass through Metal Detector &amp; CCTV Surveillance System in Bijulee Bhawan</td> <td>Rs. 86,68,883/-</td> </tr> <tr> <td>2</td> <td>M/s Buildrite Constructions</td> <td>Building Work of toilet from 2<sup>nd</sup> Floor to 6<sup>th</sup> floor of Bijulee Bhawan</td> <td>Rs. 77,71,596/-</td> </tr> </tbody> </table> <p>- Following are the anomalies found during our audit of BBM a/c:</p> <p>a. It is observed that no Receivables are booked for the invoice raised against a particular company.</p>	Sr. No.	Party Name	Particulars	Amount	1	M/s Godrej & Boyce MFG Co Ltd	Supply installation Testing & Commissioning with AMC of Heavy-duty Boom Barrier, Flap Barrier, X ray Baggage Scanner, Door Frame pass through Metal Detector & CCTV Surveillance System in Bijulee Bhawan	Rs. 86,68,883/-	2	M/s Buildrite Constructions	Building Work of toilet from 2 <sup>nd</sup> Floor to 6 <sup>th</sup> floor of Bijulee Bhawan	Rs. 77,71,596/-	<p>As per the above mentioned meeting minute, the BBM A/c has been created only for the purpose of meet up of the regular maintenance and development works of Bijulee Bhawan. As such any expenditure incurred from BBM fund are booked as R&amp;M Expenses.</p> <p>a. AEGCL only intimates APDCL and APGCL to submit their monthly contributions to the pool A/c, i.e. BBM for meeting the</p>
Sr. No.	Party Name	Particulars	Amount											
1	M/s Godrej & Boyce MFG Co Ltd	Supply installation Testing & Commissioning with AMC of Heavy-duty Boom Barrier, Flap Barrier, X ray Baggage Scanner, Door Frame pass through Metal Detector & CCTV Surveillance System in Bijulee Bhawan	Rs. 86,68,883/-											
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SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																																			
	<p>b. Registers for stock of any consumable purchased or issued have not been maintained,</p> <p>c. List of cash Transactions above Rs. 10,000, found during our audit of BBM -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sl No</th> <th style="text-align: center;">Date</th> <th style="text-align: center;">Party Name</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">27.05.20</td> <td>New Skrala trade &amp; Technology</td> <td style="text-align: right;">16000.00</td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">23.06.20</td> <td>Raj Sharma</td> <td style="text-align: right;">13166.00</td> <td>Paint Works of Rs.68540/-</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">31.03.21</td> <td>Ganga Construction paid by Kaushal Chayengia</td> <td style="text-align: right;">25668.00</td> <td>Cable dragging laying from roof top.</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">24.03.21</td> <td>Electro System paid by Kaushal Chayengia</td> <td style="text-align: right;">12650.00</td> <td>Paid for compressor</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">03.03.21</td> <td>Electro System paid by Kaushal Chayengia</td> <td style="text-align: right;">12650.00</td> <td>A/c Repairing</td> </tr> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">23.02.21</td> <td>Paid for Cone Armour Cable paid by K Chayengia</td> <td style="text-align: right;">25668.00</td> <td></td> </tr> </tbody> </table>	Sl No	Date	Party Name	Amount	Remarks	1	27.05.20	New Skrala trade & Technology	16000.00		2	23.06.20	Raj Sharma	13166.00	Paint Works of Rs.68540/-	3	31.03.21	Ganga Construction paid by Kaushal Chayengia	25668.00	Cable dragging laying from roof top.	4	24.03.21	Electro System paid by Kaushal Chayengia	12650.00	Paid for compressor	5	03.03.21	Electro System paid by Kaushal Chayengia	12650.00	A/c Repairing	6	23.02.21	Paid for Cone Armour Cable paid by K Chayengia	25668.00		<p>maintenance expenses of Bijulee Bhawan. Thus question of raising invoices and accounting of receivables does not arise.</p> <p>b. Register for consumable purchased and issued has been maintained by BBM cell and, the same were produced to the Statutory Audit team during the course of audit. Necessary checking has been done and signed by the Statutory Auditor.</p> <p>c. Noted and necessary care will be taken in future to avoid such situation.</p>
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16.	<b>Consolidation of Accounts -</b>																																				
a.	<p>The company is following a practice of receiving Monthly Trial balances from various divisions and circles; however, it has been noticed that the adjustment entries in respect of various payments and receipts are not given effect in such divisions or circles, thereby resulting in difference in balances as per the ledger of head office and the divisions' trial balance.</p>	<p>Generally bills are passed at the Divisions and payments are made at the HQ. There may be a difference between the liability created at the Division and payments made at the HQ, because of non-</p>																																			





SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		payment of full liability within the same FY. Similar is the case for receipts. Generally bills for any kind of income are raised by Divisions and the amounts are received in the HQ Principal Bank Account.
b.	It has been observed that there are huge Inter Unit balances which are pending for reconciliation, and no explanation has been provided in respect of the same. Considering the nature of account same must be zeroed by the year end after posting adjustment entries, but the process is not being followed.	Generally one month's balance remain pending in the Inter Unit heads. However, reconciliation of all the Inter Unit Accounts is going on.
c.	It has been observed that, the standard accounting procedure as prescribed by the accounting policies of the company have not been followed consistently at the divisional level and errors were noticed in their accounting entries, thereby, resulting in misstatement in the books of accounts.	Accounting policies of the company are followed while making accounting entries by the divisional offices. AEGCL requests the statutory auditor to specifically mention where the same has not been followed in order to enable us to make the rectification entry.
17	<b>Disclaimer Regarding Non-Visit of Units -</b>	
	<ul style="list-style-type: none"> <li>- We were not able to visit various units of the corporation outside Guwahati due to the travel restrictions in place all over the state with a view to combat the spread of Covid-19 virus. Thus, we have relied upon the management's statements regarding the transactions in the units. We have not physically verified any of the records of the units and hence we cannot comment on the accuracy of the same.</li> </ul>	Tally data related to all the Field Units /HQ were provided to the auditor during the course of audit. All the records are prepared based on the source documents which are



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		available with all accounting units of AEGCL and which may be seen.
	<p>- Although, bank statements and BRS of the various units were produced before us for verification, we were unable to make an in-depth analysis of the transactions due to non-visit of units. The vouching and physical verification have not been made due to the reasons listed above.</p>	No comments.

Sd/-  
Deputy General Manager (F&A),  
**AEGCL**

**REPLY OF THE MANAGEMENT TO ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
i.		
	(a) The Company has maintained Fixed Asset Register but assets have not been clearly & separately identified as observed in the Fixed Asset Register.	Views of the auditor may not be accepted because the assets are clearly and separately classified in the Fixed Assets Register but the process of incorporating identification code is going on.
	(b) As explained to us the company does not have a regular programme of physical verification of its fixed assets, therefore question of adjustment of any discrepancy does not arise.	AEGCL had updated the fixed asset register up to 31.03.2021 but due to inter-district traveling restrictions imposed by the State Govt. in order to combat the spread of Covid-19 virus, AEGCL was unable to conduct the physical verification of the fixed assets during FY 2020-21. However, now steps have been initiated for physical verification of the assets and any discrepancy noticed will be adjusted in the subsequent year.
	(c) Value of freehold land as on 31.03.2021 in the books of accounts stood at Rs. 38.67 Cr out of which only title deeds of only Rs. 20.44 Cr land holding documents were verified satisfactorily.	AEGCL had produced all documents related to lands available with AEGCL amounting to Rs26.24 Crore to the Statutory audit during the course of audit. AEGCL is in the process

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		of collecting the documents related to the remaining amounts of land. Besides, this cost also includes land development & other costs.
ii.	As explained to us the company has conducted physical verification of Inventory, however as per the disclosure in notes to accounts, it has been observed that there is a difference of 7.51 Crores in the inventory in the Book figure and Physical verification report, the same is yet to be adjusted in books of accounts.	This difference is in the process of reconciliation and after completion of r e c o n c i l i a t i o n necessary adjustment will be made.
iii.	According to the information and explanations given to us, the Company has not granted loans (secured or unsecured) during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the order are not applicable.	No Comments.
iv.	In our opinion and according to the information and explanation given to us, there are no loans, guarantees, investments and securities granted/provided in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable, however there are certain advances made to staff and contractors for which further details are not made available to us, hence we cannot comment upon the same.	Loans and advances to staff are mainly relates to T.A. Advance, Medical Advance, LTC Advance, etc. Advances are issued to Supplier/ Contractors as per clause 24.2 of AEGCL General Conditions of Supply and Erection, 2009. AEGCL had provided Ledger, Trial Balances to the Statutory Auditor (both in soft & hard copy) during the course of audit, where head wise



SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
		breakup of Loans and advances to staffs and contractors were available. Further details in these respects are available with the respective units and the auditor may check the same when they will visit the field units.
v.	According to the information and explanation given to us, during the year the company has not accepted any deposits from the public within the meaning of Section 73 & 76 or any other relevant provisions of the Companies Act 2013.	No Comments.
vi.	As per information given to us, Cost Records under section 148 (1) (d) of the Companies Act, 2013 for the activities carried out by the company have been prepared for the Financial Year 2019-20, however, we have not made a detailed examination of such records with a view to determine whether those are accurate and complete. As informed to us, cost records for the year 2020-21 are under preparation; hence we are unable to verify them.	Cost Audit for FY 2020-21 is in progress. The available cost records were shown & discussed with the Statutory Auditor during the course of audit.
vii.	(a) As explained to us, the company has been generally regular in depositing undisputed statutory dues with appropriate authorities, including Provident Fund, Income tax, Goods and Services Tax, Custom Duty, cess and other statutory dues applicable to it. Further according to the information & explanation given to us, no undisputed amounts payable in respect of aforesaid dues, which were in arrear as at 31.03.2021 for a period of more than six month from the date they become payable except delay in GST liabilities as detailed in Table 2A of this report. Tax Deducted at Source Liabilities as reported in Table 2.2	Delay in payment of GST is a procedural delay. Invoices are raised at division level and sent to HQ at the end of every month. After receipt of invoices from the entire accounting units (total 35 nos.) these are compiled at HQ and then sent to our consultant for filling of GST return on behalf of AEGCL. To follow up these steps some additional time is

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY																									
		<p>required for payment of GST. However, necessary steps will be initiated for timely payment of GST in the subsequent year.</p> <p>The matter related to pendency of TDS defaults has been taken up with AEGCL's Tax consultants at different divisional offices to resolve the issue at the earliest.</p>																									
	<p>(b) Details of dues of Income Tax and Service Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Statute</th> <th style="text-align: center;">Nature of Dispute/ Statutory Due</th> <th style="text-align: center;">Forum where Dispute is Pending</th> <th style="text-align: center;">Period to which the Amount relates</th> <th style="text-align: center;">Disputed Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Income Tax Act</td> <td style="text-align: center;">Section 143(3), Income Tax Act</td> <td style="text-align: center;">Assessing Officer</td> <td style="text-align: center;">AY 2009-2010</td> <td style="text-align: center;">Rs. 11,52,06,808/-</td> </tr> <tr> <td style="text-align: center;">Income Tax Act</td> <td style="text-align: center;">Section 270(A), Income Tax Act</td> <td style="text-align: center;">Assessing Officer</td> <td style="text-align: center;">AY 2017-2018</td> <td style="text-align: center;">Not made available to us</td> </tr> <tr> <td style="text-align: center;">Income Tax Act</td> <td style="text-align: center;">Section 270(A), Income Tax Act</td> <td style="text-align: center;">Assessing Officer</td> <td style="text-align: center;">AY 2018-2019</td> <td style="text-align: center;">Not made available to us</td> </tr> <tr> <td style="text-align: center;">Income Tax Act</td> <td style="text-align: center;">Section 143(1)(a), Income Tax Act</td> <td style="text-align: center;">Assessing Officer</td> <td style="text-align: center;">AY 2019-2020</td> <td style="text-align: center;">Not made available to us</td> </tr> </tbody> </table> <p>(c) According to the information and explanations given to us, there are no dues of sales tax, value added tax etc, which have not been deposited on account of any dispute.</p>	Name of Statute	Nature of Dispute/ Statutory Due	Forum where Dispute is Pending	Period to which the Amount relates	Disputed Amount	Income Tax Act	Section 143(3), Income Tax Act	Assessing Officer	AY 2009-2010	Rs. 11,52,06,808/-	Income Tax Act	Section 270(A), Income Tax Act	Assessing Officer	AY 2017-2018	Not made available to us	Income Tax Act	Section 270(A), Income Tax Act	Assessing Officer	AY 2018-2019	Not made available to us	Income Tax Act	Section 143(1)(a), Income Tax Act	Assessing Officer	AY 2019-2020	Not made available to us	<p>All the mentioned E-Proceedings shall be taken up for settlement by AEGCL &amp; will be resolved at the earliest.</p> <p>No Comments.</p>
Name of Statute	Nature of Dispute/ Statutory Due	Forum where Dispute is Pending	Period to which the Amount relates	Disputed Amount																							
Income Tax Act	Section 143(3), Income Tax Act	Assessing Officer	AY 2009-2010	Rs. 11,52,06,808/-																							
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<b>Sl. No.</b>	<b>STATUTORY AUDITOR'S OBSERVATION</b>	<b>MANAGEMENT'S REPLY</b>
viii.	In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debentures or bonds holders during the year except for the loan availed from State Government and ADB in respect of which no Interest or Principal has been paid (Ref. Note -8.1);	The company has been suffering from a loss. The accumulated loss of AEGCL as on 31.03.2021 stood at Rs. 418.60 Crore. Due to shortage of fund AEGCL is unable to repay the loan and interest on loan.
ix.	Based upon the Audit Procedures performed and the information and explanation given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt Instruments. Therefore, the provisions of this clause are not applicable to the company.	No Comments.
x.	Based upon the audit procedures performed and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.	No Comments.
xi.	As per the Notification dated 05.06.2015 issued by Ministry of corporate Affairs, the provisions of section 197 relating to managerial remuneration shall not apply to a Government company.	No Comments.
xii.	In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause of the order are not applicable to the Company and hence not commented upon.	No Comments.
xiii.	According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.	No Comments.

SI. NO.	STATUTORY AUDITOR'S OBSERVATION	MANAGEMENT'S REPLY
xiv.	According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and are not commented upon.	No Comments.
xv.	Based upon the audit procedures performed and the information and explanations provided by the management, the company has not entered into any non-cash transactions with directors or persons connected to him and therefore, provisions of clause 3(w) of the order are not applicable to the Company'.	No Comments.
xvi.	On the basis of information and explanations provided to us, the Company is not required to be registered with under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company and hence not commented upon.	No Comments.

Sd/-  
Deputy General Manager (F&A),  
**AEGCL**



**AEGCL**

# **ANNEXURES - TO THE REPLY OF THE MANAGEMENT TO STATUTORY AUDITOR'S REPORT**



**ANNEXURE - I**



**ASSAM ELECTRICITY REGULATORY COMMISSION  
(AERC)**

**TARIFF ORDER**

March 01, 2019

**True-Up for FY 2017-18, APR for FY 2018-19, ARR  
for the Control Period from FY 2019-20 to FY 2021-  
22 and Tariff for FY 2019-20 for AEGCL**

**and**

**ARR for the Control Period from FY 2019-20 to FY  
2021-22 and Tariff for FY 2019-20 for SLDC**

**Assam Electricity Grid Corporation Limited  
(AEGCL)**

**Directive 2 – Energy Audit and Implementation of SAMAST**

The Commission directs AEGCL to carry out the Energy Audit during FY 2019-20 and submit the report based on the metered energy at different interconnection points, including the status of metering, functional meters, etc. This Report, with details of Transmission Losses, should be submitted along with the next Tariff Petition. AEGCL is directed to earnestly pursue the implementation of SAMAST.

**Directive 3 - Employee's Provident Fund**

The Commission directs AEGCL to complete the formalities of forming the Trust for Employee's Provident Fund as early as possible.

**Directive 4 – Submission of Updated Fixed Assets Register**

The Fixed Asset Register should be prepared and updated every year by AEGCL, duly certified by Chartered Accountant. AEGCL is directed to maintain Fixed Asset Register at their end and submit to the Commission as and when asked for during tariff proceedings.

**Directive 5 – Capitalisation of Completed Projects**

It is observed by the Commission that AEGCL is not capitalizing the expenses on account of new projects even after many years of completion. AEGCL is directed to take measures for capitalisation of the expenses soon after projects are completed.

**Directive 6 – Ongoing projects**

It is observed that, there are number of ongoing Projects, which are continuing for more than four to five years. The Commission directs AEGCL to complete the Ongoing Projects as per schedule. Efforts and funds should be channelized towards completion of the ongoing projects on priority.

**Directive 7 - Segregation & Strengthening of SLDC**

The Commission directs AEGCL to expedite the process of Segregation & Strengthening of SLDC. The new recruitments planned for the MYT period should be carried out as per plan.

**ANNEXURE - II****GOVERNMENT OF ASSAM  
POWER (ELECT.) MINES & MINERALS DEPARTMENT**

No. PEL. 133/2003/Pt/463.

Date: 03-03-2009.

To

The Member (Finance)  
Assam State Electricity Board,  
Bijulee Bhawan, Guwahati - 781001

Sub: Treatment of Government Grant in the hands of ASEB and its successor  
Companies.

