



Chapter 5
**Functioning of State Public
Sector Enterprises**

Chapter 5 Functioning of State Public Sector Enterprises

This chapter discusses the financial performance of Government Companies, Statutory Corporations and Government controlled other Companies in the State of Assam. Impact of significant comments issued as a result of supplementary audit of the Financial Statements of the State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General (CAG) of India for the year 2022-23 (or of earlier years which were finalised during the current year) has been discussed.

5.1 Definition of Government Companies

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides this, any other company²² owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as ‘Government controlled other Companies’.

5.2 Mandate

Audit of ‘Government companies’ and ‘Government controlled other companies’ is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Sections 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants (CAs) as Statutory Auditors for ‘Government/Government controlled other Companies’ and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations and Regulatory Authorities require their accounts to be audited only by CAG.

5.3 SPSEs and their contribution to the GSDP of the State

SPSEs consist of State Government Companies and Statutory Corporations. SPSEs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the state economy. As on 31 March 2023, there were 52 SPSEs and State Electricity Regulatory Commission under the audit jurisdiction of CAG in Assam. These SPSEs include 49 Government Companies

²² Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 4 September 2014.

(including 10 subsidiaries of different State Government Companies²³ and two Government-controlled other companies²⁴) and three Statutory Corporations. Out of 52 SPSEs, there were 36 working SPSEs and 16 non-working SPSEs (all Government Companies). None of these Government Companies was listed on the Stock Exchange.

The 16 non-working SPSEs have investment of ₹ 91.92 crore, towards Capital ₹ 70.46 crore (State Government: ₹ 44.30 crore and Others: ₹ 26.16 crore) and long-term loans ₹ 21.46 crore (State Government: ₹ 20.18 crore and Others: ₹ 1.28 crore) as on 31 March 2023. SPSE-wise total investment (equity and long-term loans) is given in **Appendix 5.1**. This is a critical area as the investments in non-working SPSEs do not contribute to the economic growth of the State.

A ratio of turnover of SPSEs to GSDP shows the extent of activities of SPSEs in the state economy. The details of turnover of working SPSEs as per their latest finalised accounts are given in **Appendix 5.2**. Turnover of working SPSEs and GSDP for a period of three years ending 31 March 2023 are given in **Table 5.1**.

Table 5.1: Details of SPSEs' turnover vis-à-vis GSDP

Particulars	(₹ in crore)		
	2020-21	2021-22	2022-23
Power Sector SPSEs	6,648.55	6,564.95	7,989.68
Agriculture and Allied Sector SPSEs	79.42	188.94	211.83
Other SPSEs ²⁵	744.02	802.47	1,114.47
Total Turnover ²⁶	7,471.99	7,556.36	9,315.98
GSDP	3,53,605.42	4,12,611.87	4,93,166.60
Percentage of Turnover to GSDP of Assam			
Power Sector SPSEs	1.88	1.59	1.62
Agriculture and Allied Sector SPSEs	0.02	0.05	0.04
Other SPSEs	0.21	0.19	0.23
Percentage of Turnover to GSDP	2.11	1.83	1.89

Source: Latest finalised accounts of SPSEs and information provided by the Directorate of Economic & Statistics, GoA; Figure of GSDP relating to 2022-23 is at current prices.

As can be noticed from **Table 5.1**, the turnover of the working SPSEs had shown a gradual increase from ₹ 7,471.99 crore (2020-21) to ₹ 9,315.86 crore (2022-23). However, the pace of increase in SPSEs' turnover during 2020-23 (24.68 per cent) was not commensurate with the overall growth in GSDP of (39.47 per cent) during the corresponding period leading to decrease in the contribution of SPSEs' turnover to GSDP from 2.11 per cent (2020-21) to 1.89 per cent (2022-23).

The contribution of Power sector SPSEs to GSDP was 1.62 per cent while Other sector SPSEs contributed 0.23 per cent in the year 2022-23. Agriculture and Allied sector SPSEs contribution to GSDP though was minimal (from 0.02 per cent to 0.05 per cent) but were having staff (Permanent and contractual) of 14,670 out of 37,053 employed by the working SPSEs as at the end of 31 March 2023 (**Appendix 5.1**).

²³ SPSEs at Sl. No. B25, B26, B32, D7, D9, D11, D12, D13, D15 and D16 of Appendix 5.1.

²⁴ SPSEs at Sl. No. B22 and B33 of Appendix 5.1.

²⁵ Other SPSEs also includes Statutory Corporations (viz., Assam Financial Corporation, Assam State Transport Corporation and Assam State Warehousing Corporation).

²⁶ As per the latest finalised accounts of working SPSEs as on 30th September of respective years.

5.4 Investment in SPSEs and Budgetary Support

5.4.1 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity Contribution by the State Government and the Long-term loans including the loans given by the State Government in 36 working SPSEs as on 31 March 2023 is given in **Table 5.2**.

Table 5.2: Sector-wise investment²⁷ in SPSEs

Particulars	Investment (₹ in crore)						Percentage share of State Government to Total Equity and Long-term loans
	Total Equity	Total Long-term loans	Total Equity and Long-term loans	State Government			
				Total Equity	Total Long-term loans	Total Equity and Long-term loans	
Power sector SPSEs	9,946.91	838.26	10,785.17	9,946.91	123.22	10,070.13	93.37
Agriculture and Allied SPSEs	50.87	778.26	829.13	48.75	778.26	827.01	99.74
Other SPSEs ²⁸	1,410.30	1,228.02	2,638.32	700.55	204.69	905.24	24.31
Total	11,408.08	2,844.54	14,252.62	10,696.21	1,106.17	11,802.38	82.81

Source: As per information furnished by the SPSEs.

As could be seen from **Table 5.2**, the thrust of investment by GoA was mainly on power sector SPSEs which had received as much as ₹ 10,785.17 crore (75.67 per cent) of the total investment of ₹ 14,252.62 crore as on 31 March 2023. The State Government share was 82.81 per cent (₹ 11,802.38 crore) of the total investment of ₹ 14,252.62 crore (**Appendix 5.1**).

