



CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

**ANNUAL REPORT
FOR
FINANCIAL YEAR
2017-18**



CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking)

Regd. Office:- Vidyut Sewa Bhawan, Dangania, Raipur- 492013

CIN: L40108CT2003SGC015822, Email ID: mddiscom@cspc.co.in

Website: www.cspdcl.co.in, Phone No.: 0771- 2574200, Fax No.: 0771- 4066566

BOARD'S REPORT

To,
The Members of
M/s Chhattisgarh State Power Distribution Company Ltd.
Raipur (C.G.)

Your Directors have pleasure in presenting the 15th Annual Report of the Company for the financial year ended 31st March, 2018.

1) **CONSTITUTION OF THE COMPANY:**

Your Company was incorporated on 19th May, 2003 as a Public Limited Company vide Certificate of Incorporation No. U40108CT2003PLC15822 issued by the Registrar of Companies, M.P. & C.G. In pursuance to Chhattisgarh State Electricity Board Transfer Scheme Rules, 2010, the entire shareholding of the Company is held by M/s Chhattisgarh State Power Holding Company Limited. Accordingly, your Company is a Wholly Owned Subsidiary (WOS) Company of M/s Chhattisgarh State Power Holding Company Limited (CSPHCL). Further, as per the above Transfer Scheme Rules, the entire shareholding of M/s Chhattisgarh State Power Holding Company Limited is held by the Government of Chhattisgarh. Accordingly, your Company is a Government Company as defined under section 2 (45) of the Companies Act, 2013.

2) **CAPITAL STRUCTURE:**

The authorized share capital of the Company stood at Rs. 3,300 Crore divided into 330 Crore equity shares of Rs.10/- each as on 31st March, 2018. Further, the paid up share capital at the end of the financial year under review stood at Rs. 2263.10 Crore divided into 226.31 Crore equity shares of Rs.10/- each.

3) **ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS:**

The Company has issued/allotted 2575 (Nos.) & 2425 (Nos.) State Government Guaranteed, Unsecured, Redeemable, Non-Convertible Debentures of Rs. 10,00,000/- each to different allottees on 27th March, 2015 & 3rd February, 2016 respectively. The above debentures are listed on the National Stock Exchange.

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4) FINANCIAL RESULTS:

PARTICULARS	(Rs. in Crore)	
	F.Y. 2017-18	F.Y. 2016-17
Revenue from Operations	14372.55	12619.32
Other Income	434.24	216.44
Profit/(Loss) before depreciation, exceptional & extraordinary items & taxation	84.74	(168.09)
Less: Depreciation & Amortization Expenses	267.28	253.67
Profit / (Loss) before exceptional & extraordinary items & taxation	(182.54)	(421.76)
Add : Exceptional & Extraordinary items	(96.60)	-
Profit / (Loss) before tax	(279.14)	(421.76)
Less: Tax expenses	0.00	0.00
Profit/(Loss) after taxation	(279.14)	(421.76)
Other Comprehensive Income	151.70	(366.37)
Total Comprehensive Income	(127.44)	(788.13)

5) REVIEW OF PERFORMANCE:

During the financial year 2017-18, the Company has earned Revenue from Operations amounting to Rs. 14372.55 crore as compared to Rs. 12619.32 crore during the previous financial year. The company is a Public Utility and is functioning under the regulatory regime. The tariff is determined by the CSERC taking into consideration various factors. The net loss of the Company as per accounts prepared as per IND AS was Rs. 127.44 crore after adjustment of Other Comprehensive Income during the financial year under review as compared to net loss of Rs. 788.13 crore during the previous financial year.

6) CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY:

During the financial year under review, there was no change in the nature of the business of the Company.

7) OPERATIONAL PERFORMANCE:

During the period from 01.04.2017 to 31.03.2018, 8975 KM Sub-transmission Lines and 8586 KM Low Tension (Distribution) Lines were constructed. Including the above, the total length

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of Sub-transmission Lines and Low Tension (Distribution) Lines stood at 1,25,363 KM and 1,79,538 KM respectively at the end of the financial year. During the period under review, 120 Nos. new 33/11 KV S/s, 42 no. additional power X-mer, 71No. Aug of Power X-mer, 10,843 Nos. new 11/0.4 KV Distribution Transformers and 400 No. Augmentation of 11/0.4 KV X-mer were established, as a result of which, the capacity was increased by 1017 MVA. As on 31.03.2018, there were 1099 Nos. 33/11 KV and 1,50,280 Nos. 11/0.4 KV Sub-stations with total capacity of 17,516 MVA.

The details of work done during the period under review for up-gradation of Sub-transmission and Distribution System are as under:

Sr. No.	Particulars	Unit	F.Y. 2017-18
1.	33 KV Lines	KM	1,103
2.	11 KV Lines	KM	7,872
3.	Low Tension Lines (400-230 Volts)	KM	8,586
4.	33/11 KV Sub-stations installed	Nos.	120
	Capacity	MVA	420.55
5.	Installation of Additional Transformer in existing 33/11 KV Sub-station	Nos.	42
	Capacity	MVA	136.00
6.	Increase in capacity of Transformer of existing 33/11 KV Sub-stations	Nos.	71
	Capacity	MVA	129.85
7.	11/0.4 KV Sub-station installed	Nos.	10,843
	Capacity	MVA	310.01
8.	Increase in capacity of 11/0.4 KV Transformers	Nos.	400
	Capacity	MVA	20.80

◆ Normal Development Work:

During the period under review, the Company has done the following work under normal Development (Obligatory) Projects for Sub-transmission and Distribution system:

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Sr. No.	Particulars	Unit	Achievement
1.	33 KV Lines Construction	KM	3
2.	11 KV Lines Construction	KM	151
3.	Distribution Lines for Services (For New Connections)	KM	218 + 59 (Conversion)
4.	New Distribution Transformers	Nos.	386
5.	Increase in Capacity of Distribution Transformers	Nos.	278
	Capacity	MVA	14.47
6.	Connection provided: Single Phase	Nos.	1,11,638
	Three Phase	Nos.	36,722
	High Tension Connection	Nos.	220

◆ RURAL ELECTRIFICATION (As on 31.03.2018)

Out of total 19567 villages (as per census 2011), 18487 villages were electrified as on 30/04/2015 and 1080 villages remained un-electrified. Out of balance 1080 villages, 1047 villages were electrified upto FY 2017-18 till 31/03/2018 and 33 villages were balance for electrification through Non-Grid Connectivity by CREDA.

S.No	Particular	Nos.		
01	Total inhabited villages as per Census 2011	19567		
02	Total electrified villages as on 31.03.18	19534		
03	Villages balance for electrification as on 01.04.18.	UE	DE	Total
		26	7	33
04 Proposed through Non-Grid Connectivity				
a	Proposed through off-grid due to forest & long distance from grid.	0	1	1
b	Through DDG	26	6	32

It is pertinent to mention here that above balance villages have also electrified latest by 11.04.2018 and 100% villages have been electrified in the State on 11.04.2018.

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◆ RGGVY IN CHHATTISGARH

- Concept to commissioning work of RGGVY has been entrusted to 03 CPSUs viz. NHPC, NESCL & PGCIL but after refusal by PGCIL for execution in LWE affected districts namely Bastar (including Narayanpur&Kondagaon), Dantewada (including Bijapur&Sukma), &Koriya and Jashpur by NESCL, CSPDCL has taken over the responsibility for implementing the project.
- Detailed Project Reports have been prepared on the basis of the then existing 16 districts with the coverage of all the villages of the State. The newly created district Narayanpur&Kondagaon is bifurcated from district Bastar and district Bijapur&Sukma from district Dantewada.
- Schemes for 03 districts namely Kabirdham (Kawardha), Durg&Janjgir-Champa sanctioned under 10th five year plan and closures have been sanctioned for these projects.
- Schemes for 15 districts namely Rajnandgaon, Raipur, Dhamtari, Mahasamund, Kanker, Bilaspur, Korba, Raigarh, Surguja, Bastar (including Narayanpur and Kondagaon), Dantewada (including Bijapur and Sukma), Kawardha Phase-II, Durg Phase-II under XI Plan and Koriya&Jashpur under XI Plan Phase-II have been sanctioned for Rs. 1185.61 Crore under 11th five year plan. As on 31.03.2018, Rs. 928.11 Cr. has been disbursed to implementing agencies and Rs. 971.90 Cr. has been incurred as expenditure.
- As on 31.03.2018, works in 11 districts namely Kawardha, Durg, Kawardha Ph-II, Durg Ph-II, Rajnandgaon, Raipur, Dhamtari, Mahasamund, Kanker, Bilaspur, Korba have been completed and closure accepted by REC Ltd.
- Under 12th plan, 04 district projects viz. Janjgirchampa (Rs. 92.20 Cr), Mahasamund (Rs. 44.84 Cr), Dhamtari (Rs. 67.85 Cr) &Korba (Rs. 81.19 Cr) have been sanctioned and awards have been placed on turn-key contractor. Total Rs. 221.58 Cr. has been received and Rs. 250.52 has been incurred till 31.03.2018.