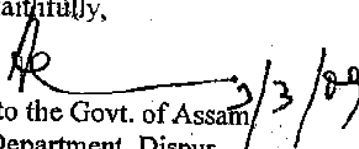
Ref: Your letter No. ASEB/ACT/FIN/87/Pt-VI/35 dated 12/11/2008

Sir,

With reference to your letter dated 12/11/2008 regarding treatment of Government Grant released to ASEB and its successor Companies it is clarified as under:

ASEB, a statutory body corporate constituted under the Electricity (Supply) Act, 1948 and restructured under the provision of Electricity Act, 2003 into five successor Companies (AEGCL, APGCL, LAEDCL, CAEDCL AND UAEDCL) and residual ASEB is fully owned by the Government of Assam. As such, grants & subsidies towards creation of capital assets paid by the Government of Assam to ASEB and its successor Companies should be treated as promoter's contribution. Conversion of said grants and subsidies into Equity is on process and will be intimated in due course.

Yours faithfully,

  
Principal Secretary to the Govt. of Assam  
Power (Elect.) Department, Dispur,  
Guwahati - 781006



**AEGCL**

## ANNEXURE - III

No. AEGCL/HQ/ACCTTS/08-09/Misc. Part V(A)/6

Dated 06-09-2021

To,

The Joint Secretary,  
To the Government of Assam,  
Power (Electricity) Department,  
Dispur, Guwahati – 06.

Sub: Regarding Conversion of Govt. Loan and Grant as on 31<sup>st</sup> March, 2021 to Equity.

Ref: Directive from Hon'ble Chief Minister on 06.06.21, 14.06.21 & 01.08.21.

Sir,

With reference to the subject cited above, I have the honour to submit herewith the amended Cabinet Memorandum for conversion of Government Loan (Rs. 63,841 Lakh) and Govt. Grant (Rs. 1, 95,505 Lakh) as on 31<sup>st</sup> March, 2021 as per Board approved Annual Accounts of AEGCL to equity and waiver of the outstanding Interest on Loans (Rs. 64,210 Lakh) thereon in adherence to your directives.

In context to the above, it is to inform you that the proposed conversion of the Govt. Loan and Grant (Rs. 2, 59,346 Lakh) would also require necessary enhancement of the Authorised Share Capital of AEGCL to Rs. 3,00,000 Lakh (3,000 Lakh shares of Rs. 100 each) from the present Authorised Share Capital of Rs. 10,000 Lakh (100 lakh shares of Rs. 100 each).

This is for your kind perusal and needful action.

Thanking you.

Enclosed as above.

Your's faithfully,

Managing Director,  
AEGCL, Bijulee Bhawan  
Paltanbazar, Guwahati – 01.

Memo No: AEGCL AEGCL/HQ/ACCTTS/08-09/Misc. Part V(A)/6(a) Dated – 06-09-2021.

Copy to :

1. Office Copy.

8/11/21

Managing Director  
AEGCL, Bijulee Bhawan  
Paltanbazar, Guwahati - 01

**ANNEXURE - IV**

**MINUTES OF MEETING OF THE COMMITTEE FOR ASSESSMENT OF RENT OF BIJULEE BHAWAN HELD ON 29.10.11**

The Committee for Assessment of Rent of Bijulee Bhawan constituted vide Order No. AEGCL/MD/Maint/7/11 dtd. 14/9/11 held preliminary discussion on 13.10.2011 and 17.10.2011. After discussion of various points on the matter, it has been decided to workout the rent in 2(two) methods as follows:-

1. On actual expenditure basis.
2. On the basis of UARC Act, 1973 without considering the Land Value but including some expenditure to be incurred in next 3 years. This has been done because the rent is fixed not to make any profit but only to meet up the regular maintenance and development works of Bijulee Bhawan.

Details of the calculation and monthly rent to be paid by each Company have been attached herewith. Considering the approximate area of occupation by each Company, rent has been worked out as follows:-

APDCL	60%
APGCL	20%
AEGCL	20%

Further, it has also been resolved that in case of staff cost for common utilities borne by APDCL and APGCL if any, is to be adjusted from the monthly rent.

*PAO-  
(B. Boro.)  
DAM (P.L.A.)  
APREL*

*[Signature]*  
29/10/11  
General Manager (HR)  
General Manager (HR) -1  
O/o the M.D., AEGCL  
Bijulee Bhawan, Paltanbazar, Ghy-1

*[Signature]*  
29/10/11  
Narendra Kumar  
Asst. (P.M.)

*[Signature]*  
29.10.11  
AGM, GUD. AEGCL

**ANNEXURE - V**

<b>Table 4 (Part of Independent Auditors Report)</b>				<b>Reply from Management</b>
<b>Details of mandatory ROC forms</b>				
<b>Sl No</b>	<b>Form</b>	<b>Particulars</b>	<b>Remarks of the Statutory Auditors</b>	
1	MGT-14	Approval of Accounts for the	Not filed  For the FY 2020-21 not filed	Form MGT-14 Filed on 16/09/2021  Form ADT-1 filed on 16/09/2021
2	ADT-1	Appointment of Auditors	For the FY 2019-20 filed on 14.11.2019 with additional fee of ₹ 3600/-	Auditor was appointed by the C&AG vide their letter dated 02/08/2019 but the appointment letter to the Auditor was issued on 13/11/2019 and the Form ADT-1 was filed on next day i.e. 14/11/2019.
3	CRA-2	Appointment of Cost Auditors	For the FY 2020-21 not filed	Form CRA-2 filed on 16/09/2021
4	MGT-7	Annual Return FY 2019-2020	Filed on 29 .04.2021. with Additional Fees of Rs.6000	AGM for the FY:2019-2020 was held on 30/12/2020. Due to the raise in COVID-19, there was delay in filing of Form MGT-7
5	MSME-1	Outstanding payments of MSME(Half yearly) 30/09/2019, 31/03/2020,30/09/2020 and 31/03/2021	Not filed	Not Applicable
6	AOC-4 XBRL  AOC-4 CFS XBRL	AOC-4 XBRL for the FY :2019-2020	Filed on 05.08.2021	Company being a Government Company, the Balance Sheet was not adopted in the Annual General Meeting of the Company held on 30/12/2020 because of the non receipt of the C&AG Report and as a result of which the AGM was adjourned and adopted in the Adjourned AGM held on 07/07/2021 ; subsequent to which filing was undertaken.

# **Annual Accounts 2020-21**



**ASSAM ELECTRICITY GRID CORPORATION LIMITED.**

**CIN: U40101AS2003GC007238**

**(A Public Sector Undertaking)**

**[Registered Office: Bijulee Bhawan, Paltan Bazar, Guwahati - 781001]**

**AEGCL****BALANCE SHEET AS AT 31ST MARCH, 2021**

(₹ Lakh)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b><u>I. EQUITY &amp; LIABILITIES</u></b>			
<b>(A) Shareholder's Funds</b>			
(a) Share Capital	1	9,993	9,993
(b) Reserves and Surplus	2	1,68,386	1,61,676
<b>(B) Share Application Money (Pending Allotment)</b>			
	3	-	-
<b>(C) Non Current Liabilities</b>			
(a) Long Term Borrowings	4	28,492	67,520
(b) Long Term Provisions	5	303	1,163
<b>(D) Current Liabilities</b>			
(a) Short Term Borrowings	6	-	-
(b) Trade Payables	7	19,141	19,012
(c) Other Current Liabilities	8	1,33,215	87,869
(d) Short Term Provisions	9	2,489	5,869
<b>Total ::</b>		<b>3,62,019</b>	<b>3,53,102</b>
<b><u>II. ASSETS</u></b>			
<b>(A) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	1,18,666	1,14,008
(ii) Capital Work-In-Progress	10	80,332	86,908
(b) Non Current Investment	11	5,348	5,348
(c) Other Non Current Assets	12	27	35
<b>(B) Current Assets</b>			
(a) Current Investment	13	-	-
(b) Inventories	14	1,449	1,867
(c) Trade Receivable	15	14,761	13,188
(d) Cash & Cash Equivalents	16	1,00,244	91,493
(e) Short Term Loans & Advances	17	2,844	2,819
(f) Other Current Assets	18	38,348	37,436
<b>Total ::</b>		<b>3,62,019</b>	<b>3,53,102</b>
<b>Significant Accounting Policies</b>	I		

The accompanying notes form an integral part of these financial statements.