5.4.2 Budgetary support by GoA

GoA provided financial support to SPSEs in various forms through the annual State budget. The details of year-wise budgetary outgo towards equity, loans and grants/subsidies in respect of the SPSEs during 2020-21 to 2022-23 are given in **Table 5.3**.

Table 5.3: Year-wise budgetary support by GoA to SPSEs

Particulars	(₹ in crore)					
	2020-21		2021-22		2022-23	
	SPSEs	Amount	SPSEs	Amount	SPSEs	Amount
Equity capital outgo from Budget	-	-	1	40.00	2	63.79 ²⁹
Loans given from budget	4	64.43	5	87.17	4	335.24
Grants ³⁰ /subsidies from budget	11	1,606.46	12	1,630.35	10	1,567.65
Total Outgo ³¹	12	1,670.89	14	1,757.52	13	1,966.68
Waiver of interest	-	-	3	929.88	-	-
Conversion of loans to Equity	-	-	2	1,578.90	1	638.41
Conversion of Capital grants to Equity	-	-	2	4,684.18	1	1,955.05

Source: Information furnished by the SPSEs

²⁷ Investment includes equity and long-term loans and the figures are provisional and as provided by the SPSEs except for seven SPSEs (Sl. No. A1, A2, B22, B24, B31, B32 and B33 of Appendix 5.2), which finalised their accounts for 2022-23.

²⁸ Other SPSEs also includes SPSEs under Finance, Infrastructure, Manufacturing, Services and Miscellaneous sectors. It also includes Statutory Corporations (*viz.*, Assam Financial Corporation, Assam State Transport Corporation and Assam State Warehousing Corporation).

²⁹ This includes Paid-up capital (₹ 8.54 crore) of Assam Medical Services Corporation Limited which furnished its first accounts during 2022-23.

³⁰ Includes Capital and Revenue grants.

³¹ Actual number of SPSEs which received equity, loans, grants/subsidies from GoA

As can be noticed from **Table 5.3**, the budgetary outgo (equity, loans and grants/subsidies) was at the highest during 2022-23 (₹ 1,966.68 crore) as compared to the previous two years. Major recipients of budgetary assistance during 2020-21 to 2022-23 were three power sector SPSEs, which received 85.52 per cent (₹ 1,429.01 crore), 82.21 per cent (₹ 1,444.85 crore) and 71.79 per cent (₹ 1,411.94 crore) of total budgetary allocation to SPSEs during 2020-21, 2021-22 and 2022-23 respectively.

Further, 67.02 per cent (₹ 910.15 crore) of the total grants/subsidy released by GoA (₹ 1,357.95 crore) to power sector SPSEs during 2022-23, was provided to one power sector SPSE (Assam Power Distribution Company Limited) towards capital grants (₹ 211.05 crore) and revenue grants/subsidies (₹ 699.10 crore).

5.4.3 Disinvestment, Restructuring and Privatisation

During the year 2022-23, there was no case of disinvestment, restructuring and privatisation of working as well as non-working SPSEs.

5.5 Returns from SPSE

5.5.1 Profit earned by working SPSEs

During 2022-23, out of 36 working SPSEs, 19 SPSEs had earned profits of ₹ 592.14 crore (**Appendix 5.2**) as compared to 24 SPSEs, which earned profit of ₹ 513.40 crore during 2021-22. The top three working SPSEs which contributed maximum profit are summarised in **Table 5.4**.

Table 5.4: Top three SPSEs which contributed maximum profit

Name of SPSE	Net profit (₹ in crore)	Percentage of profit to total profit of SPSEs
Assam Power Distribution Company Limited	336.35	56.80
Assam Power Generation Corporation Limited	92.21	15.57
DNP Limited ³²	49.21	8.31
Total	477.77	80.68

Source: Latest finalised accounts of SPSEs

The three SPSEs had contributed as much as 80.68 per cent of the total profit (₹ 592.14 crore) earned by 19 SPSEs during 2022-23. Net profit ratio³³ of SPSEs is depicted in **Table 5.5**.

Table 5.5: Net profit ratio of the working SPSEs in three major Sectors during 2022-23

Name of SPSE	Net profit (₹ in crore)	Turnover (₹ in crore)	Percentage of profit to total turnover of SPSEs
Power sector SPSEs	469.69	7,989.68	5.88
Agriculture and Allied SPSEs	39.70	211.83	18.74
Other SPSEs	-112.62	1,114.47	-
Total	396.77	9,315.98	4.26

Source: Latest finalised accounts of SPSEs

³² A subsidiary company of Assam Gas Company Limited

³³ Net Profit/Turnover*100

5.5.2 Dividend paid by working SPSEs

As per Public Enterprise Policy, 2019 of GoA, SPSEs having no accumulated loss and having operating profit shall pay a minimum dividend to its shareholders out of the profit earned after payment of tax dues by SPSE during the preceding financial year provided such provision is laid down in Articles of Association/Articles of Incorporation of the SPSE. The dividend paid by working SPSEs during 2020-23, in which GoA had direct equity infusion, is given in **Table 5.6**.

Table 5.6: Dividend Pay out by working SPSEs

Year	Particulars	No. of SPSEs which declared dividend	Paid Up Capital	Net profit (₹ in crore)	Dividend declared
2020-21	Power sector SPSEs	-	-	-	-
	Agriculture and Allied SPSEs	-	-	-	-
	Other SPSEs	1	16.91	64.61	5.07
	Total	1	16.91	64.61	5.07
2021-22	Power sector SPSEs	-	-	-	-
	Agriculture and Allied SPSEs	-	-	-	-
	Other SPSEs	1	16.91	48.93	5.07
	Total	1	16.91	48.93	5.07
2022-23	Power sector SPSEs	-	-	-	-
	Agriculture and Allied SPSEs	-	-	-	-
	Other SPSEs	1	16.91	2.75	5.07
	Total	1	16.91	2.75	5.07

Source: Latest finalised accounts of SPSEs

It could be noticed from **Table 5.6**, only one profit making SPSE (Assam Gas Company Limited) having direct equity infusion by GoA, had declared total dividend of ₹ 15.21 crore during the last three years (2020-21 to 2022-23). During 2022-23, out of 18 profit-making SPSEs in which GoA had direct equity infusion (total profit: ₹ 542.93 crore), only one SPSE (Assam Gas Company Limited) paid a total dividend of ₹ 5.07 crore to GoA while remaining 17 SPSEs which earned aggregate profits of ₹ 540.18 crore had not declared/paid dividend.