Five Year Plan wise progresses of villages and BPL as on 31.03.2018 is as follows: -

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Particular	Sanctioned provision				Work completed			
	10 th Plan	11 th Plan	12 th Plan	Total	10 th Plan	11 th Plan	12 th Plan	Total
UE/DE village	56	1672	0	1728	56	1685	5	1745
Intensive villages	3093	12974	3236	19303	3093	12573	3223	18889
BPL	134459	754266	64033	952758	134459	604916	24962	764337

◆ RGGVY-XII Plan

- MoP, GoI vide office memorandum No.-44/10/2011-RE dated 02.09.13 has conveyed continuation of RGGVY in XII Plan for:-
 - Completing spill over works of projects sanctioned in X & XI Plan.
 - Continuing the scheme for covering all remaining census villages and habitations with population of above 100.
 - Providing free electricity connections to BPL house-holds @ Rs. 3000/- per connection in villages and habitations with population of above 100.
 - Extending DDG to grid connected areas to supplement the availability of power in areas where power supply is less than 6 hours a day.
- Rural Electrification Corporation (REC) Ltd. is the Nodal Agency for the scheme.
- Under funding pattern, 90% capital subsidy would be provided towards overall cost of the project by REC excluding the amount of State/ local taxes and 10% would be contributed by the State through own resources/ loan.
- Work of actual survey and preparation of DPR thereof has been entrusted to M/s REC-PDCL. Present status of DPRs sanctioned and submitted for sanction is furnished as below: -

S.No.	Name of sanctioned project	Sanctioned cost of Project (Rs. In Crore)	Remarks
1	Janjgir-Champa	92.2044	M/s GopiKrishna Infrastructure

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2	Korba	81.1982	Pvt. Ltd; Hyderabad is the turn-key contractor for all these 04 projects.
3	Dhamtari	67.8536	
4	Mahasamund	44.8425	

Coverage of above sanctioned projects are furnished as under:-

SN	Name of Project	Coverage of village and BPL			Coverage of habitations		
		UE Village	PE Village	BPL	UE	PE	Total Habitation
1	Dhamtari	0	602	5025	135	1841	1976
2	Mahasamund	0	1036	13404	23	1821	1844
3	Korba	0	706	23969	303	1793	2096
4	JanjgirChampa	0	892	21635	5	2722	2727
Total		0	3236	64033	466	8177	8643

Status of completed work under 12th PLAN RGGVY As on 31.03.2018

S.N	Particulars	Name of Districts									
		Korba		DMT		MSD		Janjgir		Total	
		Provn	Achvt	Provn	Achvt	Provn	Achvt	Provn	Achvt	Provn	Achvt
1	PE Villages	706	698	602	597	1036	1036	892	892	3236	3223
2	Nos. of habitations	2096	2060	1976	2248	1844	1884	2727	2218	8643	8410
3	BPL connection	23969	9249	5025	700	13404	13149	21635	1864	64033	24962

◆ ELECTRIFICATION OF IRRIGATION PUMPS

During the period from 01.04.2017 to 31.03.2018, the line extension work has been completed for 19,753 pumps and 4,05,578 pumps have been energized upto 31.03.2018.

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◆ B.P.L CONNECTION

As per the direction of State Government, the B.P.L. Connection is made available to people who are below poverty line. During the period from 01.04.2017 to 31.03.2018, total 1,86,584 connections have been provided to the above category families. As a result, there are 17,19,297 B.P.L. Connections to the above category families as on 31.03.2018.

◆ STN SCHEME

Energy Conservation has also been achieved through strengthening of sub-transmission line under the STN Scheme for which the provision of Rs. 158 Crore has been made by CSERC for the year 2017-18 and expenditure of Rs. 163.23 Crores has been incurred including spill over work during the reporting year 2017-18.

◆ Atal Jyoti Yojana

In view of load management during scarcity of power (peak load hours) the agricultural dominated feeders have been separated under Atal Jyoti Yojna funded by the State Government. Total 130 Nos. 11 KV feeders have been separated in first phase covering 30336 pumps of 732 villages. Total 170 Nos. 11 KV Feeders have been separated in second phase covering 31616 pumps of 17308 villages.

It is proposed to incorporate the above information, in the information being prepared by DDUGJY/ IPDS section so as to sent the compiled information to company secretary CSPDCL.

◆ DDUGJY

- MoP; GoI vide office memorandum No.-44/44/2014-RE dated 03.12.14 has conveyed regarding launch of DeenDayal Gram Jyoti Yojna (DDUGJY) for rural areas with following components: -
 - (a) Separation of agriculture and non-agriculture feeders facilitating judicial rostering of supply to agricultural and non-agricultural consumers in RURAL AREAS.
 - (b) Strengthening and augmentation of sub-transmission and distribution infrastructure in RURAL AREAS including metering of distribution transformers/ feeders/ consumers.
 - (c) Rural electrification.
- Rural Electrification Corporation (REC) Ltd. is the Nodal Agency for DDUGJY.



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- As per funding mechanism for execution of work, 60% capital subsidy would be provided towards overall cost of the project by MoP through REC excluding the amount of State/ local taxes. 10% amount of project shall be contributed by the State and balance 30% by Utility through own resources/ loan.
- For Chhattisgarh State, REC Ltd. conveyed approval of DPR's of all 27 districts vide their letter No.-94 dated 14.08.2015 for **Rs. 1253.98 Crore** and their-after component-wise sanction vide letter No.-76 dated 18.04.2016 for Rs. 1247.69 Crore. Completion period of this scheme was targeted 24 months. Accordingly CSPDCL has awarded the works to various contractors on semi-turn-key basis. REC-PDCL has appointed as PMA (Project Management Agency) for this scheme. Consequent upon shifting of 56 villages of Narayanpur district, which were earlier proposed for electrification through Non-Grid connectivity, for electrification through Grid connectivity, REC has conveyed in-principal sanction of **Rs. 1263.46 Crore** (Rs. 1257.16 Cr. for infrastructure + Rs. 6.30 Cr. towards PMA Charges) vide No.-249 dated 09.01.2017.
- Award for electrification of all 27 districts have been placed on various contractors in December 2016 on semi turn-key basis. Works have been taken-up by the concern contractors.

Status of works completion as on 31.03.2018 under DDUGJY is as under: -

DDUGJY- PHYSICAL /FINANCIAL PROGRESS as on 31.03.2018		
STATE : Chhattisgarh	UTILITY : CSPDCL	
(a) Sanction project cost	1257.16	Crore
(b) Amount received as GOI Grant	495.13	Crore
(c) Amount received as state contribution	125.00	Crore
(d) Amount received as Loan from fls/other	147.82	Crore
(f) Total amount utilized / Spent	616.36	Crore

Sr. No	Milestone Name	Unit	Awarded Quantity	Cumulative Progress
1	33/11 kv New substation	No.	80	29

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		MVA	274.20	90.05
2	Augmentation of 33/11 kv substation	No.	101	45
		MVA	456.90	209.65
3	Distribution Transformer (DTR)	No.	14553	3303
		MVA	445.83	88.54
4	Feeder segregation (Excluding 11 kv)	Ckm	5846.75	543.33
5	L.T. Line	Ckm	9555.22	3878.72
6	11 kv line (excluding feeder segregation)	Ckm	7457.20	2141.00
7	33/ 66 kv line	Ckm	1304.00	296.96
8	Energy meter-Consumer	No.	40366	836
9	Energy meter-DTR	No.	807	0
10	Energy meter-11 KV Feeder	No.	3382	2113
11	Intensive Electrification of village	No.	2872	1566
12	Connection to BPL Households	No.	79008	54267

◆ SAUBHAGYA

The Finalization of un-electrified house-holds proposed to be covered under SAUBHAGYA scheme is as below:

- 478388 UE house-holds has been proposed providing connectivity through grid at rural areas.
- 299316 house-holds covered under PMAGY also to be covered by providing connectivity upto March 2019 through grid at rural areas.
- 15068 UE house-holds has been proposed providing connectivity through grid at urban areas.

Progress of Household electrification under "SAUBHAGYA" as on 31.03.2018 is as under: -

S. No	Name of district	Balance Un-electrified Hh	SAUBHAGYA	
			Provision	Achievement
01	02	03	04	05
1	Balod	6297	11955	5446
2	Baloda-Bazar	32993	34606	12614
3	Balrampur	82361	76553	2974
4	Bastar	61372	53720	14181
5	Bemetara	24252	28953	9683
6	Bijapur	22168	10783	3480
7	Bilaspur	48018	43697	10825

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8	Dantewada	35397	25014	6211
9	Dhamtari	6941	6919	905
10	Durg	11902	12183	4507
11	Gariyaband	28847	23637	6570
12	Janjgir- Champa	40257	41285	5038
13	Jashpur	82104	61361	8416
14	Kabridham	46494	44944	8065
15	Kanker	32779	25487	5145
16	Kondagaon	17854	15401	7071
17	Korba	31006	28687	5261
18	Koriya	31168	26471	3950
19	Mahasamund	14853	14701	2276
20	Mungeli	21159	24603	5293
21	Narayanpur	14625	10839	2591
22	Raigarh	49800	43009	14215
23	Raipur	20707	20354	4559
24	Rajnandgaon	24021	18780	9984
25	Sukma	34686	17734	2890
26	Surajpur	39566	32987	8235
27	Surguja	58214	38109	10704
	Total	919841	792772	181089

8) FUTURE PROSPECTS & PLANS:

HVDS Scheme:-The High Voltage Distribution System scheme, as the name suggests, has the great scope of T&D loss reduction by converting the existing LT network into HT network. Efforts are being made to increase HT/LT ratio in terms of both line length & consumption accompanied by the respective network. The funds for this scheme are being made available through Company's own sources and financing from Rural Electrification Corporation Limited (REC). REC has sanctioned HVDS scheme for feeders separation in Saraipali. Akaltara, Kawardha, Mahasamund & Sakti Division. In Saraipali division, out of 58 feeders, 58 No. feeders have been completed. Under Akaltara, Division 29 No. feeders are to be converted into HVDS system and work of all 29 feeders has been completed, under (O&M) DnKawardha, out of 77 no feeders, work in 43 no feeders has been completed, under (O&M) DnMahasamund, out of 95 no feeder, work in 80 feeder has been completed.

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R-APDRP PART B:- To reduce line losses in 21 towns (for which 19 DPR Sanction) having population more than 30000 a scheme worth Rs. 710.24 Cr. has been sanctioned for new 33/11 KV for line extension work, cable lying work, new Distribution transformers, shifting of meters outside consumer premises etc. Work of 18 town got completed, works of rest 3 Towns are under progress and will be completed within time frame given by GoI.