In terms of our separate report of even date

For and on behalf of the Board

FOR R.M. KOTHARI & CO  
Chartered Accountants

Sd/-  
**(D.J. Hazarika)**  
Managing Director

Sd/-  
**(M.Konwar)**  
Independent Director

Sd/-  
(Prateek Kothari)::PARTNER  
MRN.413362

Sd/-  
**(P.K. Barman)**  
CGM (F&A) (i/c)

Sd/-  
**(D. Barua)**  
Company Secretary

Place : Guwahati  
Date : 13-09-2021



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ Lakh)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
<b><u>I. INCOME</u></b>			
(a) Revenue From Operations	19	38,775	27,260
(b) Other Income	20	6,424	7,034
<b>Total Revenue ::</b>		<b>45,199</b>	<b>34,294</b>
<b><u>II. EXPENDITURE</u></b>			
(a) Employee Benefits Expense	21	14,499	15,728
(b) Finance Costs	22	7,289	5,754
(c) Depreciation and Amortization Expenses	23	11,550	10,153
(d) Other Expenses	24	14,123	20,819
<b>Total Expenses ::</b>		<b>47,461</b>	<b>52,454</b>
<b>Profit (Loss) Before Tax (I-II)</b>		<b>(2,262)</b>	<b>(18,160)</b>
<b><u>III. TAX EXPENSES</u></b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>Profit (Loss) for the period</b>		<b>(2,262)</b>	<b>(18,160)</b>
<b><u>IV. Earnings per share :</u></b>			
(a) Basic (In ₹)	25	(23)	(182)
(b) Diluted		-	-
<b>Significant Accounting Policies</b>	I		

In terms of our separate report of even date

 FOR R.M. KOTHARI & CO  
Chartered Accountants

 Sd/-  
(Prateek Kothari)::PARTNER  
MRN.413362

 Place : Guwahati  
Date : 13-09-2021

For and on behalf of the Board

Sd/- <b>(D.J. Hazarika)</b> Managing Director	Sd/- <b>(M.Konwar)</b> Independent Director
---	---

Sd/- <b>(P.K. Barman)</b> CGM (F&A) (i/c)	Sd/- <b>(D. Barua)</b> Company Secretary
---	--

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ Lakh)

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit (loss) before Tax	(2,262)	(18,160)
	Excess provision for MAT/Income Tax in Prior Periods	-	1,804
	Add :-		
	Misc. Expenditure written off	8	(29)
	Depreciation including adjustment	12,302	10,505
	Other income	(6,424)	(7,034)
	Interest & Finance Charges	7,289	5,754
	Provision for Income Tax	-	-
	<b>Operating Profit (loss) before Working Capital changes</b>	<b>10,914</b>	<b>(7,160)</b>
	Adjusted for :		
	Changes in Inventories	418	315
	Changes in Sundry Debtors	(1,573)	15,875
	Changes in Other Current Assets	(911)	(3,909)
	Changes in Loans and Advances	(25)	(5)
	Changes in Other Current Liabilities	45,346	6,230
	Changes in Short Term Provisions	(3,380)	(1,704)
	Changes in Trade Payable	130	(3,736)
	Changes in Short Term Borrowings	-	-
	Changes in Long Term Provisions	(859)	(952)
	Other income from PGCIL, sale of Fixed Assets, etc.	1,592	1,614
	Operating Profit (loss) after Working Capital changes	51,652	6,568
	<b>Net Cash Flow from Operating Activities</b>	<b>51,652</b>	<b>6,568</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>		
	Changes in Fixed Assets	(16,963)	(42,058)
	Changes in CWIP	6,576	20,902
	Changes in Investments	-	-
	Other income from FD with Banks, Interest from Banks, etc.	4,832	5,419
	<b>Net Cash Flow from Investing Activities</b>	<b>(5,555)</b>	<b>(15,737)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Changes in Share Capital	-	-
	Changes in Secured Loan	-	-
	Changes in Unsecured Loan	(38,127)	3,101
	Changes in GoA Grant	4,812	1,250
	Changes in ADB Grant	-	-
	Changes in Grant from Central Government	2,633	2,440
	Changes in Customer's Contribution towards cost of capital assets	330	-
	Changes in GPF	(901)	(882)
	Changes in Other Reserves	1,196	1,483
	Interest and Other Charges	(7,289)	(5,754)
	<b>Net Cash Flow from Financing Activities</b>	<b>(37,346)</b>	<b>1,638</b>
	<b>Net Changes in Cash and Cash Equivalents (A+B+C)</b>	<b>8,751</b>	<b>(7,531)</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>91,493</b>	<b>99,024</b>
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,00,244</b>	<b>91,493</b>

In terms of our separate report of even date

FOR R.M. KOTHARI & CO  
Chartered AccountantsSd/-  
(Prateek Kothari)::PARTNER  
MRN.413362

For and on behalf of the Board

Sd/-  
**(D.J. Hazarika)**  
Managing DirectorSd/-  
**(M.Konwar)**  
Independent DirectorSd/-  
**(P.K. Barman)**  
CGM (F&A) (i/c)Sd/-  
**(D. Barua)**  
Company SecretaryPlace : Guwahati  
Date : 13-09-2021

**ASSAM ELECTRICITY GRID CORPORATION LTD.****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****I. SIGNIFICANT ACCOUNTING POLICIES: -****1. Basis of Preparation and accounting:**

These financial statements are prepared in accordance with applicable accounting standards in India and the relevant presentational requirements of the Companies Act, 2013. The Financial Statements have also been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting except otherwise stated, in conformity with the Generally Accepted Accounting Principles ("GAAP").

The operations of the Corporation are governed by the provisions of the Electricity Act, 2003 and various regulations and policies framed there under by the appropriate authorities. Accordingly, the Financial Statements have been prepared in terms thereof.

Accounting policies approved by the Board of the Corporation have been followed while preparing the Annual Accounts under AS-1 related to Disclosure of Accounting Policies.

**2. Inventories:**

Inventories of stores and spares as at the end of the year are valued at cost.

**3. Fixed Assets:**

Classifications of Fixed Assets are as per Transfer Scheme. Addition of assets has been booked under their natural head of classification. Capitalizations of assets are done on completion /commission of the asset. Block Registers showing categories of Assets, the amount of depreciation charged/ withdrawn, year wise in respect of the assets are maintained at Head Office. The Fixed Asset Register showing particulars including quantitative details and situation of fixed assets as on 31.03.2021 has already been prepared. The Fixed Assets are stated at actual cost less accumulated depreciation.

**4. Classification of Assets and Liabilities:**

All assets & liabilities of the corporation are segregated into current & non-current based on the principles and definitions set out in the Schedule III of the Companies Act, 2013 as amended.

**5. Capital work-in-progress:**

All expenses incurred for acquiring, erecting and commissioning of fixed assets and incidental expenditure incurred during construction of the projects are shown under capital work-in-progress and are allocated to the fixed assets on the completion of the projects.

**6. Depreciation/Amortization:**

Depreciation is provided as per Schedule II of the Companies Act 2013. Part 'B' of this schedule states that " The useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule". As such depreciation has been provided at the rates specified in Appendix-I to Assam Electricity Regulatory Commission (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2015 on Straight Line Method subject to a maximum of 90% of the original cost of the asset. Rates of depreciation are shown in the following table.

<b><u>Assets</u></b>	<b><u>Depreciation Rate</u></b>
Land Owned under full title	0.00%
Land held under lease	3.34%
APDRP Land	0.00%
Building containing transmission installations	3.34%
Office Building	3.34%
Temporary erections such as wooden structures	100.00%
APDRP building	3.34%
Other Buildings	3.34%
Cooling Water System	5.28%
Cooling Tower & Circulating Water System	5.28%
Sweet water arrangement including reservoirs, etc.	5.28%
Plant and Pipeline for water supply in residential colony	5.28%
Drainage & sweage residential colony	5.28%
Other Roads	3.34%
APDRP Other Civil Works	3.34%
Miscellaneous Civil Works	3.34%
Transformers	5.28%
Other plant & equipment	5.28%
Material handling equipment-earth movers, bulldozers	5.28%
Material handling equipment-cement mixers	5.28%
Material handling equipment-cranes	5.28%
Material handling equipment-others	5.28%
Switch-gear including cable connections	5.28%

Batteries including charging equipments	5.28%
Fabrication shop/work-shop Plant & Equipment	5.28%
Lightning Arrestors (Pole Type)	5.28%
Lightning Arrestors (Station Type)	5.28%
Communication Equipment-Radio & High Frequency carrier system	6.33%
Communication Equipment-Telephone Lines & Telephones	6.33%
Static machine tools & equipments	5.28%
Air Conditioning plant static	5.28%
Air Conditioning plant portable	9.50%
Meter testing laboratory tools & equipment	5.28%
Equipment in hospital/clinics	5.28%
Tools & Tackles	5.28%
Show-room equipment	5.28%
Other miscellaneous equipment	5.28%
Over-head lines(towers, poles, fixtures, overhead conductors & devices) - lines on fabricated steel supports operating at nominal voltages higher than 66KV	5.28%
Over-head lines(towers, poles, fixtures, overhead conductors & devices) - lines on fabricated steel supports operating at nominal voltages from 13.2 KV to 66 KV	5.28%
Over-head lines(towers, poles, fixtures, overhead conductors & devices) - lines on reinforced concrete supports/steel supports-11 KV and above	5.28%
Over-head lines(towers, poles, fixtures, overhead conductors & devices) - lines on treated wood supports	5.28%
Up gradation transmission & distribution network( 33 to 66)	5.28%
Underground cables including joint boxes & disconnecting boxes-11KV	5.28%
Underground cables-cable duct systems	5.28%
Metering equipment	5.28%
Miscellaneous Equipments	5.28%
Trucks	9.50%
Jeeps. Trekkers & Motor Cars	9.50%
Other Vehicles	9.50%
Furniture & Fixtures	6.33%
Electrical wiring, Light & Fan Installations	6.33%
Others	6.33%
Calculators	6.33%
Typewriters	6.33%
Cash Registers in Cash Offices	6.33%
Refrigerators & water coolers	6.33%
Telephone & EPABX	6.33%
Computers	15.00%
Other Office Equipment	6.33%



The Depreciation on addition of assets during the year has been calculated day wise. AS-6 related to Depreciation Accounting has been followed while calculating the depreciation.