One SPSE, namely DNP Limited (a subsidiary company of Assam Gas Company Limited), which had no direct equity infusion by GoA, also earned profit of ₹ 49.21 crore during 2022-23 and declared/paid dividend amounting to ₹ 6.77 crore to its holding companies (Assam Gas Company Limited: ₹ 3.45 crore, Numaligarh Refinery Limited: ₹ 1.76 crore and Oil India Limited: ₹ 1.56 crore).

Further, one power sector SPSE (Assam Power Generation Corporation Limited) having no accumulated losses registered a total profit of ₹ 92.21 crore during 2022-23. In absence of any specific instructions from GoA in line with the Public Enterprise Policy, 2019, this SPSE did not declare any dividend.

5.6 Debt Servicing

5.6.1 Interest Coverage Ratio

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio,

the lesser is the ability of the company to pay interest on debt. An interest coverage ratio below one indicates that the company was not generating sufficient revenues to meet its expenses on interest.

The details of ICR in respect of working SPSEs³⁴ having interest burden against long-term loans during 2020-21 to 2022-23 are given in **Table 5.7**.

Table 5.7: Interest Coverage Ratio of working SPSEs

Year	Particulars	Interest (₹ in crore)	EBIT (₹ in crore)	SPSEs having interest		
				burden on long- term loans	coverage ratio more than 1	coverage ratio of less than 1
2020-21	Power sector SPSEs	167.19	193.72	3	2	1
	Agriculture and Allied SPSEs	3.08	- 14.90	1	0	1
	Other SPSEs	3.88	- 2.67	4	2	2
	Total	174.15	176.15	8	4	4
2021-22	Power sector SPSEs	112.25	71.16	2	1	1
	Agriculture and Allied SPSEs	3.29	43.01	1	1	0
	Other SPSEs	5.20	- 35.66	8	5	3
	Total	120.74	78.51	11	7	4
2022-23	Power sector SPSEs	95.21	584.19	3	3	0
	Agriculture and Allied SPSEs	3.29	43.01	1	1	0
	Other SPSEs	7.40	- 96.15	9	5	4
	Total	105.90	531.05	13	9	4

Source: Latest finalised accounts of SPSEs as on 30 September of the respective year

As can be noticed from **Table 5.7**, out of 8 to 13 SPSEs having interest burden against long-term borrowing during 2020-21 to 2022-23, 4 SPSEs on an average had ICR of 'less than one' during the respective year. This indicated that these SPSEs were not in a comfortable position to service their long-term debts.

5.7 Financial performance of SPSEs

5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency of the total capital employed by a company. Companies create value when they generate returns on the capital employed in excess of the cost of capital. RoCE is an important metric for long-term lenders. RoCE is calculated by dividing a company's EBIT by the Capital Employed.

The RoCE is not workable in respect of SPSEs having negative capital employed. During 2022-23, out of 36 working SPSEs, 25 SPSEs³⁵ had positive capital employed while remaining 11 SPSEs had negative capital employed as detailed in **Appendix 5.2**.

³⁴ Excluding one SPSEs (Sl. No. B22 of Appendix 5.2), which capitalised the interest expenses and other six SPSEs (Sl. No. B4, B8, B14, B15, B16 & B17 of Appendix 5.2), which did not provide for the interest liability in their Accounts.

³⁵ SPSEs at Sl. No. A1, A2, A3, B5, B6, B8, B9, B12, B15, B16, B18, B19, B20, B21, B22, B24, B26, B27, B28, B30, B31, B32, B33, C1 and C3 of Appendix 5.2.

The details of RoCE in respect the working SPSEs having positive capital employed during the last three years (2020-21 to 2022-23) have been given in **Table 5.8**.

Table 5.8: Return on Capital Employed

Year	Working SPSEs	SPSEs having positive Capital Employed			
		Number	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2020-21	Power sector SPSEs	2	- 76.26	1,694.75	-
	Agriculture and Allied SPSEs	4	2.63	35.00	7.51
	Other SPSEs	17	184.87	2,832.28	6.52
	Total	23	111.24	4,562.03	2.44
2021-22	Power sector SPSEs	3	176.61	2,181.39	8.10
	Agriculture and Allied SPSEs	4	3.44	61.97	5.55
	Other SPSEs	17	190.17	3,179.68	5.98
	Total	24	370.22	5,423.04	6.83
2022-23	Power sector SPSEs	3	584.19	9,647.37	6.05
	Agriculture and Allied SPSEs	4	1.98	44.26	4.47
	Other SPSEs	18	22.32	3,439.37	0.65
	Total	25	608.49	13,131.00	4.63

Source: As per latest finalised accounts as on 30 September 2023

As can be seen from **Table 5.8**, during the last three years, the SPSEs with positive capital employed had registered increase of ₹ 8,578.97 crore (188.46 per cent) in their aggregate capital employed from ₹ 4,562.03 crore (2020-21) to ₹ 13,131.00 crore (2022-23). The EBIT of these SPSEs had also increased by ₹ 497.25 crore (447.01 per cent) from ₹ 111.24 crore (2020-21) to ₹ 608.49 crore (2022-23). As a result, RoCE of the working SPSEs having positive capital employed had shown an overall improvement during the last three years from 2.44 per cent (2020-21) to 4.63 per cent (2022-23). It may however, be noticed that RoCE during 2022-23 (4.63 per cent) had diminished compared to 2021-22 (6.83 per cent) despite increase of 64.36 per cent (₹ 238.27 crore) in the EBIT from ₹ 370.22 crore (2021-22) to 608.49 crore (2022-23) since appreciation in EBIT was not commensurate to the increase of 142.13 per cent (₹ 7,707.96 crore) in the capital employed of SPSEs during the corresponding period from ₹ 5,423.04 crore (2021-22) to ₹ 13,131.00 crore (2022-23).