IPDS Ministry of Power, GoI vide its office memorandum No. 26/1/2014 R-APDRP Dtd. 3/12/2014 has launched Integrated Power Development Scheme (IPDS) in India. The scheme covers strengthening of sub-transmission and distribution network in urban areas. Total 182 towns of 15 circles of Chhattisgarh are covered under the scheme with total approved cost of Rs. 489.06 Crs. The main works involved are:-

S. No.	Particulars	Unit	Provision
1	33/11 KV Sub stations	No	32
2	33 KV line	KM	270
3	11 KV line	KM	672
4	LT lines	KM	147
5	Replacement LT line AB Cable	KM	2996
6	Distribution Transformers	No	1516

9) **IMPROVEMENT INITIATIVES:**

Various initiatives have been taken by the Company to upgrade the system, to improve the billing and collection efficiency and to provide better services to the consumers. Few points in brief are as under:-

- To improve the billing efficiency and better performance of reading and to avoid manual intervention, Spot Billing and further Photo Spot Billing has been implemented. Spot Billing has been implemented for 18.28 lacs consumers and Photo Spot Billing has been implemented as pilot project in Champa-Janjgir Circle.
- Automatic meter reading system has been implemented in all 2769 HT connections, 7025 LT connections having connected load above 50HP and 16715 LT connections having connected load between 15HP to 50HP for precise reading and accounting of Energy

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consumed by major consumers approximately covering 70% of the total Revenue of the company.

- 100% feeder metering has been achieved to monitor the T&D losses. Metering has been completed in 605 No. of 33KV feeders and 4211 No of 11KV feeders. 65674 No. DTs have been metered for DT wise monitoring of T&D losses.
- The process of replacement of Stopped/Defective meters have been implemented in a regular manner. 184364 No. of Stopped/Defective meters have been replaced in the year 2017-18.
- Different modes of digital payment have been provided as Net Banking, Debit Card, Credit Card, RTGS, NEFT, UPI, Wallets, Pay-points centres and common service centres. 117 Nos. of ATP machines have been installed at different location in the State where the consumer can pay the bill from 8:00 AM to 8:00 PM round the week in addition to the manual counters, towards improvement of collection efficiency & consumer services.
- 21 No. special courts are functioning under section 153 of Electricity Act., 2003 at District Head Quarters for speedy trial of offences referred in section 135 to 140 & section 150 of Act, 2003.
- Consumer grievance redressal forum has been setup in Raipur, Bilaspur&Jagdalpur at Regional Head Quarters. Raipur forum arranges weekly camps at Durg&Rajnandgaon. Similarly, Bilaspur forum arranges fortnightly camps at Raigarh&Ambikapur towards quick disposal of consumer grievances by providing close approach to consumers.
- A service of Automated Central Call Centre with group of Call Centres in 22 towns has been created to facilitate 24x7 registration of technical and commercial complaints and for resolution in minimum time.
- Improvement in operational efficiency has been achieved through implementation of various modules of SAP ERP like Materials Management, Financial Accounting and Controlling, Human Resource Management, Billing (IS-U), Customer Relationship Management (CRM), Suppliers Relationship Management (e-Bidding) and Maintenance Management System. Owing to this, it is now possible to provide better services to consumers, manage inventory and procurement effectively, monitor financial progress of



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scheme/projects and provide module specific information at various levels (Distribution Centre, Zone/Sub Division, Division, Circle, Region & Head Office).

- Chhattisgarh is the first state in the country where Distribution Company has implemented SAP (ERP) System with Billing (IS-U) module.
- Centralised call center has been established in Raipur for providing Customer Care Services to electricity consumers of entire Chhattisgarh State including 22 major towns of the state under R-APDRP Scheme. This center has been equipped with SAP-CRM and ASPECT software with IVRS facility. Any customer can contact this 24*7 Customer Care Center by dialing easy to remember Toll-free No. 1912 from landline or mobile of any telecom operator from anywhere in Chhattisgarh State. Consumer can register any type of complaint at this center related to supply of electricity, Billing etc. and can query about any CSPDCL Service or can enquire about the status of their complaints.
- CSPDCL website "www.cspdcl.co.in" has been enriched with all mandatory customer care services like Online Consumer Web Self Service, Online Bill Payment, 24 months Billing Information, 24 months Payment Information, Online Complaint Registration, Online New Service Connection (NSC), Online Application for load Change, Name Change, Tariff Change etc.
- CSPDCL has provided all possible payment services to its electricity consumers like online bill payment through Net Banking, Credit Card, Debit Card, BHIM, UPI, Bharat Bill Payment System, 117 Nos. Bill Payment Kiosk ATP Machines, 1700 Pay Point Centres, 9100 Common Service Centers, 324 POS Machines, etc.
- Geographical Information System (GIS) and Meter Data Acquisition System (MDAS) have also been implemented in 22 major towns of the state under R-APDRP Scheme which are integrated with relevant modules of SAP-ERP.

10) DIVIDEND

Keeping in view loss suffered by the Company during the financial year under review, your Directors do not recommend any dividend for the year under review.

11) TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to General Reserve.



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12) PUBLIC DEPOSIT:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not received any unsecured loan from directors of the Company & their relatives within the meaning of Section 73 of the Companies Act, 2013 and Clause 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.

13) DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per provisions of the Articles of Association of the Company, all the Directors hold their office at the pleasure of the Government of Chhattisgarh. As per various orders issued from time to time by the Energy Department, Govt. of Chhattisgarh, the following changes have taken place in the constitution of the Board of Directors of the Company since the date of previous Directors' Report for the F.Y. 2016-17:-

SL. NO.	PARTICULARS	EFFECTIVE DATE
1.	Cessation of Shri G.C.Mukherjee from the Directorship of the Company.	20.02.2020
2.	Cessation of Shri Hemraj Narware from the Directorship of the Company.	21.02.2020
3.	Cessation of Shri Shailendra Kumar Shukla, from the Directorship of the Company..	16.03.2020
4.	Cessation of Shri Gaurav Dwivedi, from the Directorship of the Company.	16.03.2020
5.	Appointment of Shri Subrat Sahoo as Chairman of the Company.	17.03.2020
6.	Cessation of Smt. Tripti Sinha from Directorship of the Company.	27.04.2020
7.	Appointment of Smt. UjjawalaBaghel as Woman Director of the Company.	28.04.2020
8.	Appointment of Shri N.K. Bizora as Nominee Director of the Company. .	04.05.2020
9.	Cessation of Mohammed Qaiser Abdul Haque, IAS from the post of Managing Director of the Company	01.08.2020
10.	Appointment of Shri Harsh Gautam as Managing Director of the Company.	17.08.2020

Accordingly, the following persons constitute the Board of Directors of the Company as on date:

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SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Subrat Sahoo, I.A.S.	Chairman & Nominee Director
2.	Shri Amitabh Jain, I.A.S.	Nominee Director
3.	Smt. Ujjawala Baghel	Nominee Director
4.	Shri N.K. Bizora	Nominee Director
5.	Shri Harsh Gautam	Managing Director

Further, the following changes have taken place in the Key Managerial Personnel of the Company since the date of previous Director's Report for the F.Y. 2016-17:-

SL. NO.	NAME OF KEY MANAGERIAL PERSONNEL	EFFECTIVE DATE
1.	Cessation of Shri Sandeep Modifrom the post of Chief Financial Officer of the Company.	18.10.2019
2.	Appointment of Shri Y. B. Jain as Chief Financial Officer of the Company.	18.10.2019
3.	Cessation of Mohammed Qaiser Abdul Haque, IAS from the post of Managing Director of the Company	01.08.2020
4.	Appointment of Shri Harsh Gautam as Managing Director of the Company.	17.08.2020

As a result, presently, the Company is having the following Key Managerial Personnel, in compliance of the provisions of Section 203 of the Companies Act, 2013: -

SL. NO.	NAME OF KEY MANAGERIAL PERSONNEL	DESIGNATION
1.	Shri Harsh Gautam	Managing Director
2.	Shri Y. B. Jain	Chief Financial Offer
3.	Shri Arun Mishra	Company Secretary

Keeping in view the amendments by the Ministry of Corporate Affairs, Govt. of India in the Companies Act vide Notification dated 05.07.2017 & 13.07.2017 with regard to provisions for the appointment of Independent Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the other Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of your Company in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors on the Board of Directors of the Company. However, the Govt. of C.G. has not yet appointed any Independent Directors on the Board of Directors of the Company.

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14) DECLARATION BY INDEPENDENT DIRECTOR:

Since, the Govt. of C.G. has not yet appointed Independent Directors as required under Section 149(4) read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the question of obtaining of declaration from the Independent Directors does not arise during the financial year under review.

15) DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments 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 and of the profit & loss of the Company for that period;
- (iii) 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;
- (iv) The Directors had prepared the annual accounts on a going concern basis; and
- (v) 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.

16) NUMBER OF MEETINGS OF THE BOARD:

6 (Six) Board Meetings were held during the Financial Year ended 31st March, 2018.

17) AUDIT COMMITTEE :

As on 31st March, 2018, the Audit Committee of the Company comprised the following directors:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Amitabh Jain, I.A.S.	Non-Executive Director

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2.	Shri Siddharth Komal Singh Pardeshi, I.A.S.	Non-Executive Director
3.	Shri Ankit Anand, I.A.S.	Executive Director

Further, the following changes have taken place in the constitution of the Audit Committee since 31st March, 2018:

SL. NO.	PARTICULARS	EFFECTIVE DATE
1.	Appointment of Shri Gaurav Dwivedi, IAS as Nominee Director of the Company in place of Shri Siddharth Komal Pardeshi, IAS.	25.01.2019
2.	Cessation of Shri Ankit Anand, IAS from the Managing Director of the Company	05.02.2019
3.	Appointment of Shri Mohammed Qaiser Abdul Haque, IAS as Managing Director of the Company.	07.02.2019
4.	Cessation of Shri Gaurav Dwivedi, from the Directorship of the Company.	16.03.2020
5.	Appointment of Shri Subrat Sahoo as Chairman of the Company.	17.03.2020
6.	Cessation of Mohammed Qaiser Abdul Haque, IAS from the post of Managing Director of the Company	01.08.2020
7.	Appointment of Shri Harsh Gautam as Managing Director of the Company.	17.08.2020

As a result, presently, the Audit Committee of the Company comprises the following directors:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Amitabh Jain, I.A.S.	Non-Executive Director
2.	Shri Subrat Sahoo, IAS	Non-Executive Director
3.	Shri Harsh Gautam	Executive Director

There is requirement of appointment of Independent Directors in the Audit Committee under the provisions of section 177 of the Companies Act, 2013. However, the Company has not complied with the above provision of the Companies Act, 2013. As stated in point no. 13, after appointment of Independent Directors by the Govt. of C.G. the Audit Committee will be re-constituted.