## **7. Revenue Recognition:**

Wheeling Charges of electric energy is accounted on the basis of rates approved by the Hon'ble AERC i.e., Annual Fixed Charge of ₹ 387.49 Crore including SLDC Charge of ₹ 9.68 Crore for FY 2020-21 vide Tariff Order dated 07.03.2020 and Review Tariff Order dated 27.07.2020. As per the said Tariff Orders, the above Wheeling Charge includes the following.

- (a) Net ARR for Transmission for FY 2020-21 vide Review Tariff Order dated 27.07.2020 - ₹ 377.81 Crore.
- (b) SLDC Charges for FY 2020-21 vide Tariff Order dated 07.03.2020 - ₹ 9.68 Crore.

AEGCL had made adjustment of cumulative Revenue Surplus along with the holding cost amounting to Rs. 3.01 Crore approved by the Hon'ble AERC after Truing up for FY 2018-19, vide Review Tariff Order dated 27.07.2020, to the monthly bills raised to APDCL during the FY 2020-21.

Out of total wheeling charges ₹ 145.72 Crore relates to BST Charge against liability towards Pension Trust. But the actual BST Charge computed on the basis of actual energy sent out to APDCL works out to Rs. 136.90 Crore, which results in surplus of Wheeling Charge by Rs. 8.82 Crore. This surplus amount has been adjusted with the approved Wheeling Charge. After considering the above adjustments Revenue from Wheeling charges to APDCL stood at Rs. 375.66 Crore for the FY 2020-21. AS-9 related to Revenue Recognition has been complied.

## **8. Employee Benefits:**

Pursuant to the Transfer Scheme, the Government of Assam (GoA) vide its Notification No.PEL.190/2004/69 dated 4th February, 2005 notified a plan for meeting out the terminal benefit obligations of personnel so transferred from ASEB to successor entities. As per Clause 1.5 of the said notification, "Terminal Benefit" means the ASEB's employee related liabilities including payment of pension, gratuity, leave encashment and General Provident Fund and any other retirement benefits and other applicable benefits including right to appropriate revisions in the above benefits consistent with the practice that were prevalent in ASEB. Accounting for Retirement Benefits in the Financial Statements of Employers-Provision for Pension, Gratuity and Leave Salary Encashment have been provided as per actuarial valuation under AS-15.

- (a) Funding for past-unfunded terminal liabilities shall be on the basis of actuarial valuation done as at 9th December 2004 and 4th May 2019. In respect of cash

outflows towards past-unfunded liabilities of existing employees, existing pensioners and existing family pensioners, funding pattern will be guided by the aforesaid Government notification.

**(b) Funding for future services-Terminal Benefits:**

The Corporation makes a provision for terminal benefits liability for future service of its permanent employees joining in the service before 01.01.2004 @ 33.50% of Basic Pay plus Dearness Allowance as per AERC and in the line with the GoA's Notification mentioned above and Board's approval of Item No. 9 dated 22.01.2021.

**(c) Leave Encashment benefit (LEB) of employees:**

Leave encashment benefits of the old employees are accounted for on cash basis and the claim for recovery of the appropriate share of such amount, i.e., share of past liability relating to period prior to 01.04.2005 is forwarded to the pension trust authorities as per GoA's Notification mentioned here-in-above.

**(d) GPF deductions/payments of employees:**

Payment on account of GPF (Final Withdrawal and Non-refundable advance) to the existing employees is being made from the GPF Account of the Corporation. Claim for recovery of appropriate share of such fund, i.e., share of past-unfunded liability is also forwarded to the Pension Trust authorities as per GoA Notification mentioned here in above.

Provision for interest payable on GPF is made @ 7.10 % per annum on the opening balance and the average subscription of the employees during the year.

**(e) Terminal benefit for new employees (appointed on or after 1.1.2004):**

New pension Scheme is being implemented for the new employees of the Corporation as per Government of India Notification No.5/7/2003-ECB & PR dated 22.12.2003.

**9. Accounting for Government Grants:**

Government grants (both GoA and GoI) have been accounted as capital receipts and taken to Capital Reserves.

**10. Segment Reporting:**

As the Corporation deals in single product and operates under the same economic environment and is not subject to different risk and return, segment reporting as per AS-17 is not required to be disclosed.

**11. Investments:**

Investment consists of Fixed Deposits with Banks. Investments are valued at cost.

**12. Taxes on Income:**

Current tax will be provided for on the taxable profits of the year at the applicable tax rates.

**13. Preliminary Expenses:**

Preliminary expenses are written off over a period of five years in equal installments from the year of commencement of operations.

**14. General Provident Fund:**

GPF liability is payable to an employee only after completion of 25 years of qualifying services. Accumulation of GPF is utilized as internal resources by the Corporation. As such GPF has been shown as unsecured loan.

**15. Prior Period Items:**

Accounting of Prior period items have been done as per AS-5. Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.

**16. AS-30** related to financial instruments: recognition and measurement is not applicable to the Corporation.**17. BST Charge:**

BST charge payable to Pension Trust has been calculated @15 paisa per unit on the actual energy injected to APDCL.

**18.** As per the Ministry of Corporate Affairs (MCA) notification no. G.S.R.111 (E) dated 16.02.2015, unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore, shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 01.04.2017 [para4 (iii) (b)]. As per para 2(f) of the said notification, 'net worth' shall have the meaning assigned to it in clause (57) of Section 2 of the Companies Act, 2013.

As per section 2(57) of the Companies Act, 2013, 'net worth' has been defined as "Aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation".

Thus, 'net worth' may be calculated using the following formula.

Net worth= (Paid-up Share Capital) + (All Reserves created out of profits of the company)- (Accumulated loss).



In this context it may be mentioned that in the books of accounts of AEGCL, "Reserves and Surplus" includes "Capital Reserves". These "Capital Reserves" are created out of Grant funds given by GoA, ADB and GoI to AEGCL for creation of Fixed Assets of the corporation. Hence, as per the definition of 'net worth', these "Capital Reserves" should be excluded from "Reserves and Surplus" in computation of net worth, because these reserves are not created out of profits of the corporation.

Moreover, these "Capital Reserves" could not be shown under "Paid-up Share Capital", because no Gazette notification from Govt. to covert Grants into Equity is available, without which AEGCL could not raise its' "Paid-up Share Capital".

As per the definition and in view of above explanations, 'net worth' of AEGCL from the FY 2015-16 to FY 2020-21 have been calculated as shown in the following table.

(Rs. In Crore)

Particulars	As on	As on	As on	As on	As on	As on
	31.03.2021 (Provisional)	31.03.2020 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
Paid-up Share Capital	99.93	99.93	99.93	99.93	99.93	99.93
Add: Reserves and Surplus (before adjustment of Accumulated Loss)	2102.46	2012.74	1961.00	1848.90	1768.40	1622.35
Less: Capital Reserves	1958.35	1880.59	1843.69	1748.19	1681.99	1550.39
Less: Accumulated Loss	418.60	395.98	232.42	464.04	821.42	442.20
Net-worth	(174.56)	(163.90)	(15.18)	(263.40)	(635.08)	(270.31)

It is seen from the above table that 'net worth' of AEGCL for the FY 2020-21 does not exceed ₹ 250 Crore. Thus as per the above mentioned notification of MCA, 'Ind AS' is not applicable to AEGCL for the FY 2020-21.

- 19.** As per the Directive 3 (Segregation & Strengthening of SLDC) of the Tariff Order dated 07.03.2020 issued by the Assam Electricity Regulatory Commission (AERC), the income/expense pertaining to SLDC included in the "STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021" is shown in the following table.