5.7.2 Return on Equity

Return on equity³⁶ (ROE) is a measure of financial performance of companies calculated by dividing the 'net income earned' by the equity.

During 2022-23, 19 working SPSEs earned profits of ₹ 592.14 crore as compared to the profits of ₹ 513.40 crore earned by 24 working SPSEs during 2021-22. Further, out of 19 SPSEs which earned profit during 2022-23, 14 SPSEs³⁷ had positive equity or shareholders' fund. RoE of these 14 SPSEs was 5.30 per cent³⁸ during 2022-23 as

³⁶ Return on Equity = (Net profit after tax and preference dividend ÷ Equity) x 100; where, Equity=paid up capital plus free reserves and accumulated profits minus accumulated losses and deferred revenue expenditure.

³⁷ SPSEs at Sl. No. A1, A2, A3, B9, B12, B18, B19, B21, B24, B27, B30, B31, B32 and C3 of **Appendix 5.2**.

³⁸ Net Profit (₹ 551.03 crore) ÷ Shareholders' fund (₹ 10,400.11 crore) x 100.

compared to RoE of 13.60 *per cent* during 2021-22 in respect of 16 SPSEs (having positive equity or shareholders' fund). In case of the remaining five SPSEs³⁹ which earned profit during 2022-23, the accumulated losses (₹ 463.39 crore) had completely eroded their paid-up capital (₹ 38.26 crore) as per their latest finalised accounts.

5.7.3 Return on Investment by GoA based on Present Value of Investment

Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar capital bearing no interest earning have been employed, after adjusting them for the time value.

To determine RoRR on investment, the investment of GoA in SPSEs in the form of equity, interest-free loans and grants/subsidies provided by GoA for operational and management expenses less disinvestments (if any) has been considered and indexed to their Present Value (PV) and summated. RoRR is then calculated by dividing the 'Profit After Tax' (PAT) by the sum of the PV of the GoA investment.

GoA, since inception of SPSEs infused a total fund⁴⁰ of ₹ 18,733.07 crore in the form of equity (₹ 10,740.51 crore) in 41 SPSEs and revenue grants/subsidies (₹ 7,992.56 crore) in all 50 SPSEs as on 31 March 2023. During 2022-23, the 36 working SPSEs earned an overall profit of ₹ 396.77 crore comprising profit of ₹ 592.14 crore (19 SPSEs) and loss of ₹ 195.37 crore (17 SPSEs). In addition, 16 non-working SPSEs earned an overall profits of ₹ 1.23 crore as per their latest finalised accounts (**Appendix 5.3**). Based on historical value of investment, the return on investment by GoA during 2022-23 was 2.12 *per cent*. On the other hand, when the present value of investment is considered, RoRR on investment by GoA during 2022-23 worked out at 1.44 *per cent* as shown in **Appendix 5.3 and Appendix 5.3 (A)**. This difference in the percentage of return on investment by GoA was on account of the adjustments made in the investment amount for time value of money.

5.8 SPSEs incurring Losses

5.8.1 Losses incurred

During 2022-23, out of 36 working SPSEs, 17 SPSEs had incurred loss of ₹ 195.37 crore (**Appendix 5.2**) as compared to 11 SPSEs that incurred loss of ₹ 342.09 crore during 2021-22. The position of aggregate losses incurred by loss-making working SPSEs during the past three years as per their latest finalised accounts is given in **Table 5.9**.

³⁹ SPSEs at Sl. No. B7, B10, B11, B23 and B29 of Appendix 5.2.

⁴⁰ GoA did not provide any interest free loans to the SPSEs.

Table 5.9: Number of working SPSEs that incurred losses during 2020-21 to 2022-23

Year	Particulars	No. of loss making SPSEs	Net loss for the year (₹ in crore)	Accumulated loss less Free Reserves & Surplus (₹ in crore)	Net Worth (₹ in crore)
2020-21	Power sector SPSEs	1	- 181.60	- 395.98	- 296.05
	Agriculture and Allied SPSEs	5	- 22.32	- 353.39	- 305.01
	Other SPSEs	9	- 68.95	- 1,115.30	- 886.81
	Total	15	-272.87	-1,864.67	-1487.87
2021-22	Power sector SPSEs	1	- 292.42	- 1,251.21	- 786.77
	Agriculture and Allied SPSEs	2	- 0.52	- 14.84	- 7.65
	Other SPSEs	8	- 49.15	- 1,108.72	- 884.96
	Total	11	- 342.09	- 2,374.77	- 1,679.38
2022-23	Power sector SPSEs	-	-	-	-
	Agriculture and Allied SPSEs	4	- 4.65	0.51	9.65
	Other SPSEs	13	- 190.72	- 1,891.32	- 780.70
	Total	17	- 195.37	- 1,890.81	- 771.05

Source: Latest finalised accounts of SPSEs

It could be seen from **Table 5.9** that during the last three years (2020-21 to 2022-23), there was an overall improvement in the quantum of losses incurred by SPSEs from ₹ 272.87 crore (2020-21) to ₹ 195.37 crore (2022-23) particularly, in power sector where no loss was incurred by any of the power SPSE during 2022-23 as against the loss of ₹ 181.60 crore incurred by one power SPSE during 2020-21. However, the number of loss-making SPSEs has increased during last three years from 15 to 17 SPSEs.

During 2022-23, more than 89 per cent (₹173.89 crore) of SPSEs-losses (₹ 195.37 crore) were contributed by two SPSEs from Other SPSEs category viz., Assam State Transport Corporation (₹ 106.53 crore) and Assam Petro-Chemicals Limited (₹ 67.36 crore).