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18) NOMINATION & REMUNERATION COMMITTEE:

There is requirement of appointment of Independent Directors for constitution of Nomination & Remuneration Committee also. As stated in point no. 13, after appointment of Independent Directors by the Govt. of C.G., the Company shall constitute Nomination & Remuneration Committee.

19) CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Company is required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. As stated in point no.13, after appointment of Independent Directors by the Govt. of C.G., the Company shall constitute CSR Committee.

Further, the Company is having average net loss during the immediately preceding three financial years i.e. 2016-17, 2015-16 and 2014-15. As a result, the Company was not required to spend any amount on CSR activity during the financial year 2017-18. The Report on CSR Activities for the financial year 2017-18 in compliance with Section 135 of the Companies Act, 2013 is annexed herewith as an **Annexure-'A'**.

20) RISK MANAGEMENT:

The management of the Company regularly reviews the risks, challenges and threats being faced by the Company. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

21) STATUTORY AUDITOR:

M/s Pandey & Co., Chartered Accountants, Raipur have been appointed as Statutory Auditor of the Company by the Comptroller and Auditor-General of India (CAG) for the financial year 2017-18.

22) REPORT/COMMENTS OF THE AUDITORS /CAG:

Observations/Comments of the Statutory Auditors along with Management's replies thereto on the Financial Statements of the Company for the financial year 2017-18 are enclosed herewith as **Annexure – "B"**.



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Further, the Comments of the Comptroller & Auditor General of India and Management's replies thereto on the Financial Statements of the Company for the financial year 2017-18 are enclosed herewith as **Annexure – "C"**.

23) **REPORTING OF FRAUD:**

The Statutory Auditor of the Company has not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, the AG auditors during their conduct of supplementary audit has reported misappropriation/embezzlement by employees of the Company of cheques collected from consumers against monthly electricity bill amounting to Rs.18.27 Lakh. On the basis of information received from division office, provision has been made in the accounts of F.Y. 2018-19.

24) **COST AUDITORS :**

The Board of Directors of your Company, in its meeting held on 13th August, 2018, has appointed M/s S.N. & Co., Cost & Management Accountants, Raipur, as the Cost Auditor for audit of the Cost Accounting Records of your Company for the financial year 2017-18 in pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014.

The Company has received Cost Audit Report from the Cost Auditors for the financial year 2015-16, 2016-17, 2017-18 & 2018-19 and filed the same with the Central Government on 26.12.2019, 26.12.2019, 29.05.2020 & 03.07.2020 respectively.

25) **MAINTENANCE OF COST RECORDS:**

Your Company is maintaining Cost Records of the product of the Company as prescribed by the Central Government under provision of Section 148(1) of the Companies Act, 2013.

26) **INTERNAL AUDITOR:**

As per the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Corporation is required to appoint Internal Auditor. The Board of Directors of the Company, in its meeting held on 27th July, 2019, has appointed the following firms of Chartered Accountants as Internal Auditors for the financial year 2017-18 & 2018-19:

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S.No.	Name of Internal Auditor	Region
1.	M/s Prem Chand & Company	Raipur I & Jagdalpur
2.	M/s Ajay Sindhvani & Company	Raipur Rural & Raigarh
3.	M/s Minesh Anand & Associates	Durg & Rajnandgaon
4.	M/s Pruthi & Company	Bilaspur & Ambikapur

27) SECRETARIAL AUDIT:

Your Company has appointed M/s S.G. Kankani & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year 2017-18 for conducting Secretarial Audit in pursuance of the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the F.Y. 2017-18 furnished by M/s S.G. Kankani & Associates, Company Secretaries, Secretarial Auditor of the Company is enclosed herewith as **Annexure – “D”**.

Further, the observations of the Secretarial Auditor along with Management's replies thereto for the financial year 2016-17 are enclosed herewith as **Annexure – “E”**.

28) COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings subject to observations made in Secretarial Audit Report.

29) ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Adequate internal financial controls were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements.



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30) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made loans/investments/given guarantees/provided securities to other bodies corporate or persons covered under the provisions of section 186 of the Companies Act, 2013.

31) SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

The Company is not having any subsidiary, joint venture or associate company.

32) TRANSACTIONS WITH RELATED PARTIES:

The Company has not entered into any transaction falling within the preview of section 188 of the Companies Act, 2013.

33) MATERIAL CHANGES AND COMMITMENTS:

No material changes occurred subsequent to the close of the financial year of the Company to which the Annual Report relates.

34) SIGNIFICANT AND MATERIAL ORDERS:

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company.

35) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	The steps taken or impact on conservation	➤ The T&D and AT&C losses has been reduced as tabulated below:	YEAR	DISTRIBUTION LOSS	AT&C LOSS
			2015-16	21.52	21.79
			2016-17	18.56	19.34

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of energy	2017-18	18.08	18.83
	<ul style="list-style-type: none"> ➤ Laying of LT-AB cable in theft prone areas: To prevent the direct theft through hooking the program to replace the bare conductor by LT-AB cable is in progress. ➤ Improvement of electrical network: The extension work of 120 No. 33/11KV S/s, 723.9 KM 33KV lines, 3730.47 KM 11KV lines, 6260 No. Distribution transformers and 3319.25 KM LT line has been completed in the year 2017-18 to reduce the T&D losses of the Discom. Accordingly to reduce the reactive power in the system HT capacitor Bank of 4.53 MVAR has been installed in different 33/11KV S/s. ➤ To improve the energy efficiency all the 64634 No. Distribution transformers of energy efficiency level-II has been purchased and installed in the year 2017-18. 8211 No. Distribution transformers of Energy Efficiency level-II has also been purchased for installation under DDUGJY Scheme. ➤ Segregation of agriculture pump feeders has been initiated to reduce the T&D losses and to regulate the supply hours and to curtail the peak load (Flatten the load curve) due to irrigation pump load. ➤ CSPDCL has been implementing Smart Metering for precise reading without manual intervention. The DPR amounting to Rs 194.66 Cr for four towns Ambikapur, Korba, Raigarh & Rajnandgaon has been sanctioned on 31st Jan'18 under IPDS. Smart Metering in Smart Cities (Raipur and Bilaspur) has been proposed under NSGM. ➤ PAT Cycle-II has been implemented for conservation of energy in CSPDCL. The mandatory compliances has been completed and reported to BEE in due time. ➤ The DSM program initiated by BEE has been implemented in CSPDCL for conservation of energy. Vide publicity has been initiated to encourage the use of LED lamps, LED tube-lights and energy efficient Fans under this program. 103.58 lacs LED bulbs has been distributed upto 2017-18. ➤ Vigilance and O&M checking: To reduce the commercial loss, CSPDCL has created special vigilance checking cell in 15 circles & 01 HT checking cell to curb theft and other irregularities (Mal practice). Details of category wise checking of connection during 2017-18 are tabulated here under:- 		
	No. of Direct theft detected during the Year	5403	
	No. of Mal practice cases observed during the Year	17257	

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		Amount billed Rs. in Lacs during the Year	5931.72																									
		No. of FIR lodged/Information given to police during the Year	1699																									
		No. of cases put up to special court during the Year	375																									
(ii)	the steps taken by the company for utilizing alternate sources of energy	<p>Company follows the RPO (Renewable Purchase obligation) as per guidelines issued by CSERC time to time. CSPDCL has purchased Renewable Energy during FY 2017-18 against the target decided by CSERC which is tabulated as below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Sl. No.</th> <th rowspan="2">Particular</th> <th colspan="3">Obligation as per CSERC Regulation</th> <th colspan="2">Achievement</th> </tr> <tr> <th>Total Consumption</th> <th>RPO target in %</th> <th>RPO target in MU</th> <th>Unit Purchased in MU</th> <th>Achievement in %</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Solor</td> <td rowspan="2">20310.7</td> <td>2.00%</td> <td>406.2</td> <td>332.78</td> <td>1.64%</td> </tr> <tr> <td>2.</td> <td>Non-Solar</td> <td>7.00%</td> <td>1421.75</td> <td>999.30</td> <td>4.92%</td> </tr> </tbody> </table>		Sl. No.	Particular	Obligation as per CSERC Regulation			Achievement		Total Consumption	RPO target in %	RPO target in MU	Unit Purchased in MU	Achievement in %	1.	Solor	20310.7	2.00%	406.2	332.78	1.64%	2.	Non-Solar	7.00%	1421.75	999.30	4.92%
Sl. No.	Particular	Obligation as per CSERC Regulation				Achievement																						
		Total Consumption	RPO target in %	RPO target in MU	Unit Purchased in MU	Achievement in %																						
1.	Solor	20310.7	2.00%	406.2	332.78	1.64%																						
2.	Non-Solar		7.00%	1421.75	999.30	4.92%																						
(iii)	the capital investment on energy conservation equipment's	Total capital investment on energy conservation work under various scheme approx Rs 86.46 Cr. during 2017-18.																										

b) Technology absorption

(i)	the efforts made towards technology absorption	<ul style="list-style-type: none"> • Photo Spot Billing has been initiated for improvement of billing efficiency. • CSPDCL is implementing Smart Metering for precise reading without manual intervention.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from	Nil

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	the beginning of the financial year)-	
	(a) the details of technology imported	---
	(b) the year of import;	---
	(c) whether the technology been fully absorbed	---
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	---
(iv)	the expenditure incurred on Research and Development	Nil

c) **Foreign exchange earnings and Outgo:** NIL

36) EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as a part of this Annual Report is enclosed herewith as **Annexure – “F”**.

37) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has formed an internal complaint committee for Head Quarter offices and also issued necessary instructions to all field offices for constitution of internal complaint committees at Regional/Circle/Division/Sub-Division/Zone/DC offices. No case has been registered during the financial year 2017-18 under the said act.

38) PARTICULARS OF EMPLOYEES :

None of the employees received remuneration during the year in excess of limits prescribed under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

39) HUMAN RESOURCES:

Employees are the most precious asset of an organization and favourable environment is necessary to encourage creativity, innovation and performance excellence amongst them. Your company has focused its efforts to enhance the capabilities of employees to develop competent,

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trained and multi- disciplinary human capital in CSPDCL so as to meet the challenging assignments. Your company strongly believes in achieving organizational excellence through human resources and follows “People First” approach to leverage the potential of its employees to fulfill its business plan.

40) INDUSTRIAL RELATIONS:

Industrial relations in the CS Power Companies continued to be cordial and harmonious. The matter pertaining to Trade Unions, Insurance, employee’s grievances, labour related Court Cases and implementation of labour laws, etc were taken up by the IR department. Overall industrial relations scenario was peaceful governed by harmony and mutual trust.

41) SAFETY, HEALTH & ENVIRONMENT:

- Various guidelines have been issued time to time for carrying the job with safety standards. Installation/testing/ commissioning works have been done by taking measures as per Indian Electricity safety rules. Necessary safety tools have been provided to every Line man / technical staff. Regular safety- drill camps have been organized at each division level. Special training programme have also been organized to safeguard the man & material.
- There are 03 Departmental OPD dispensaries to nurture their employees. In addition to departmental dispensary facility, CSPDCL has tie-up with other Govt. / Private recognized & reputed state/ inter-state specialty hospitals for chronic/ critical medical cases and the employees get reimbursement facility for their hospitalization on the basis of referrals.
- Pleasant environment has been maintained by conducting the different games. Some of the departmental employees have played even at inter-State / National level by the motivation & continuous encouragement and won the national championship trophy. Employees get the reward/honors for their splendid job by the top management at the time of national festivals.

42) VIGILANCE MECHANISM:

The Board of Directors of M/s Chhattisgarh State Power Holding Company Limited, the Holding Company of the Company, has approved the Vigilance Manual in compliance with the provisions of section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The same Vigilance Manual has been implemented in all Chhattisgarh State Power Companies including CSPDCL.



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Website: www.cspdcl.co.in, Phone No.: 0771- 2574200, Fax No.: 0771- 4066566

43) ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support received from Central Government, Govt. of Chhattisgarh, Chhattisgarh State Electricity Regulatory Commission, Chhattisgarh State Power Companies, bankers, various Government Authorities, employees, customers, suppliers and other business associates.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)
DATE: 24-11-2020

(SUBRAT SAHOO)
CHAIRMAN
DIN: 08749162

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL
COLLEGE, JAIL ROAD, RAIPUR (C.G.)



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ANNEXURE – ‘A’

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1.	A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company is required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. As stated in point no. 13, after appointment of Independent Directors, the Company shall constitute CSR Committee.
2.	The composition of the CSR committee	
3.	Average net profit of the company for last three financial years.	Rs. (16.7771/-) Cr.
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Nil
5.	Details of CSR spent during the financial year	Nil
(a)	Total amount to be spent for the financial year	Not Applicable
(b)	Amount unspent, if any	Not Applicable
(c)	Manner in which the amount spent during the financial year	As per Annexure-A
6.	In case of the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	Not Applicable



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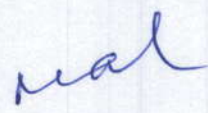
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ANNEXURE-A: ANNUAL REPORT ON CSR ACTIVITIES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1)Local area or other (2)Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1)Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
NOT APPLICABLE							

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)
DATE: 24-11-2020


(SUBRAT SAHOO)
CHAIRMAN
DIN: 08749162

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL COLLEGE, JAIL ROAD, RAIPUR (C.G.)



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ANNEXURE – ‘B’ TO THE BOARD’S REPORT

MANAGEMENT REPLY

TO

STATUTORY AUDITORS COMMENTS THERETO

ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE F.Y. 2017-18

PARTICULARS	MANAGEMENT REPLY
AUDITORS REPORT	
Major comments and observations based on our audits which in our opinion are significant and required provisions in the financial statements in certain cases mentioned herein. The net aggregate impact of non-provision on the loss for the year and/or on the assets/liabilities and also there are cases as stated in para below wherein the quantum of impact though material is unascertainable. The distinguished reasons have been mentioned in our note below:	The auditor’s comments on sub paras (a),(b),(c),(d),(e),(f),(g),(h),(i),(j)(k),l,m,n,o&P have been discussed below in detail.
(a) Impairment of Assets The Company has stated in Para of ‘Significant Accounting Policies’ that the impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired as per Ind As 36. The company has formed a committee to assess the impairment loss incurred if any, the committee is in the process of collecting information from the various field offices, for which various asset wise formats have been circulated to the field office for providing information. However, in the absence of techno economic assessment, we are unable to comment on the effect of the same on the Financial Statements of the Company.	The auditor’s comments represent the factual position; the company has formed a committee to assess the impairment loss incurred if any. Further the committee is in the process of collecting information from various field offices. Report from committee on impairment of Assets if any is awaited.
The CWIP of Rs. 27,60,21,89,925/- as at 31st March, 2018 include additions in CWIP which may not be capitalized and need to be impaired. Management should recognize those additions and account for the impairment loss, if any. However, we are unable to obtain sufficient and appropriate information regarding the same to determine impairment loss as required by Ind AS 36.	The report of Committee is still awaited as soon as the findings of the committee is received appropriate action on impairment of CWIP is required shall be taken.
(b) Cash System of Accountings For Surcharge- Company has adopted Cash System of accounting for delay payment surcharge from Indian Railways during the financial year 2017-18, which in our opinion is not in accordance with the accrual concept; the same should be recognized to curb the uncertainty.	The company has been consistently accounting for delay payment of surcharge from Indian Railways on cash system basis, as the amount of surcharge to be collected from Indian Railway is under dispute and the chances of collection is remote therefore the same is being accounted for on cash basis. Further accounting for surcharge on mercantile basis would inflate the profit or reduce the losses, whereas the chance of getting it materializing is very remote. It is also be mention

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	<p>here that appropriate disclosure in accounting policies is being made in this regard.</p>
<p><u>(c) Bank Reconciliation</u> Bank balances as per Financial Statement of the Company as at 31.03.2018 are reconciled with balances at banks except for the following Regional Accounting Offices (RAOs);</p> <ul style="list-style-type: none"> • AMBIKAPUR RAO, • JANJGIR-CHAMPA RAO, <p>The company is in the process of reconciling bank balances in books of accounts with that in the banks.</p>	<p>The company is in the process of reconciling the balances of banks of the mentioned RAO's. Further the position has improved during the financial year 2017-18 and except some collection banks accounts reconciliation backlogs of all RAO's has been cleared.</p>
<p><u>(d) Identification of Micro, Small and Medium Enterprises as defined under MSMED Act,2006.</u> The company has system for identification of enterprises qualifying under the definition of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). However, the same is not been able to be implemented successfully; hence this leads to non-identification of vendor enterprises into Micro or Small or Medium Enterprises.</p>	<p>The company has manual system for identification of enterprises qualifying under the definition of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Each and every bill pertaining to Small and Medium enterprises vendors is manually marked MSME and is passed accordingly within the stipulated time period.</p>
<p><u>(e) Deemed Deposits under Companies Act 2013</u> As per the information provided to us, the company has not maintained age wise details (ageing schedule) of Sundry Creditors, Sundry Debtors and advances, thus we are unable to comment on Deemed Deposits as per Sec 73 to 76 of Companies Act, 2013.</p>	<p>Age wise report of debtors is available in SAP system and was also provided to the Auditors. However, Age wise report of Creditors are not available in SAP system. Deemed deposits as per section 73-76 is applicable only for sub clause (a) & (c) of clause XII of Rule 2 of Companies (Acceptance of Deposits) Rule, 201 4. The sub clause (c) does not require age wise Details of security deposit. The sub clause (a) requires age wise details of advances For more than one year. The same will be Provided to the audit next year.</p>



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<p><u>(f) Internal Audit</u> As per section 138 of companies Act 2013 read with Rule 13 (1) (a) of Companies (Accounts) Rules, 2014 every prescribed company shall be required to appoint an Internal auditor. Though the company has appointed an Internal Auditor but the Internal Audit Report for the Financial Year 2016-17 is yet to be submitted.</p>	<p>The Company has appointed M/s N.C. Mittal & Co., Faridabad as Internal Auditor for FY 2016-17. Major portion of audit i.e. revenue audit, power purchase audit etc has been completed and the related finding has been submitted by the internal auditor s and has been shown to the statutory auditors during the course of audit, however the final summary Internal Audit report was yet to be submitted by the Internal Auditors.</p>
<p><u>(g) Investment</u> As mentioned in note no. 6 to the Financial Statements, the investment of Rs. 60,00,000/- held by the company are in the name of Chhattisgarh State Board (CSEB).</p>	<p>The Investment of Rs.60,00,000/- has been allocated to CSPDCL during the bifurcation of assets and liabilities of the erstwhile CSEB, Further the investment is shown in the books of CSPDCL and the interest income received is shown in Profit & Loss account of the company, it is also to be mentioned that the investment has matured and amount has been realised on 26.03.2019 and shall be accounted for in FY 2018-19.</p>
<p><u>(h) Government Grant and consumer contribution for PPE.</u> As per Ind AS 20 Government Grant and consumer contribution are not amortized on deferred basis in line with related asset for which grant /contribution was received.</p>	<p>The Government Grant and consumer contribution are amortized in accordance with the asset capitalized during the year, however due to the large number and nature of asset it is not possible to correlate and have a one to one relation between the contribution and assets developed.</p>
<p><u>(i) Issued and paid up capital</u> As mentioned in note no. 14 to the Financial Statements, the issued and subscribed capital of the company has changed as the result of notification of Government of Chhattisgarh no. 1816/F-21/13/13-2/2014 dated 17.07.2017. The revised issued and subscribed capital is Rs.1780.96 crore resulting in a difference in the opening share capital of Rs 41.27 crore. The adjustment entry of the same is passed by the holding company but the statutory compliance as required by MCA or Registrar has not been complied.</p>	<p>CSPDCL had earlier allotted equity shares to CSPHCL on the basis of the assets and equity shareholder mentioned in the provisional Balance Sheet Notified by the Govt. of C.G.. Subsequently, in the Final opening balances notified by the Govt. of C.G., the equity shareholders of CSPDCL stands reduced due to reduction on the assets allocated to CSPDCL. In the View of the above , it has been decided that in the Balance Sheet as on 31.03.2017, the amount equivalent to the reduction in the assets be shown as receivable in the books of CSPDCL and</p>