**STATEMENT OF INCOME & EXPENSE ACCOUNT OF SLDC FOR THE YEAR ENDED  
31ST MARCH, 2021**

(₹ Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b><u>I. INCOME</u></b>		
(a) Revenue From Operations	968	385
(b) Other Income	12	44
<b>Total Revenue ::</b>	<b>980</b>	<b>429</b>
<b><u>II. EXPENDITURE</u></b>		
(a) Employee Benefits Expense	430	468
(b) Repair & Maintenance Expenses	59	54
(c) Administration & General Expenses	42	55
(d) Finance Costs	-	-
(e) Depreciation and Amortization Expenses	29	27
(f) Net Prior Period Charges/(Credits)	-	3
<b>Total Expenses ::</b>	<b>560</b>	<b>607</b>
<b>Profit (Loss) Before Tax (I-II)</b>	<b>420</b>	<b>(178)</b>
<b><u>III. TAX EXPENSES</u></b>		
(a) Current Tax	-	-
(b) Deferred Tax	-	-
<b>Profit (Loss) for the period</b>	<b>420</b>	<b>(178)</b>

**II. NOTES ON ACCOUNTS**

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated. The operations of the Corporation are governed by the provisions of the Electricity Act, 2003 and various regulations and policies framed there under by the appropriate authorities. The financial statements for the year ended 31st March 2021 are prepared as per Companies Act 2013. The previous year figures have also been reclassified/ regrouped/ rearranged wherever necessary.

## 1. SHARE CAPITAL

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Authorised Shares Capital</b>		
10000000 equity share of 100 each	10,000	10,000
<b>Issued, Subscribed and paid up</b>		
(i) 9993194 equity share of ₹100/- each fully paid up	9,993	9,993
(Previous year 9993194 equity share of ₹100/- each fully paid up)		
<b>Total</b>	<b>9,993</b>	<b>9,993</b>

1.1 9993194 (previous year 9993194) shares out of the issued, subscribed and paid up Shares Capital were allotted as fully paid up pursuant to transfer scheme without payment being received in cash.

1.2 The details of shareholders

Name of the Shareholder	As at 31-03-2021		As at 31-03-2020	
	No	% Held	No	% Held
Government of Assam (G.O.A.)	99,93,194	100	99,93,194	100

1.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31-03-2021	As at 31-03-2020
Equity shares at the beginning of the year	99,93,194	99,93,194
Add : Shares Issued during the year	-	-
Equity shares at the end of the year	99,93,194	99,93,194

## 2. RESERVES AND SURPLUS

(₹ Lakh)

Particulars	As at 31-03- 2021	As at 31-03- 2020
<b>Capital Reserves</b>	1,95,835	1,88,059
<b>Other Reserve</b>	14,411	13,215
<b>Profit &amp; Loss Account :</b>		
Profit (Loss) as per Last Balance Sheet	(39,598)	(23,242)
Profit (Loss) for the Year	(2,262)	(18,160)
Add: Excess provision for MAT/Income Tax in Prior Periods	-	1,804
	(41,860)	(39,598)
<b>Total</b>	<b>1,68,386</b>	<b>1,61,676</b>



	<u>As at 31-03-2021</u>	<u>As at 31-03-2020</u>
2.1 Capital Reserve Includes :-		(₹ Lakh)
(a) Grant From GoA	75,162	70,350
(b) Grant From ADB	96,686	96,686
(c) Grant From Central Government	23,656	21,023
(d) Customer's contribution towards cost of capital assets	330	-

## 2.2 Other Reserve Includes :-

Claim for recovery of appropriate share (77.93 %) of GPF as past unfunded liabilities receivable from Pension Trust as per GoA notification No. PEL. 190/2004/69 dated 04-02-05.

**3. SHARE APPLICATION MONEY PENDING ALLOTMENT**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Part of Share Capital of Assam State Electricity Board apportioned to the company vide transfer scheme as per notification of the Government of Assam dated 16-08-2005 which is pending allotment	-	-
<b>Total</b>	-	-

**4. LONG TERM BORROWINGS**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>SECURED :</b>		
	-	-
<b>Sub-Total</b>	-	-
<b>UNSECURED :</b>		
Loans from ADB	6,049	9,568
State Govt. Loan	18,926	53,534
General Provident Fund	3,517	4,418
<b>Sub-Total</b>	<b>28,492</b>	<b>67,520</b>
<b>Total</b>	<b>28,492</b>	<b>67,520</b>

4.1 Loans from ADB as at 31.03.2021 include principal amount of loan which is not due for Repayment.

4.2 State Govt. Loan as at 31.03.2021 includes principal amount of loan which is not due for Repayment.

**5. LONG TERM PROVISION**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Provision For Employee Benefits :</b>		
Liability towards Pension Trust	303	1,163
<b>Others :</b>		
Provision for doubtful loans and advances	-	-
<b>Total</b>	<b>303</b>	<b>1,163</b>

5.1 Liability towards Pension Trust includes 33.50% of Pay plus DA of the permanent employees of AEGCL (excluding those who joined services on or after 01.01.04) for the FY 2020-21 for terminal benefits liability for future service as per AERC and GoA's notification No.PEL.190/2004/69 dated 04.02.2005 and Board's approval of Item No. 9 dated 22.01.2021.

5.2 Liability towards Pension Trust includes BST charge payable to Pension Trust computed @ Rs.0.15 per unit on the actual energy injected to APDCL during FY 2020-21.

**6. SHORT TERM BORROWINGS**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>SECURED :</b>		
Bank Overdraft Account	-	-
<b>UNSECURED :</b>		
<b>Total</b>	<b>-</b>	<b>-</b>

**7. TRADE PAYABLE**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Micro, Small And Medium Enterprises</b>		
<b>Others</b>		
Wheeling Charges Payable to PGCIL	2,244	2,115
Liability Towards APDCL	16,897	16,897
<b>Total</b>	<b>19,141</b>	<b>19,012</b>

**8. OTHER CURRENT LIABILITIES**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Repayment due on Secured Loan :</b>		
	-	-
<b>Sub-Total</b>	-	-
<b>Repayment due on Unsecured Loan :</b>		
Repayment due on ADB Loan	3,519	-
Repayment due on State Govt. Loan	35,347	-
<b>Sub-Total</b>	<b>38,866</b>	-
<b>Interest accrued and due :</b>		
Interest accrued and due	64,210	55,820
<b>Sub-Total</b>	<b>64,210</b>	<b>55,820</b>
<b>Other Payables :</b>		
Liabilities for Capital supplies/works	2,586	5,046
Liabilities for O&M supplies/works	2,618	2,387
Unpaid salaries, wages, bonus, etc	6	6
Salaries, wages, bonus, etc., payable	2,327	2,527
Staff deduction and recovery payable	484	508
Deposits and retention from suppliers and contractors	7,222	8,254
Other Liabilities	14,863	13,288
Advance from APGCL	33	33
Advance For Terminal Benefits	-	-
<b>Sub-Total</b>	<b>30,139</b>	<b>32,049</b>
<b>Total</b>	<b>1,33,215</b>	<b>87,869</b>

(₹ Lakh)

<b>8.1 Repayment due on Unsecured Loan includes :</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
(i) Principal amount of ADB Loan became due for repayment	3,519	-
(ii) Principal amount of State Govt. Loan became due for repayment	35,347	-
<b>8.2 Interest accrued and due includes :</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
(i) Interest accrued and due on SG Loan (ADB)	9,111	8,106
(ii) Interest accrued and due on State Govt. Loan	55,099	47,714
(iii) Interest accrued and due on borrowings for Working Capital	-	-

**9. SHORT TERM PROVISION**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Provision For Employee Benefits</b>		
Staff related provision	2,015	1,635
<b>Others</b>		
Provision for Liability for Expenses	474	4,234
Minimum Alternate Tax	-	-
Provision for Income Tax	-	-
<b>Total</b>	<b>2,489</b>	<b>5,869</b>

9.1 Staff related provision includes provision for bonus of ₹ 27, 00,000 /-. Provision for bonus has been made on the basis of expenditure of the previous year.

9.2 A provision for anticipated arrear due to Revision of Pay amounting to Rs. 38,91,28,463/- was made in the Annual Accounts of AEGCL for the FY 2008-09 under the head "Provision for Liability for Expenses". On scrutiny of the Annual Accounts of AEGCL from the FY 2008-09 to FY 2019-20 it has been noticed that only an amount of Rs. 3,17,63,598/- was reversed and adjusted against this provision during the FY 2011-12 after the payment being made and the balance amount remained unadjusted. The balance amount of Rs. 35, 73, 64,865/- has been reversed and adjusted against the above provision under Prior Period Items in the current FY, as the arrear amount had already been paid to the respective employees and accordingly accounted in the earlier FYs.