In view of above scenario, GoA may take a focussed effort and extend necessary support for improvement of their operational performance of loss making SPSEs.

5.8.2 SPSEs having complete erosion of paid-up capital

Complete erosion of equity capital by the accumulated losses (net after free reserves) represents negative net worth of the SPSEs.

The aggregate paid-up capital and overall accumulated losses (net after adjusting free reserves & surplus) of 36 working SPSEs as per their latest finalised accounts as on 30 September 2023 were ₹ 11,312.83 crore and (-) ₹ 2,106.55 crore respectively. Analysis of investment and net accumulated losses of these SPSEs revealed that the accumulated losses (net after adjusting free reserves & surplus) of 14 working SPSEs (₹ 2,225.08 crore) had completely eroded their paid-up capital (₹ 236.26 crore) as detailed in **Table 5.10**.

Table 5.10: Erosion of Capital of SPSEs

(₹ in crore)				
Sl. No.	Name of the SPSE	Latest finalised accounts	Paid-up capital	Accumulated losses (net after adjusting free reserves)
1	Assam State Transport Corporation	2021-22	167.73	1,664.06
2	Assam Tea Corporation Limited	2014-15	27.54	284.03
3	Ashok Paper Mill (Assam) Limited	2018-19	0.01	99.43
4	Assam Plains Tribes Development Corporation Limited	2020-21	2.95	41.88
5	Assam State Development Corporation for Scheduled Castes Limited	2017-18	10.10	34.07
6	Assam State Development Corporation for Other Backward Classes Limited	2021-22	3.40	18.20
7	Assam Small Industries Development Corporation Limited	2014-15	6.67	17.63
8	Assam Government Marketing Corporation Limited	2018-19	4.36	17.50
9	Assam Plantation Crops Development Corporation Limited	2013-14	5.00	13.71
10	Assam Hills Small Industries Development Corporation Limited	2006-07	2.00	12.38
11	Assam Seeds Corporation Limited	2018-19	1.46	10.28
12	Assam State Fertilizers and Chemicals Limited	2011-12	4.93	7.28
13	Amtron Informatics (India) Limited	2017-18	0.01	4.34
14	Assam State Film (Finance & Development) Corporation Limited	2015-16	0.10	0.29
Total			236.26	2,225.08

Source: As per latest finalised accounts as on 30 September 2023

It was seen that the net worth of 13 out of 14 SPSEs⁴¹ mentioned above continued to be negative for more than 10 years. The gradual increase in the losses of above SPSEs over the years is a drain on the State's economy and resources.

Accumulation of losses of above SPSEs had eroded public wealth, which is a cause of concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

5.8.3 Investment made by GoA in loss-making working SPSEs

Out of 17 loss-making working SPSEs, Government of Assam had made investment in six SPSEs during 2022-23. Details of investment made by the Government during the year are given in **Table 5.11**.

Table 5.11: Investment made by GoA in loss-making working SPSEs

(₹ in crore)				
Sl. No.	SPSEs	Investment by GoA		
		Equity	Loans	Grants
1	Assam Tea Corporation Limited	0.00	281.25	0.00
2	Assam State Development Corporation for Scheduled Castes Limited	0.00	0.00	5.36
3	Assam State Film (Finance & Development) Corporation Limited.	0.00	0.00	2.83
4	Assam Petro-Chemicals Limited	55.25	0.00	0.00
5	Assam Medical Services Corporation Limited	8.54	0.00	0.00
6	Assam State Transport Corporation	0.00	0.00	100.79
Total		63.79	281.25	108.98

As can be seen from **Table 5.11**, six loss-making working SPSEs received budgetary support of ₹ 454.02 crore by way of equity (₹ 63.79 crore), loans (₹ 281.25 crore) and

⁴¹ Other than Assam State Film (Finance & Development) Corporation Limited

grants (₹ 108.98 crore), out of which the budgetary support of ₹ 380.13 crore⁴² was meant to meet the salary-related expenses of their employees. Though necessary financial support had been given to the loss-making working SPSEs, the GoA may take a focussed effort and extend necessary support for improvement of their operational performance.

5.8.4 Viability of loss-making working SPSEs

Financial autonomy is the ability to manage funds independently, which enables a company to set and achieve its major objectives. It was seen that none of the 14 working SPSEs whose accumulated losses completely eroded their paid-up capital had adequate resources to achieve the envisaged objectives. This led to dependency on the State Government for financial support not only to undertake their mandated objectives but also to meet their own employee's expenses. The turnover *vis-a-vis* employees' expenses of 14 working SPSEs whose accumulated losses completely eroded, their paid-up capital is detailed in **Table 5.12**.

Table 5.12: Turnover *vis-à-vis* employees' expenses of SPSEs

(₹ in crore)				
Sl. No.	Name of the SPSE	Latest finalised accounts	Turnover	Employees' expenses
1	Assam Seeds Corporation Ltd.	2018-19	83.97	97.23
2	Assam Tea Corporation Ltd.	2014-15	43.01	60.31
3	Assam Plantation Crop Development Corporation Ltd.	2013-14	1.99	1.26
4	Assam Plains Tribes Development Corporation Ltd.	2020-21	0.02	5.67
5	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	0.12	4.79
6	Assam State Development Corporation for Scheduled Castes Ltd.	2017-18	0.00	5.91
7	Assam State Film (Finance & Development) Corporation Ltd.	2015-16	0.03	0.39
8	Assam Hills Small Industries Development Corporation Ltd.	2006-07	0.00	0.04
9	Assam Small Industries Development Corporation Ltd.	2014-15	44.86	9.02
10	Ashok Paper Mill (Assam) Ltd.	2018-19	0.00	0.49
11	Amtron Informatics (India) Ltd.	2017-18	0.00	*
12	Assam State Fertilizers and Chemicals Ltd.	2011-12	1.98	1.09
13	Assam Government Marketing Corporation Ltd.	2018-19	20.40	3.43
14	Assam State Transport Corporation	2021-22	70.45	87.01
Total			266.83	276.64

