

**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 2018**

The preparation of financial statements of Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing an opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the auditing 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 04 November 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Meghalaya Power Transmission Corporation Limited for the year ended 31 March 2018 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:

**Balance Sheet as at 31<sup>st</sup> March 2018**

**Assets**

**Property, Plant and Equipment (Note – 1)**

**Office Equipment: ₹5.52 crore**

A1: The above includes ₹1.27 crore being the software communication system which should have been segregated from the hardware components and shown separately under Intangible Assets as per paragraph 119 of Indian Accounting Standard. This has resulted in overstatement of Office Equipment (Hardware Component) and understatement of Intangible Assets (Software Component) by ₹1.27 crore each.

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2018**

**Expenses**

**Other Expenses (Note-22)-₹ 576.51 lakh**

B1: The above does not include ₹51.81 lakh, being the Annual Maintenance Contract (AMC) charges payable towards Watchmen Guarding (₹8.40 lakh), maintenance of Lines (₹7.97 lakh) and SCADA/EMS System at SLDC (₹35.44 lakh) for the financial year 2017-18. Non accounting of the same has resulted in understatement of Other Expenses with corresponding understatement of Loss for the year by ₹51.81 lakh each.

**Prior Period Expenses (Note-23): ₹23.06 lakh**

B2: The above does not include an amount of ₹9.12 lakh being the Annual Maintenance Contract (AMC) charges for SCADA/EMS system at SLDC relating to prior period (April 2016 to March 2017) which was wrongly shown under Other Expenses for current year (2017-18). This has resulted in understatement of Prior Period Expenses and overstatement of Other Expenses by ₹9.12 lakh each.

**General**

C1: The Other Current Liabilities includes an amount of ₹15.57 crore being the Inter-Company Transactions (payable) which were lying unadjusted since 2013-14. The same should be reconciled and adjusted through the respective Inter-Company transactions.

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



**(Stephen Hongray)**

**Principal Accountant General (Audit)**

**Place: Shillong**

**Date: 27 January 2020**