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	payable by CSPHCL . The same entry is also taken in the books of CSPHCL since there is no impact of the above transaction on the share capital of CSPDCL; no filling is required with MCA.
<p><u>j. Cash flow Statement</u></p> <p>Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. TDS, TCS is not separately recorded in preparation of Cash Flow Statement. Further, it was observed that the cash flow statement prepared does not contain the statement of change in liabilities arising out of financial activities, including both changes arising from cash flows and non-cash changes as per required by Ind AS 7.</p> <p>As per Para 44A of Ind AS 7, an entity shall provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</p> <p>Further To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:</p> <ul style="list-style-type: none">(a) Changes from financing cash flows;(b) Changes arising from obtaining or losing control of subsidiaries or other businesses;(c) The effect of changes in foreign exchange rates;(d) Changes in fair values; and(e) Other changes.	As desire by the audit necessary changes has been made in the Cash Flow statement and the same is in line with Ind AS 7.
<p><u>k. Assets held for sale</u></p> <p>Company has not classified the non-current assets (or disposal group) as Held for Sale as required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". There are non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use, which qualify to be disclosed as assets held for sale.</p>	As per Ind AS 105 - The objective of this Indian Accounting Standard (Ind AS) is to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations. In particular, this Ind AS requires: (a) assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and (b) assets that meet the criteria to be classified as held for sale to be presented separately in the balance sheet and the results of discontinued operations to be presented separately in the statement of profit and



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	<p>loss.</p> <p>The assets held by the company unlike any other manufacturing or trading concern cannot be distinguish form each other assets and cannot be termed as a separate block of assets which are held separately as a result of discontinued operations as the operation performed by the company is of continuous perpetual nature. The unusable assets which have to be discarded due to wear and tear or due to change in technology are immediately replaced by the some other assets as the operation of the company is still continued. Further the sale proceed of the discarded assets is realized through sale in auction and is recorded as sale of scrap. Therefore Company has not classified the non-current assets (or disposal group) as Held for Sale separately.</p>
<p><u>l. Depreciation short claimed due to delayed capitalization of Capital work in progress-</u></p> <p>During the scrutiny of fixed asset Register, it was observed that the capitalization of Capital work in progress was done only in month end dates. Further, major capitalization was done in the last day of the financial year. On enquiry, it was brought to our notice that delay is due to non- submission of estimates by divisions and assets are commissioned well before their capitalization in the books of accounts. This amounts to under booking of depreciation & loss to the company. As per FAR, assets of Rs. 407.18 crores were capitalized on 31st March, 2019 but the depreciation charged is Rs.5,10,703. Considering an average deferment of 60 days, company has claimed short depreciation of Rs.3.48 Crores.</p>	<p>The capitalization of assets formed is a perpetual process and as evident from the assets register the capitalization of assets is done in every month however the frequency is much more in the month of March being the last month of the Financial year. It may also due to the reason as the financial year period is closed after 31st March and the process of documentation takes time the capitalization process in the system is run after end of the financial year and due to procedural aspect the same is capitalized in the last day of the financial year.</p>
<p><u>m. Failure to file financial statements with Registrar of Companies</u></p> <p>Company has failed to file annual returns for the FY 2016-17 and FY 2017-18 till now .</p>	<p>The above comment is factually wrong. The Company has already filed Annual Return for the Financial Year 2016-17 & 2017-18 on 15.02.2018 (Vide SRN-G76750223) &on 13.05.2019 (Vide SRN- H59099390) respectively.</p>
<p><u>n. Revenue Leakage in Power Purchase</u></p> <ul style="list-style-type: none">As per CSERC order dated 13 July,2018, the fixed charges for plants achieving COD before 1st April, 2014 is required to be determined on the basis of month in which COD is achieved. The company has in all cases reported the COD on financial Year basis taking the last reported fixed charge for that year, this	<p>Details regarding the mentioned matter has been provided to the Auditor in soft copies and the payment for power purchase has been made in accordance to the orders passed by CSERC in respective years and hence there is no revenue</p>



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<p>has resulted in loss to the company.</p> <p>For instance in case of Vendor No. 301214, M/s Neeraj Power Private Limited , the COD has been taken as FY 2006-07 without specifying the exact date of COD.</p>	<p>leakage in the Power Purchase.</p>
<p><u>o. TDS Booking</u></p> <p>The Company has in case of vendor payment deducted TDS on actual payment basis. However, as per the Income Tax Act, payer is bound to deduct TDS on payment or credit which ever is earlier. Hence, the company in this manner deferred TDS liability. Due to lack of sufficient and appropriate audit evidence, the amount of deferment cannot be quantified.</p>	<p>As per procedure laid down in the SAP system the deduction of TDS is made when the vendor is identified and credit is given to the vendor account and not at the time of actual payment as stated by the audit. The same practice is followed by other Chhattisgarh State Power Companies also.</p>
<p><u>Pertaining to previous year (2016-17) & not yet rectified</u></p> <p>(r) Cash & Cash Equivalents (Note 13) includes Rs.18.27 lacs pertaining to cash receivable from employees of the company for misappropriation/embezzlement of cheques collected from the consumers against monthly electricity bills.</p> <p>(s) Cash & Cash Equivalents (Note 13) includes Rs. 40.62 being the amount of cheques recorded on the receipt side of the company's cash book towards payment of energy bills by consumers but these cheques were not credited to company's bank accounts for period exceeding three months to four years and not written back as trade receivables.</p>	<p>The A.G auditors have pointed out about the misappropriation / embezzlement of cheques collected from the consumers against monthly electricity bills amounting to Rs.18.27 lacs and about the amount of cheques recorded on the receipt side of the company's cash book amounting to Rs.40.62 Crores towards payment of energy bills by consumers but not credited to company's bank accounts for period exceeding three months to four years and not written back as trade receivables.</p> <p>In this regard it is to state that information form RAO's are called regarding occurrence of fraud or misappropriation in their RAO. However, no information regarding the same was intimated by the RAO's. Further he A.G. auditors also had not provided any details regarding the same during the course of audit and while raising the audit memo. In this regard the letter requesting to provide the details of the above mention audit para was sent to the O/o Accountant General (C.G.) on 29.05.2019, however no reply has been received in this context.</p>
<p><u>OTHER MATTERS</u></p>	
<p>(a) The comparative financial information of the Company for the</p>	<p>The Auditor comment states the factual position</p>



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<p>year ended 31stMarch, 2016 and the transition date opening balance sheet as at 1stApril, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31stMarch, 2016 and 31stMarch, 2015 dated 02ndMarch, 2017 and 23rdDec, 2015 respectively expressed a modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.</p>	<p>and does not require any comment.</p>
<p>(b) Every public company which has paid up capital of 100 crore or more or turnover of 300 crore or more need to comply with the requirement of having at least of one woman director under section 149(1) of companies Act 2013. The Company does not have any woman director confirming the requirements under section 149(1) of Companies Act, 2013.</p>	<p>The Company is a Government of Chhattisgarh undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Woman Director on the Board of Directors of the Company. In response to the above request, the Energy Department, the Govt. of C.G. vide order no. 1022/R-95/2017/13/1 dated 23.07.2018 has appointed Mrs. Tripti Sinha as Woman Director on the Board of Director of the Company.</p>
<p>(c) Section 204 (1) of Companies Act 2013 read with Rule 9 of Companies Rules, 2014 mandates Secretarial Audit for every Listed Company. Although the company has appointed Secretarial auditor for Secretarial audit but the Secretarial audit report has not been submitted.</p>	<p>It is to mention here that there is no time limit prescribed under the Companies Act, 2013 for appointment of Secretarial Auditor. There is only requirement of annexing Secretarial Audit Report with Board Report under Section 204 of the Companies Act, 2013. In view of the above, there is no non-compliance of the provisions of the Companies Act, 2013.</p> <p>The Company has appointed Secretarial Auditor for the Financial Year 2016-17 and the Secretarial Auditor also completed their audit and submits their Secretarial Audit report for the financial year 2016-17 and the same is also annexed with Board's Report for the financial year 2016-17.</p> <p>Further, the Company has appointed Secretarial Auditor for the financial 2017-18, in its Board Meeting held on 27th July, 2019. Further, the Company has annexed Secretarial Audit Report for the F.Y. 2017-18 with the Board Report.</p>
<p>d) Every public company which has paid up capital of 100 crore or</p>	<p>The Company is a Government of Chhattisgarh</p>



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more of deposits or borrowings exceeding 50 crore need to comply with the requirement of having Nomination and Remuneration committee under section 178 (1) of Companies Act 2013. The Company does not have any Nomination and Remuneration committee.