Source: Latest finalised accounts of SPSEs as on 30 September 2023 *other expenses

As can be seen from **Table 5.12**, the turnover of four SPSEs could meet their own employees' expenses and the turnover of six SPSEs could not meet its employees' expenses as per their latest finalised accounts as on 30 September 2023. However, four SPSEs have zero turnover and had to depend on other sources to meet the salary-related expenses. It was further seen that 9 out of 10 SPSEs whose turnover was less than

⁴² Government Loan (₹ 281.25 crore) to Assam Tea Corporation Limited; Grants (₹ 98.88 crore) to i) Assam State Development Corporation for Scheduled Castes Limited (₹ 3.37 crore), ii) Assam State Film (Finance & Development) Corporation Limited (₹ 0.42 crore) and iii) Assam State Transport Corporation (₹ 95.09 crore).

employees' expenses depended on other income⁴³ such as interest earned from fixed deposits or budgetary support⁴⁴ to meet their salary-related expenses.

Accumulation of losses of above SPSEs had eroded public wealth, which is a cause of concern, and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations. The State Government may also review/downsize the staff requirement of the SPSEs and bring their establishment cost to acceptable level. It may also merge the SPSEs to one or two with defined verticals of business within the SPSEs to achieve economies of scale.

5.9 Audit of State Public Sector Enterprises

The Comptroller & Auditor General of India (CAG) appoints statutory auditors of a 'Government Company' and 'Government Controlled Other Company' under Section 139(5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and supplement or comment upon the Audit Report of the statutory auditor. In addition, statutes governing some Statutory Corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

5.10 Appointment of statutory auditors of SPSEs by CAG

Section 139(5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of 49 SPSEs⁴⁵ out of total 52 SPSEs in Assam are appointed by the CAG.

5.11 Submission of accounts by State Public Sector Enterprises

5.11.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation, laid before both the Houses of Parliament together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. In the case of State-owned Government companies, the State Government shall cause a copy of the Annual Report together with a copy of the Audit Report and the comments made thereon by the CAG to be laid before both the Houses of the State Legislature. Similar provisions exist in the respective Acts regulating Statutory Corporations.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months

⁴³ Sl. No. 1, 8 & 10 of Table 5.12

⁴⁴ Sl. No. 2, 4, 5, 6, 7 & 14 of Table 5.12

⁴⁵ Excluding Assam State Transport Corporation where CAG is the sole auditor and two other corporations, namely, Assam Financial Corporation, whose auditors are appointed by the Corporation out of the panel of auditors provided by Reserve Bank of India and Assam State Warehousing Corporation, whose auditors are appointed by the State Government on the advice of CAG.

shall elapse between the date of one AGM and the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129(7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment of the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013. Despite the above, annual accounts of various SPSEs were pending as on 30 September 2023, as discussed in the succeeding paragraphs.

5.11.2 Timeliness in preparation of accounts by SPSEs

As on 31 March 2023, there were 52 SPSEs under the audit jurisdiction of the Accountant General (Audit), Assam. These SPSEs include 49 Government Companies/ Government controlled other companies⁴⁶ and three Statutory Corporations. Details of submission of accounts by SPSEs and age-wise analysis of arrears of the accounts of SPSEs as on 30 September 2023 are given in **Table 5.13** and **Table 5.14**.

Table 5.13: Details of submission of accounts by SPSEs

Particulars	No. of SPSEs
Total number of SPSEs under the purview of CAG's audit	52
Number of SPSEs which submitted their accounts for CAG's audit during October 2022 to September 2023	22
Number of SPSEs who submitted the current year's accounts (2022-23)	07 ⁴⁷
Number of SPSEs who submitted their accounts but having arrears	15

Table 5.14: Age-wise analysis of arrears of accounts of SPSEs

Particulars	Accounts in arrears	SPSEs
Break-up of accounts in arrears	Working SPSEs	192
	Companies	187
	Statutory Corporations	5
	Non-working SPSEs	218
	All Companies	218
	Total	410
Age-wise Analysis of the arrears (No. of accounts)	No arrears	07
	Working	07
	Non-working	00
	One year (2022-23)	09
	Working	06
	Non-working	03
	Two to five years (2017-18 and 2021-22)	53
	Working	47
	Non-working	06
	More than five years	348
	Working	139
	Non-working	209

Source: Compiled based on accounts of SPSEs received during October 2022 to September 2023

⁴⁶ SPSEs at Sl. No. A1, A2, A3, B4, B5, B6, B7, B8, B9, B10, B11, B12, B13, B14, B15, B16, B17, B18, B19, B20, B21, B23, B24, B27, B28, B29, B30, D1, D2, D3, D4, D5, D6, D8, D10 & D14; Subsidiaries of Government companies at Sl. No. B25, B26, B31, D7, D9, D11, D12, D13, D15 & D16; Government controlled other companies at Sl. No. B22 & B33 of Appendix 5.2.

⁴⁷ SPSEs at Sl. No. A1, A2, B22, B24, B31, B32 and B33 (all working) of Appendix 5.2.

As can be noticed from **Table 5.14**, 45 SPSEs (29 working and 16 non-working) had total 410 accounts pending finalisation as on 30 September 2023. Further, 20 SPSEs (nine working and 11 non-working) had 348 accounts pending finalisation for more than five years as on 30 September 2023. The highest number of accounts pending finalisation amongst working and non-working SPSEs pertained to Assam Plantation Crop Development Corporation Limited (30 accounts) and Assam Tanneries Limited (40 accounts) respectively.

Delay in finalisation of accounts entails the risk of fraud/misappropriation and leakage of public money apart from violation of the provisions of the relevant statutes. Further, in the absence of up-to-date accounts of SPSEs, the actual status regarding utilisation and current worth of the public money invested in these SPSEs could not be ascertained and reported to the Legislature and other stakeholders including the State Government.

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of SPSEs under their control are finalised and adopted by the SPSEs within the stipulated period. In view of the huge arrears in finalisation of accounts by the SPSEs, the Principal Accountant General (Audit), Assam had taken up (February 2023) the matter with the SPSEs for liquidating the arrears of accounts. However, the GoA and the SPSEs concerned have not been able to address the issue in a time-bound manner.