**10. FIXED ASSET**

(₹ Lakh)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.2020	Additions/ Deletions during the year	As at 31.3.2021	As at 1.4.2020	Depreciation for the year	Deduction during the year	As at 31.3.2021	As at 31.3.2021	As at 31.3.2020
<b>TANGIBLE ASSETS</b>									
<b>OWN ASSETS</b>									
Land & Rights	3,810	57	3,867	4	1	-	5	3,862	3,807
Building	5,034	564	5,598	2,179	178	-	2,357	3,242	2,855
Hydraulic	264	-	264	251	-	-	251	13	13
Other Civil Works	11,063	1,726	12,789	1,423	461	-	1,884	10,905	9,640
Plant & Machinery	1,12,065	12,603	1,24,668	49,023	6,444	-	55,467	69,201	63,042
Lines & Cable Network	1,05,804	1,686	1,07,490	71,361	5,153	-	76,514	30,976	34,444
Vehicles	496	-	496	446	-	-	446	50	50
Furniture & Fixtures	461	256	717	361	39	-	400	317	99
Office Equipment	353	70	423	296	27	-	323	100	58
<b>Total</b>	<b>2,39,350</b>	<b>16,963</b>	<b>2,56,312</b>	<b>1,25,344</b>	<b>12,303</b>	<b>-</b>	<b>1,37,647</b>	<b>1,18,666</b>	<b>1,14,008</b>
<b>CAPITAL WORK IN PROGRESS</b>								<b>80,332</b>	<b>86,908</b>

## 10.1

- (i) Depreciation on Plant & Machinery has been charged on continued process plant basis.
- (ii) On fixed assets acquired during the year depreciation is charged on 'Put to Use'.
- (iii) Addition of Fixed Assets during the FY 2020-21 includes ₹ 117, 77, 91,438 /- related to prior periods.
- (iv) Addition of Depreciation during the FY 2020-21 includes ₹ 7, 52, 60,952/- related to prior periods.

## 10.2

(₹ Lakh)

Capital Work In Progress Includes :-	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
(a) Capital works in progress	79,401	85,977
(b) Advance to suppliers/contractors (Capital)	931	931



**11. NON CURRENT INVESTMENT**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Trade Investment	5,348	5,348
Other Investments	-	-
<b>Total</b>	<b>5,348</b>	<b>5,348</b>

11.1 Investment in M/s. North East Transmission Company Ltd. as on 31.03.2021 is ₹ 53, 48, 20,000 /- (5, 34, 82,000 Equity Shares of ₹ 10 each) against 13% Equity Share.

**12. OTHER NON CURRENT ASSETS**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Long Term Trade Receivable</b>		
Unsecured Considered Good	-	-
<b>Others</b>		
Deferred Cost	-	-
Exp. On Surveys/Feasibility Studies	27	35
<b>Total</b>	<b>27</b>	<b>35</b>

**13. CURRENT INVESTMENT**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Investment in Equity Instruments	-	-
Investment in Liquid Funds	-	-
Other Investment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**14. INVENTORIES**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
1. Capital Materials Stock A/c	2,105	2,472
2. O&M Materials Stock A/c	783	826
3. Other Material Account	323	322
4. Material Stock-Excess/Shortage Pending Investigation – Capital	25	35
<b>Gross Total</b>	<b>3,237</b>	<b>3,655</b>
Less Provision Against Stock	1,788	1,788
<b>Net Total</b>	<b>1,449</b>	<b>1,867</b>



14.1 There is a difference of ₹ 7.51 Crore between book figure of stocks and physical verification report of stocks as on 31.03.2021 which is in the process of reconciliation.

**15. TRADE RECEIVABLES**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
(Unsecured & Considered Good)		
Over Six Months	-	-
Others	-	-
Receivables against Transmission Charges From-APDCL	14,761	13,188
<b>Total</b>	<b>14,761</b>	<b>13,188</b>

**16. CASH & CASH EQUIVALENTS**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Balances With Bank	10,296	17,207
Cash In Hand	125	143
Fixed Deposits With Banks	89,823	74,143
<b>Total</b>	<b>1,00,244</b>	<b>91,493</b>

16.1 Balances with bank include closing bank balance of HQ as well as of all field units along with the fund in transit.

16.2 Cash in Hand includes closing cash balance of HQ as well as of all field units along with imprest with staff.

16.3 Fixed Deposits with Banks include closing balance of fixed deposit at various banks.

(₹ Lakh)

	<u>As at 31-03-2021</u>	<u>As at 31-03-2020</u>
STDRs managed by AEGCL ( Principal Account)	80,889	67,516
STDRs managed by AEGCL-NERPSIP	529	228
STDRs managed by NPS Cell, AEGCL	1,600	-
STDRs managed by CPF-I, AEGCL	6,806	6,398
<b>Total</b>	<b>89,823</b>	<b>74,143</b>

**17. SHORT TERM LOANS & ADVANCES**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(Unsecured &amp; Considered Good)</b>		
Advances for O&M supplies/works	1,742	1,725
Loans and Advances to staff	88	80
Advance Income Tax	1,005	1,005
Amount receivable from Employees/Ex-Employees	4	4
Advances to APDCL	1	1
Others	4	4
Advances for GPF	-	-
<b>Total</b>	<b>2,844</b>	<b>2,819</b>

**18. OTHER CURRENT ASSETS**

(₹ Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Income Accrued but not Due	1,539	2,236
Inter Unit A/c-Materials	789	777
Inter Unit A/c-Capital Expenditure & Fixed Assets	31	364
Inter Unit A/c-Personnel	-	-
Inter Unit A/c-Opening Balance	-	-
Inter Unit A/c-Other Transaction/Adjustments	114	114
Receivable From Pension Trust	22,660	20,838
Receivable From APDCL	10,525	10,525
Receivable From APGCL	2	3
Misc. Receivables	1,394	1,401
Receivable from Income Tax Authority	1,293	1,177
Other deposits	1	1
<b>Total</b>	<b>38,348</b>	<b>37,436</b>

18.1 As per GoA's notification No. PEL. 190/2004/69 dated 4th February, 2005, the unfunded past liability on account of GPF and LEB will be funded through the cash streams as mentioned therein and the existing Pension Trust of ASEB will be the common trust for all the new companies. In terms of the said notification and Board's approval of Item No. 8 dated 22.01.2021, ₹ 18, 22, 36,785 /- being unfunded past liability towards GPF and LEB paid during the year has been claimed from Pension Trust out of which an amount of ₹ 11, 95, 83,919/- relating to GPF has been transferred to Other Reserve.

18.2 Inter Unit Accounts include Inter Unit A/c-Materials of ₹ 789/- lakh, which is in the process of reconciliation.



18.3 Receivable from Income Tax Department includes Interest on Fixed Deposits deducted by Banks as TDS during FY 2020-21.

**19. REVENUE FROM OPERATIONS**

(₹ Lakh)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Wheeling Charges (Transmission Charges) From APDCL	37,566	24,955
Wheeling Charges (Transmission Charges) From Open Access Consumers	1,202	2,160
Income from Transmission Incentive bill	7	145
<b>Total</b>	<b>38,775</b>	<b>27,260</b>

19.1 Revenue from Wheeling Charge of ₹ 387, 49, 00,000 /- including SLDC Charge of ₹ 9, 68, 00,000 /- was approved by the Hon'ble AERC vide Tariff Order dated 07.03.2020 and Review Tariff Order dated 27.07.2020. The above wheeling charge includes ₹ 145,72, 00,000/- as BST Charge. But the actual BST Charge computed on the basis of actual energy sent out to APDCL works out to Rs. 136,90,39,500/-, which results in surplus of Wheeling Charge by Rs. 8,81,60,500/-. This surplus amount has been adjusted with the approved Wheeling Charge. AEGCL had made adjustment of cumulative Revenue Surplus of Rs. 3,01,00,000/- approved by the Hon'ble AERC after Truing up for FY 2018-19, vide Review Tariff Order dated 27.07.2020, to the monthly bills raised to APDCL during the FY 2020-21. After considering the above adjustments Revenue from Wheeling charges to APDCL stood at Rs. 375,66,39,500/-Crore for the FY 2020-21.

19.2 The quantitative details of electrical energy transacted by the Corporation during the FY 2020-21 along with previous year were as follows:

(₹ Lakh)

Particulars	Energy Handled (in MU)	
	2020-21	2019-20
Power available at AEGCL periphery	9746.59	9617.77
Power injected to DISCOM & OA Consumers :		
Power injected to APDCL & OA Consumers :		
	2020-21	2019-20
APDCL	9126.93	9032.70
OA Consumers	294.12	257.61
<b>Total</b>	<b>9421.05</b>	<b>9290.31</b>
Transmission Loss in AEGCL Network	325.54	327.46
Percentage of Transmission Loss	3.34	3.40

**20. OTHER INCOME**

(₹ Lakh)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
<b>Interest</b>		
Interest on investment in the form of Fixed Deposits with Banks	3,901	4,789
Interest on Investments in any other Investments	-	-
Interest from Banks	83	145
<b>Dividend</b>		
Dividend from Investment in liquid fund	742	374
<b>Net Gain on Sale of Investment</b>		
Short Term Capital Gain from liquid fund	-	-
Long Term Capital Gain from liquid fund	-	-
<b>Others</b>		
Rebate received from PGCIL	-	46
Profit on sale of fixed assets	2	-
Hire Charges from contractors	-	-
Hire Charges from others/suppliers	9	3
Sale of scrap	-	8
Misc. receipts	1,568	1,544
Rentals from staff quarters	13	14
Income from Investment	106	111
<b>Total</b>	<b>6,424</b>	<b>7,034</b>

**21. EMPLOYEE BENEFITS EXPENSE**

(₹ Lakh)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Salaries and Wages	11,681	12,849
Contribution to Provident and Other Funds	1,966	2,226
Payment of ex-gratia	-	-
Payment of Gratuity	382	306
Other Employee Costs	421	328
Staff Welfare Expenses	49	19
<b>Total</b>	<b>14,499</b>	<b>15,728</b>



21.1 Contribution to Provident and Other Funds include 33.50% of Basic Pay and DA of employees who joined in service prior to 01-01-2004, which has been paid to the ASEB Employees Pension Fund Investment Trust and 14% of Basic Pay and DA of employees who are covered under New Pension Scheme. Payment of Gratuity includes provision for gratuity of employees who are covered under New Pension Scheme.