(e) As per Sec 177 (1) of Companies Act, 2013 read with Rule 6 and 7 of Companies (Meeting and Power of Board) Rules, 2014 deals with Audit Committee, as the Company do not have Independent Directors on its Board of Directors as required by Sec 177 of the Companies Act, 2013 consequent to which the Company could not comply with the statutory requirement in this regard.

Our opinion is not qualified in respect of paragraph (a) to (e) under other matters.

Undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Before the Independent Directors and Woman Director were appointed, the Board of Directors of the Company, at its meeting held on 10th July, 2015, decided to change the constitution of the Company from public limited company to private limited company and made a request to the Govt. of CG for the consent in this regard. In response to the above request, CS Power Companies have received permission from the Energy Dept., Govt. of C.G. vide its Order no. 3059/F-21/09/2015/13/2/E.D. dated 25.10.2016 for conversion of CS Power Companies. However, keeping in view the amendments in the Companies Act with regard to provisions for the appointment of Independent Director & Woman Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of CSPDCL, in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company.

Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Independent Directors & Woman Director.

After appointment of Independent Directors, the Company shall constitute/re-constitute Nomination & Remuneration Committee and Audit Committee.

ANNEXURE TO AUDITOR'S REPORT

PARA NO. I- In respect of its fixed assets:



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<p>a. The Company has maintained records of fixed assets. However, voucher no. supplier Name, quantitative and situation wise details are not maintained in the fixed asset register.</p> <p>b. The management has explained that physical verification of fixed assets is a perpetual process undertaken at divisional and sub-divisional level. As the relevant records for the physical verification were not produced before us for our review, we are not in a position to comment thereon</p> <p>c) The company possesses land received from MPSEB wherein records were not handed over, for re-organization of erstwhile MPSEB due to non-traceability; hence we are not in a position to comment thereon.</p>	<p>(a) The fixed assets register maintained at H.O. on the basis of information available in the SAP system. As due to limitation of the system and voluminous number of component in a asset, the quantitative details are not available in the fixed assets register maintained at H.O. However, detail quantitative details of assets are maintained at respective division and sub division offices.</p> <p>(b) Due to time constraint information from field offices were not received at the time of audit. However, the same shall be taken care of in future.</p> <p>(c) The auditor statement represents the factual position and doesn't require any comment.</p>
<p>PARA NO. II - In respect of its inventories:</p> <p>b) The relevant records for the physical verification were not produced before 'us for our review, hence we are not in a position to comment thereon</p>	<p>(b) The detail records of physical verification are maintained at store offices. Due to time constraint all physical verification report were not received at the time of audit. However, the same shall be taken care of in future.</p>
<p>PARA NO. VII - In respect of statutory dues:</p> <p>a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.</p> <p>b) Dues of CSPDCL for Custom Duty, Wealth Tax, Service Tax and Cess, which have not being deposited on account of dispute are as under:</p> <p>i. In respect of Income Tax Act, 1961</p>	<p>(a) The auditor's comment represents the factual position and does not require any comment.</p>

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(A Government of Chhattisgarh undertaking)

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Sl. No.	Assessment Year	Gross disputed Tax Liability in Crores	Unpaid Tax Liability in Crores	Authority before which case is pending	(b) (i) The status of the cases has already been mentioned in the auditors' comments and is self explanatory and does not require any comment. Further necessary disclosure has already been made in the notes to account of the company during the reporting financial year.
1	2003-04	277.38	144.81	Pending before Hon'ble High Court of Chhattisgarh & Appellate Tribunal (ITAT), Mumbai	
2	2006-07	373.36	246.60	Income Tax Appellate Tribunal (ITAT), Mumbai has passed order in favour of CSEB. However, jurisdictional Assessing Officer has wrongly interpreted the above factual and legal position and also the orders of CIT (Appeal) and ITAT, and has assessed the income at Rs. 840.75 Crore & served a demand notice of Rs. 269.60 crore in the matter. The appeal filed against above demand notice before CIT (Appeal) has been dismissed. The matter is pending before Appellate Tribunal.	
	2008-09	92.19	-	The matter is pending before CIT (A) / ITAT.	
	2009-10	266.49	-		

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- a. The Jurisdictional Assistant Commissioner of Income Tax has raised a tax demand of Rs. 113.06 crore vide order dt.30/12/2011 passed for Assessment Year 2009-10. The company has sought partial relief against said demand from Commissioner of Income Tax (Appeal) and now the outstanding demand including interest is Rs. 36.20 Crore the Company aggrieved from the order of CIT (A) has preferred an appeal to Income Tax Appellate Tribunal, who has granted stay against recovery of said demand. The matter is pending before ITAT, Mumbai Bench.
- b. The company through the online system of Income Tax Department has retrieved that an amount of Rs. 4.71 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of Rs. 2.47 Crore against delay in short deduction/ short payment and the late fees including interest amounting to Rs.0.78 Crore The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

ii. In respect of Value Added Tax

Sl. No.	Financial Year	Gross Tax Liability disputed (Rs in lacs)	Authority before which case is pending
1	2010-11	63.79	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". The department has adjusted entry tax refund of Rs. 2.77 lacs against the said outstanding demand.

(b) The company has more than 150 TAN numbers in which TDS is deducted. The notice of TDS amounting to 4.71 Cr against short deduction / short payment , late payment interest ,late deduction interest and late filing of return etc . was retrieved by the company through the online system of Income Tax Department.

The company is in the process of obtaining necessary information of such cases from various offices and Income tax department. Further in the due course various corrective actions such as revising of defective returns and filing of reply of the notices with the Income tax department has been taken up by the decentralized offices.

(ii) The status of the cases has already been mentioned in the auditor comments and is self explanatory and does not require any comment.

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			Further, company has deposited Rs. 3.61 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company is in the process of filing appeal before Vanijya Kar Tribunal.	Further necessary disclosure in this regard has been made in notes to account of the company.
2.	2011-12	76.49	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs. 1.03 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company is in the process of filing appeal before Vanijya Kar Tribunal.	
3.	2012-13	86.65	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs.12.99 lacs on 08-08-2017 & filed an appeal before first appellate authority i.e. Dy Commissioner (Appeal).	
<p>PARA NO. (X)- During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, such frauds has been noticed or reported.</p> <p>However, it was mentioned in C&AG report that an embezzlement of funds amounting Rs. 18.27 lacs was noticed by CAG during Audit for the period 2016-17. The details of Regional Accounts Office</p>				<p>PARA No. (X)- The status of the cases has already been mentioned in the auditor comments and is self explanatory and does not require any comment. Further necessary disclosure in this regard has already been made in the notes to accounts of the company</p>



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involved and the nature of embezzlement was not reported in the report.

The company has filed various cases in High Court of Bilaspur against Pankaj Kumar Kela&Ano. Regarding payment to contractor has been made with forged Signature of Executive Engineers of various Division of CSPDCL. The following cases are pending before the court for disposal.

Case No.	Financial Involvement	Brief Description of the case
WP (Cr) No. 38/2016	Rs. 149.79 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jagdalpur, EE Bijapur, & EE KondagaonDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 289/2016	Rs. 38.67 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Bilaspur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 22/2016	Rs. 4.08 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE KorbaDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition



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WP (Cr) No. 23/2016	Rs. 107.91 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE ChampaDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition	
WP (Cr) No. 154/2016	Rs. 66.19 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE JashpurDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition	
Opinion			
<p>Accounting under proper heads of Account was not correctly done at initial stages in SAP software. This has resulted in difference between the opening balances as per SAP software and opening balances as per financial statements. Further as per information and explanation provided, the differences that arose at the first time adoption of Accounting Software "SAP" has been reconciled by passing the adjustment entries in accounting software. The current year closing figures as reported in the Balance Sheet are derived from the Trial Balance of SAP after passing such adjustment entries.</p>			<p>The opening balance sheet of the power companies provided the Govt. of Chhattisgarh vide notification no. 2020/F/21/13/09/13/2dated 29.10.2010 and later on finalized by Notification.1816/F-21/13/13-2/2014 dated 17.07.2017 does not provided details of items of assets or liability provided by the notification. Further due to change in the Accounting software from Sybase to SAP various items could not be transported in the format required by the SAP system and later on in FY 2013-14 the server of CSPDCL was separated from the other power companies. Due to the inherent limitation of the software various accounting entries could not be transferred in the new server. Therefore, to reconcile the accounts various adjustment entries are passed in the SAP system.</p>
<p>Internal financial control for the conversion of capital work in progress into fixed assets has not been correctly reflected in the Accounting software, this has resulted in difference in the capitalization figures as disclosed in the financial statements and</p>			<p>As mentioned above due to legacy provided by the notification regarding details of assets and due limitation of system the capitalization in initial stages were done by manual process by calling</p>



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figures as shown in the Books of accounts maintained in the Accounting software. Further the capitalization of capital work in progress is mostly done in the last day of financial year resulting in depreciation being under booked.

Bank Reconciliation at Regional Account Offices (RAOs) as mentioned in 'Basis for Qualified Opinion' has not been done resulting in differences with Bank balance as per Bank.

information from the field offices. However, at present the capitalization is done by figures shown in the SAP system. Further effort are also being made to clear the old unsettled estimates.

Backlog of bank reconciliation at various RAO's have been cleared and except RAO Raigarh, Ambikapur and some collection accounts of RAO Raipur-I &II bank account reconciliation of major bank account have been completed.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SUBRAT SAHOO)

CHAIRMAN

DIN: 08749162

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL COLLEGE, JAIL ROAD, RAIPUR (C.G.)

PLACE: RAIPUR (C. G.)