5.12 CAG's oversight Audit of accounts and supplementary audit

5.12.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

5.12.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of the public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

This function is discharged by exercising the power to issue directions to the statutory auditors under Section 143(5) of the Companies Act, 2013, and to supplement or comment upon the statutory auditor's report under Section 143(6) of the Companies Act, 2013.

5.12.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of the financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is that of the Management of the entity (SPSE) concerned.

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit their Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143(6) of the Companies Act, 2013 to be placed before the Annual General Meeting of the company concerned.

5.13 Result of CAG's oversight role

5.13.1 Audit of Accounts of SPSEs

During October 2022 to September 2023, 22 SPSEs forwarded 33 accounts to the Accountant General (Audit), Assam. Of these, 28 accounts (seven accounts for the year 2022-23 and 21 accounts pertaining to previous years) of 20 SPSEs were selected for supplementary audit. For the remaining five accounts (One account for the year 2020-21 and four accounts for the year 2021-22) of four SPSEs⁴⁸, non-review certificates (NRCs) were issued. In addition to the above, two Consolidated Financial Statements (CFS) forwarded by two SPSEs⁴⁹ were also selected for supplementary audit.

Some of the significant comments issued on the financial statements of the SPSEs are given in **Table 5.15**.

Table 5.15: Comments on Profitability

Sl. No.	SPSEs	Comments
1	Assam Power Generation Corporation Limited (FY 2022-23)	The Company wrongly booked the advance (₹ 1.36 crore) received against 'Land Lease Charges' & 'Local Area Development Fund Charges' for the financial year 2023-24 as 'Other Income' for current year (2022-23) instead of accounting the same under 'Current Liabilities'. This has resulted in overstatement of "Profit for the year" and understatement of "Current Liabilities" by ₹ 1.36 crore each.
2	Assam Power Distribution	The Regulator (Assam Electricity Regulatory Commission) during the truing up of tariff of the Company for the financial year 2020-21, declared (March

⁴⁸ Assam Medical Services Corporation Limited forwarded three accounts (2019-20, 2020-21 and 2021-22) for which supplementary audit was conducted for 2019-20 and NRC was issued for the year 2020-21 and 2021-22; Assam Hydro-Carbon and Energy Company Limited forwarded two accounts (2021-22 and 2022-23) for which NRC was issued for the year 2021-22 and supplementary audit was conducted for 2022-23. Further, NRC was issued for one accounts each of Assam Trade Promotion Organisation (2021-22) and Fertichem Limited (2021-22).

⁴⁹ Assam Gas Company Limited and Assam Mineral Development Corporation Limited.

Sl. No.	SPSEs	Comments
	Company Limited (FY 2021-22)	2022) revenue gap (deficit) of ₹ 561.47 crore (including interest component: ₹ 104.26 crore) and considered for adjustment (recovery) of the same during the next year (2022-23). The Company, however, did not create corresponding 'Regulatory Assets' by crediting the 'Profit and Loss Accounts' in the current accounts (2021-22) as per the 'Guidance Note on Accounting for Rate Regulated Activities issued by ICAI'. This has resulted in understatement of 'Profit for the year' and understatement of 'Regulatory Assets' by ₹ 535.44 crore each (excluding the interest component of ₹ 26.03 crore pertaining to 2022-23) respectively.
3	Assam Petro-Chemicals Limited (FY 2022-23)	Refer 'Notes forming part of the financial statements' (Notes-34.7) regarding allotment of land (non-monetary grant) (fair market value: ₹ 7.36 crore) by the State Government in Bongaigaon, Assam for setting up of Industrial/200 TPD Formalin Plant (TPD Plant) and accounting of the said land in accordance with the provisions of Ind AS 20 (Government Grants). While the TPD Plant was under construction as on 31 March 2023, the Company estimated the 'construction period' and 'useful life' of the TPD Plant as 2 years and 25 years respectively. As per Ind AS 20 (refer paragraphs 24 and 26), the Government Grants related to Assets (including non-monetary grants at fair value), shall be recognised as 'Deferred Income' and the same shall be recognised in profit or loss on a systematic basis over the useful life of the asset. As such, the Company was required to book the Grant (fair value of Land) as 'Deferred Income' in the Balance Sheet (Liabilities side) and after commissioning of the TPD Plant, the Company should start recognising the said Grant (Deferred Income) as 'Income' in Profit and Loss Account on a systematic basis, over the useful life of the TPD Plant (25 years). However, the Company started recognising (crediting) the Grant (Deferred Income) as 'Income' to the extent of ₹ 0.27 crore (being the 1/27th part of ₹ 7.36 crore) in the Profit and Loss Account under 'Other Non-operating Income' (Note-25) from the accounting year 2020-21 by debiting 'Other Non-Current Liabilities', despite the project still pending commissioning. This has resulted in understatement of 'Loss for the year' by ₹ 0.27 crore with corresponding understatement of 'Accumulated loss (Other Equity-Note-16)' and 'Other Non-Current Liabilities' by ₹ 0.81 crore each.
4	Assam Industrial Development Corporation Limited (FY 2020-21)	The Company invested 1,09,28,423 equity shares of ₹ 10 each in Calcom Cement Limited. As on the Balance Sheet date the book value of each equity share of ₹ 10 in Calcom Cement Limited was ₹ 6.59 with diminution of ₹ 3.41 per share. However as against diminution of ₹ 3.73 crore (1,09,28,423 x ₹ 3.41 per share) the company has made provision of ₹ 1.63 crore only for loss of investment. This has resulted in understatement of 'Loss for the year' and overstatement of 'Non-current Investment' by ₹ 2.10 crore each
5	Assam Fisheries Development Corporation Limited (FY 2020-21)	During the year 2020-21, the Company transferred work advance of ₹ 2.26 crore directly to the personal accounts of nine of its employees/officers towards execution of the AFDC Beel Development Scheme 2020-21. The work advances were subject to adjustment after submission of necessary vouchers or bills by the employees/officers. The Company, however, instead of booking the above payments under 'Short Term Loans and Advances (Note-11)' as 'Advance against AFDC Beel Development Scheme', charged the same to revenue under 'Other Expenses (Note-17)' by creating corresponding provisions for liabilities under 'Long Term Provisions (Note-4)'. This has resulted in overstatement

Sl. No.	SPSEs	Comments
		of the above head and 'Long Term Provisions' by ₹ 2.26 crore each with corresponding understatement of 'Short Term Loans and Advances' and 'Profit for the year' to that extent.