**22. FINANCE COSTS**

Particulars	(₹ Lakh)	
	Year ended 31-03-2021	Year ended 31-03-2020
Interest Expenses	7,288	5,753
Other Borrowing Costs	1	1
<b>Total</b>	<b>7,289</b>	<b>5,754</b>

Particulars	(₹ Lakh)	
	Year ended 31-03-2021	Year ended 31-03-2020
22.1		
Interest on State Govt. Loan	5,397	5,091
Interest on ADB Loan	1,005	-
Interest on borrowings for Working Capital	-	-
Interest on GPF	269	370
Penal Interest	<u>1,995</u>	<u>1,716</u>
<b>Sub-Total</b>	<b>8,666</b>	<b>7,177</b>
Less Interest Capitalised	<u>1,377</u>	<u>1,424</u>
<b>Total</b>	<b>7,288</b>	<b>5,753</b>

22.2 Interest Capitalised includes:

- (i) Interest on S.G. Loan Capitalised: Rs. 1,350 Lakh
- (ii) Interest on ADB Loan Capitalised: Rs. 28 Lakh

22.3 Other Borrowing Costs include Bank Charges and Bank Commissions.

**23. DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ Lakh)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Depreciation on Leasehold Assets	1	1
Depreciation on Building	169	149
Depreciation on Hydraulic Works	-	-
Depreciation on Other Civil Works	379	297
Depreciation on Plant & Machinery	5,851	5,138
Depreciation on Lines , Cables Network	5,085	4,502
Depreciation on Vehicles	-	5
Depreciation on Furniture, Fixtures, etc.	38	26
Depreciation on Office Equipments	27	35
<b>Total</b>	<b>11,550</b>	<b>10,153</b>

**24. OTHER EXPENSES**

(₹ Lakh)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
<b>Repairs And Maintenance Expenses :</b>		
Repair and Maintenance of Plant & Machinery	1,068	1,377
Repair and Maintenance of Building	163	147
Repair and Maintenance of Other Civil Works	48	60
Repair and Maintenance of Lines, Cable Net Works, etc	150	127
<b>Transmission Charge To PGCIL</b>	<b>-</b>	<b>3,755</b>
<b>Establishment Expenses :</b>		
Rent, Rates and Taxes	43	43
Insurance	9	7
Telephone Charges	17	19
Postage, Telegram & Tele Charges	3	4
Audit Fees	8	8
Consultancy fees and expenses	36	21
Legal Charges	5	4
Technical fees and other professional fees and expenses	18	88
Fees including TA & DA for non official member of the Board	12	-
Conveyance and Travel	129	172
Fees & Subscription	125	141
Book and Periodicals	4	3
Printing and Stationery	27	36
Advertisement, Contributions	31	47
Hiring of Vehicles	209	162
Electricity Charges	191	192
Water Charges	-	-
Entertainments	7	11
Participation fees paid for Training/Conference	-	-



Participation fees paid for Training/Conference	-	-
Training of Staff and Officers	24	42
Fees for conducting recruitment & Other Departmental Examinations	21	-
Misc. Expenses	24	30
Freight	1	5
Other Purchase related expenses	8	6
Other Miscellaneous Expenses	2	1
Repair and Maintenance of Vehicles	23	21
Repair and Maintenance of Furniture and Fixtures	8	5
Repair and Maintenance of Office Equipment	31	31
<b>Other Debits To Revenue :</b>		
Miscellaneous losses written off	5	117
Write-off of deferred revenue expenditure	-	-
<b>Assets De-Commissioning Costs :</b>		
Transmission lines/sub-stations de-commissioning costs	4	-
<b>Bulk Supply Tariff :</b>		
Bulk Supply Tariff	13,690	13,549
<b>Prior Period Charges / (Credits)</b>		
Net Prior Period Charges/(Credits)	(2,021)	588
<b>Total</b>	<b>14,123</b>	<b>20,819</b>

(₹ Lakh)

	<u>Year ended</u>	<u>Year ended</u>
	<u>31-03-2021</u>	<u>31-03-2020</u>

**24.1 Prior Period Item Includes****Prior Period Expenses and Losses :**

Transformer Oil related expenses/losses relating to prior period	-	-
Employee costs relating to prior periods	-	5
Depreciation under provided in prior periods	753	811
Other Expenses relating to Prior Period	140	235
Interest and other finance charges relating to prior periods	906	839
Materials related expenses relating to prior periods	-	-

**Prior Period Income :**

Other income relating to prior periods	83	837
Other excess provision in prior periods	3,666	6
Excess provision for depreciation in prior periods	-	459
Excess provision for interest and finance charges in prior periods	72	-







27. Assets other than vehicles are not insured. Vehicles are also insured only for liabilities that may arise towards third parties.
28. Accounts in respect of Medical Expenses Reimbursement, Leave Travel Concession, Earned Leave Encashment, Telephone Charges, Electricity Charges, and Water Charges are maintained on accrual basis.
29. The internal audit of the Corporation's field units are being carried out by its own audit staff. The internal audit staff conducts internal audit of various field offices as well as head quarter. Reports are placed with MD, AEGCL. Any serious matter is discussed in Audit Committee of the Corporation.
30. In exercise of the powers conferred by section 148 of Companies Act, 2013, the Board of Directors of the Corporation had appointed M/s Musib & Co., Cost Accountants as the Cost Auditors of the Corporation for the FY 2020-21. The Corporation in the meantime has been able to maintain preliminary cost records.

In terms of our separate report of even date

FOR R.M. KOTHARI & CO  
Chartered Accountants

Sd/-  
(Prateek Kothari)::PARTNER  
MRN.413362

**Place : Guwahati**  
**Date : 13-09-2021**

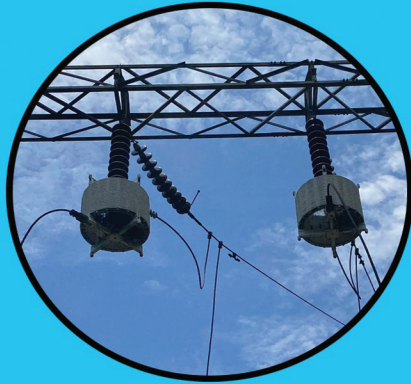
For and on behalf of the Board

Sd/-  
**(D.J. Hazarika)**  
Managing Director

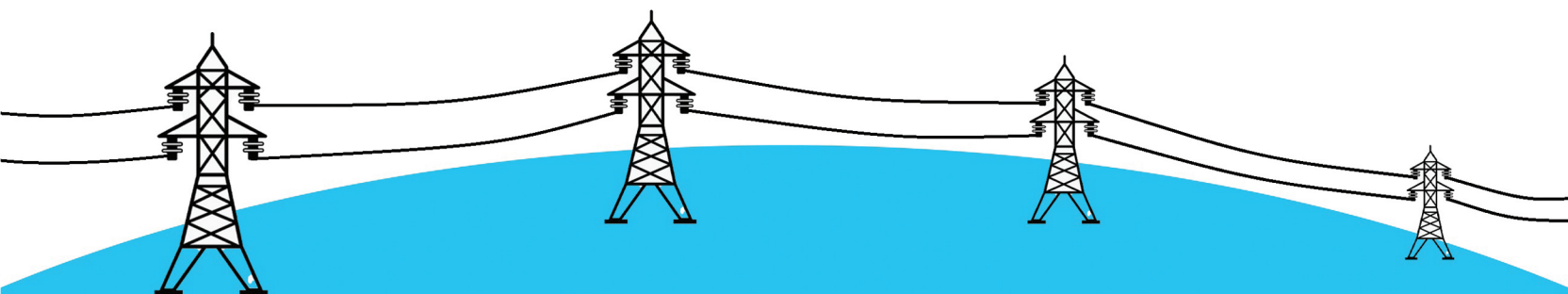
Sd/-  
**(M.Konwar)**  
Independent Director

Sd/-  
**(P.K. Barman)**  
CGM (F&A) (i/c)

Sd/-  
**(D. Barua)**  
Company Secretary



*The Man, The Machines, The Workplace are interconnected.*



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