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**OFFICE OF THE
PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
MEGHALAYA, SHILLONG-793 001**

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Ltr.No. ES-II/5-6/2018-19/376

Date: 01 February 2019

To

**The Chairman cum Managing Director,
Meghalaya Power Transmission Corporation Limited
Lumjingshai, Short Round Road,
Shillong -793003.**

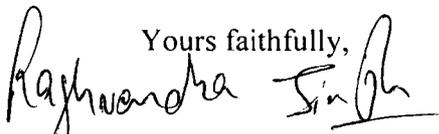
Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the accounts of Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2017.

Sir,

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the accounts of **Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2017** for necessary action at your end.

2. The date of adoption of the above comments in the Annual General Meeting of the Company may be intimated to this office.
3. Five copies of the printed Annual Reports, when ready may be sent to this office and its date of placing in the State Legislature may also be communicated.
4. Receipt of the letter along with enclosures may kindly be acknowledged.

Encl: As stated above

Yours faithfully,

**Deputy Accountant General
Economic Sector-II**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON
THE FINANCIAL STATEMENTS OF MEGHALAYA POWER
TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED
31 MARCH 2017**

The preparation of financial statements of Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/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 standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **31 August 2018**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2017. 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. Note 24-Other disclosures

An amount of ₹ 8.89 crore was receivable by the Company from Power Grid Corporation of India Ltd as Point of Connection charges for the period 2016-17 and 2017-18. As this amount was ascertained in April 2017, the fact should have been disclosed in Note-24-Other disclosures.

B. Independent Auditor's Report

A reference is invited to qualification No 11 of the Independent Auditors Report wherein it was stated that the advance paid for purchase of machinery from Sieyuan Electric Co. Ltd had not been reflected in the financial statement.

During 2016-17 an amount of ₹ 3.34 crore was paid by the Company to M/s Power Grid Corporation of India Ltd (PGCIL) for works which included purchase of machinery etc. from foreign supplier M/s Sieyuan Electric Co. Ltd. Since there was no direct foreign currency transaction by the Company, there was no need to reflect this transaction in its financial statements. Thus, the qualification No.11 of the Independent Auditor's Report was not correct.

C. General:

1. The Loans from State Government consisted of various loans carrying different rates of interest (8.50 *per cent* to 9.31 *per cent*), hence mention of a uniform interest rate (9.31 *per cent*) against these Loans is not correct.
2. As per the Companies (Indian Accounting Standards) Rules, 2015, and Schedule III to the Companies Act, 2013 and Significant Accounting Policies (Note -28) point no. XIX the figures appearing in the financial statements should be rounded off to the nearest lakhs, millions or crores, or decimals thereof in case the turnover of the entity exceeded ₹ 100 crore. This was not complied by Company.

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



(Athikho Chalai)

Principal Accountant General (Audit)

Place: Shillong

Date: 01 February 2019