Table 5.16: Comments on Financial Position

Sl. No.	SPSEs	Comments
1	Assam Power Generation Corporation Limited (FY 2022-23)	Regulation 48.1 of the Assam Electricity Regulatory Commission (Terms and Conditions for determination of Multi Year Tariff) Regulations 2021 stipulates that the Normative Annual Plant Availability Factor (NAPAF) for full recovery of Annual Fixed Charges (AFC) from the Consumer (APDCL) shall be minimum 85 <i>per cent</i> for Namrup Replacement Power Project (NRPP). Regulation 52.1(b) of the above Regulations further provides that recovery of AFC below the level of NAPAF shall be on pro rata basis. The AERC, while approving Generation tariff for the financial year 2022-23, allowed AFC of ₹ 148.68 crore for NRPP considering NAPAF of 85 <i>per cent</i> . The Company recovered ₹ 148.68 crore (as AFC of NRPP) from APDCL for the financial year 2022-23 but it could achieve Plant Availability Factor (PAF) of 52.99 <i>per cent</i> only, which was below the prescribed NAPAF (85 <i>per cent</i>). However, it did not provide for the AFC refundable to APDCL due to underachievement of PAF. This has resulted in understatement of Current Liabilities and overstatement of Profit for the year by ₹ 47.59 crore each.
2	Assam Power Distribution Company Limited (FY 2021-22)	The Company did not book ₹ 82.83 crore, being the assets created out of the consumers' contribution during the year 2021-22. This resulted in understatement of 'Property, Plant and Equipment' with corresponding understatement of 'Deferred Government Grants, Subsidies and Consumer Contribution (Note-15)' to the same extent.

5.13.2 Management Letters

One of the objectives of financial audit is to establish communication between the auditor and those charged with the responsibility of governance of the corporate entity on audit matters arising from the audit of the financial statements.

The material observations on the financial statements of Government Companies were reported in the form of 'comments on accounts' by the CAG under Section 143(5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management separately through 'Management Letter' for taking corrective action. These deficiencies generally related to:

- application and interpretation of accounting policies and practices;
- adjustments arising out of audit observations that could have a significant effect on the financial statements; and
- inadequate or non-disclosure of certain information on which Management of the concerned company provided assurances that corrective action would be taken in the subsequent year.

As per latest finalised accounts as on 30 September of respective years, ‘Management Letters’ were issued⁵⁰ to five Government companies as shown in **Table 5.17**.

Table 5.17: List of SPSEs where Management Letters were issued

Sl. No.	Name of SPSE	Year of accounts
1	AMTRON Informatics (India) Ltd.	2017-18
2	Purba Bharti Gas Private Ltd.	2022-23
3	Assam Seeds Corporation Ltd.	2018-19
4	Assam Fisheries Development Corporation Ltd.	2020-21
5	DNP Ltd.	2022-23

5.13.3 Amendment of Financial Statements

During 2022-23, there was no case of SPSEs amending their Financial Statements before laying the same in the Annual General Meeting.

5.13.4 Revision of Auditors Report

During 2022-23, there was no case of revision of Statutory auditors’ report as a result of supplementary audit of the Financial Statements conducted by CAG.

5.14 Conclusion

Out of the total profit of ₹ 592.14 crore earned by 19 SPSEs 80.69 *per cent* was contributed by three SPSEs. Similarly, more than 89 *per cent* (₹ 173.89 crore) of the losses (₹ 195.37 crore) incurred by 17 SPSEs during 2022-23, were contributed by two SPSEs viz. Assam State Transport Corporation (₹ 106.53 crore) and Assam Petro-Chemicals Limited (₹ 67.36 crore).

Further, out of 18 profit-making SPSEs in which GoA had direct equity infusion (total profit: ₹ 542.93 crore), only one SPSE (Assam Gas Company Limited) paid a total dividend of ₹ 5.07 crore to GoA while remaining 17 SPSEs which earned aggregate profits of ₹ 540.18 crore had not declared/paid dividend.

As on 31 March 2023, there were 52 SPSEs (36 working SPSEs and 16 non-working SPSEs). SPSEs did not adhere to the prescribed timeline regarding submission of their Financial Statements as 45 SPSEs (29 working and 16 non-working) had total 410 accounts pending finalisation as on 30 September 2023. Further, 20 SPSEs (nine working and 11 non-working) had 348 accounts pending finalisation for more than five years as on 30 September 2023. The highest number of accounts pending finalisation amongst working and non-working SPSEs pertained to Assam Plantation Crops Development Corporation Limited (30 accounts) and Assam Tanneries Limited (40 accounts) respectively.

5.15 Recommendations

- i. Considering huge pendency of accounts of SPSEs State Government may impress upon the managements of SPSEs to ensure timely submission of their Financial Statements. In absence of the latest finalised accounts, Government investments in such arrears SPSEs remain outside the oversight of the State Legislature;*

⁵⁰ Issued during the years 2022-23 and 2023-24.

- ii. As 16 non-working SPSEs are neither contributing to State economy nor meeting their intended objectives, State Government may expedite the process of their closure; and
- iii. State Government may analyse the reasons of losses in those SPSEs whose net worth has been eroded, initiate steps to make their operations efficient and profitable and consider continuance of their operation.



(KUMAR ABHAY)
Accountant General (Audit), Assam

Guwahati
The 25 April 2024

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The 6 May 2024