DATE: 24-11-2020



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ANNEXURE "C" TO THE BOARD'S REPORT MANAGEMENT REPLY

TO COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) FOR THE F.Y. 2017-18

PARTICULARS	REPLY OF THE MANAGEMENT
A. COMMENTS ON PROFITABILITY	
STATEMENT OF PROFIT AND LOSS	
Revenue from Operations (Note no.- 22) Other operating income -Revenue Subsidy: 563.19 crore	
1. The above includes the excess amount of ` 9.54 crores received for funding 5 per cent of the loss for the year 2016-17 from Government of Chhattisgarh (GoCG) under the UDAY Yojna. The Company claimed and received ` 48.95 crore instead of ` 39.40 for funding the loss incurred during the year 2016-17. The excess amount of ` 9.54 crore received by the Company is shown in Other operating income instead of showing it in Other Current Liability. This resulted into overstatement of other operating income and understatement Other Current Liabilities as well as Loss by ` 9.54 crore.	The company had earlier claimed 5% of loss for FY 2016-17 on basis of provisional accounts available at that time. Necessary adjustment as reported by Audit has been made in accounts of FY 2018-19.
Wheeling Charges & Open Access: `166.05 crore	
2. The above does not include `9.24 crore towards cross subsidy charge receivable from M/s NTPC Sail Power Company Pvt. Ltd (NSPCL) for the year 2016-17. In view of orders passed (May 2018) by Chhattisgarh State Electricity Regulatory Commission. the above mentioned cross subsidy charge was recoverable from M/s NSPCL which has a non-captive generating unit. Non-accountal of the same resulted in understatement of Other Operating Income and overstatement of Loss by `9.24 crore each.	CSPDCL on the basis of order passed by the Hon'ble CSERC on dated 4 th May 2018, has raised bill of Rs.9.24 Crs on 10.07.2018 on NSPCL and the same has been taken into accounts in FY 2018-19.
Cost of Power Purchase (Note No. 24) Power Purchase- `11,335.43 crore	

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<p>3. The above does not include `6.10 crore towards cost of power purchase bills raised by the various power generating units during the year 2017-18 but paid in the year 2018-19. Non-accountal of above by the Company resulted in understatement of cost of Power Purchase, Trade Payable and Loss by `6.10 crore each.</p>	<p>Necessary adjustment entries has been made in FY 2018-19.</p>
<p>B. COMMENTS ON FINANCIAL POSITION</p>	
<p>Current Liabilities</p>	
<p>Other Current Liabilities (Note No.19): ` 1046.12 crore</p>	
<p>4. As per clause no. 1.3 of the Memorandum of Understanding (MOU) signed by between Government of India (GoI), Government of Chhattisgarh (GoCG) and CSPDCL under UDAY Yojna, GoCG is required to issue bonds to take over 75 per cent of the debt `864.75 crore (75 per cent of total debt `1,153 crore) under UDAY and financed the CSPDCL as Grant of `870.01 crore. As the excess grant of `5.37 crore is reimbursable to GoCG, it should have been shown under head Other Current Liabilities.</p> <p>This resulted into understatement of Other Current Liabilities and overstatement of Capital Reserve.</p>	<p>Necessary Adjustment entries has been incorporated in FY 2018-19. The excess amount of 5.37 Cr. Will be adjusted against amount of eligible loss compensation to be reimbursed by State Government under UDAY Scheme.</p>
<p>Other Current Liabilities (Note No. 19): Unspent Fund under RGGVY Scheme `287.88 crore</p>	
<p>5. The above does not include `44.16 lakh towards interest earned on unspent fund under RGGVY Scheme during the years 2016-17 and 2017-18. As per guidelines of scheme, any interest earned on funds received should be accounted as part of scheme fund. The Company utilized this interest as its own income. This interest should have been shown as part of unspent fund under RGGVY Scheme.</p>	<p>The funds were earlier invested in FDR in the year 2010-11 to 2014-15 on which interest of 29.57 Cr. Was earned and remitted to GoI. Subsequently, the amount was put in accounts with facility of CLTD (Corporate Linked Term Deposit) on which interest on un-utilised amount was earned. The company in the Year 2016-17 & 2017-18 earned interest of</p>



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This resulted into understatement of Other Current Liabilities and Losses of `44.16 lakh each.	24.85 lakhs and 19.31 lakhs respectively which will be remitted to GoI .
C. COMMENTS ON DISCLOSURE	
Notes to Financial Statements Significant Accounting Policies Revenue Recognition (Accounting Policy No. 2.4)	
6. The above accounting policy does not include policy on recognition of revenue from deposit works in violation of paragraph 35 of Ind AS 18. Despite assurance given by the Management on similar comment of the C&AG on the Accounts for the year 2016-17, no corrective action has been taken.	The company normally performs numerous works on contribution basis, being small and scattered in nature. One to one matching at each stage of completion is not feasible. Further, such works are normally completed in current year or in current plus one-year period so company has normally recognized the same as income on cash basis. The excess amount, if any, is recognized on completion and can be refunded subsequently. At that time the same is adjusted against charges received as income in that year. A clear policy in this regard will be framed and disclosed in subsequent years. Also starting from FY 2018-19, the said Ind-AS 18 become redundant.
D. INDEPENDENT AUDITOR'S REPORT	
7. A reference is invited to item no. 3(e) of Report on Other Legal and Regularity Requirements of Independent Auditors' Report. As the Company is a Government Company so the provision of sub-Section (2) of Section 164 of the Companies Act, 2013 regarding disqualification of directors are not applicable. Hence, qualification of the Independent Auditors' Report in this regard is deficient to that extent.	This occurred due to typographical error; further the same does not have any financial impact on the Profit & Loss or Balance Sheet of the company for the year. Also it has been noted for future so that it does not get repeated.
8. A reference is invited to item no. 3 (g) (iii) of Report on other Legal and Regularity Requirements of Independent Auditor Report. The Company is not required to transfer any amounts towards the Investor Education and Protection Fund. Hence qualification in Independent Auditor' Report in this regard is factually incorrect and deficient to that extent.	No delay in transfer was interpreted as if the company has not made any default in this regard. The issue raised by your good self has been noted and the necessary changes will be incorporated in the next year 2018-19.
F. OTHER COMMENTS	
9. Audit could not verify the authenticity of cheques in	The contention of audit is not fully justified as



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hand in case of Regional Accounts Offices Ambikapur, Jagadalpur and Durg as documents related dishonoured cheques and charging the amount of these cheques in accounts of consumers is not available.

the procedure in case of dishonored cheque is different than that specified in observation. When consumer's cheques are dishonored, the same are returned to concerned Divisions/Distribution centre (DC). The concerned Division/DC then reverse the entry passed earlier at the time of payment made by consumer through cheque by re-instating demand of energy charges plus cheque dishonor/handling charges. Thus, the amount recognized is again classified as revenue receivable. Surcharge is also billed, whenever the consumer pays against the bill, the payment is first adjusted against outstanding surcharge and bill & then against the current bill. Cheque payment facility to such consumer is also withdrawn for next six months. So, the new payment by consumer is not against revenue demand reinstated due to dishonor of cheque. Few example of above is enclosed for ready reference of Audit. Bank reconciliation work has subsequently been expedited and has been completed for some RAO's recently. Other agency's help is also being availed through contract.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)

DATE: 24-11-2020

(SUBRAT SAHOO)

CHAIRMAN

DIN: 08749162

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL COLLEGE, JAIL ROAD, RAIPUR (C.G.)

CHHATTISGARH STATE
POWER DISTRIBUTION
COMPANY LIMITED

(CIN: U40108CT2003SGC015822)

REGD. OFFICE - VIDYUT SEWA BHAWAN DANGANIA,
RAIPUR (C.G.)

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR 2017-18



SECRETARIAL AUDITOR
S G KANKANI & ASSOCIATES

COMPANY SECRETARIES

69, FIRST FLOOR, MAHALAXMI CLOTH
MARKET, PANDRI, RAIPUR (C.G.)

☎ - 0771-4053769,

☎ - 75666-81980



S.G. KANKANI & ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2017-18

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
THE MEMBERS,
M/S CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED
(CIN: U40108CT2003SGC015822)
VIDYUT SEWA BHAWAN,
DANGANIA, RAIPUR (C.G.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Chhattisgarh State Power Distribution Company Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder. We also report 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:

We 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, 2018 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Electricity Act, 2003 and the Rules, Regulations and amendment made thereunder.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Stock Exchange in India read with the Securities and Exchange Board of

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CSPDCL- SECRETARIAL AUDIT REPORT - FY 2017-18

69, 1ST FLOOR, MAHALAXMI CLOTH MARKET, PANDRI, RAIPUR - 492 004 (C.G.)
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S.G. KANKANI & ASSOCIATES

COMPANY SECRETARIES

India (Listing Obligations and Disclosure Requirement) Regulations, 2015 & Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except the following:-

- a) There was a requirement of Independent Directors & Woman Director on the Board of Directors of the Company during the financial year 2017-18 as per provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.
- b) The Company is yet to constitute Nomination & Remuneration Committee as required under Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
- c) The Company is yet to constitute Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- d) The constitution of the Audit Committee is yet to be modified in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
- e) The Financial Statements for the F.Y. 2016-17 of the Company have not been placed before the members of the Company within the time limit prescribed under the Companies Act, 2013.
- f) No Board Meeting was held during the quarter ended 30.09.2017 as required under Secretarial Standards issued by the Institute of Company Secretaries of India.
- g) There were delay in filing of Cost Audit Report with the Central Government for the Financial Year 2015-16 & 2016-17.
- h) There was delay in appointment of Cost Auditor for the financial year 2017-18.
- i) There was some delay in compliance of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the company has not complied with Regulation 6, 9, 13(4), 52, 56, 57(2), 58(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except the above, the Company has complied applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regarding point no. (a), (b), (c) & (d), we have been informed that the Company is a Government of Chhattisgarh Undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Before the Independent Directors and Woman Director were appointed, the Board of Directors of the Company, at its meeting held on 10th July, 2015, decided to change the constitution of the Company from public limited company to private





S.G. KANKANI & ASSOCIATES

COMPANY SECRETARIES

limited company and made a request to the Govt. of CG for the consent in this regard. In response to the above request, CS Power Companies have received permission from the Energy Dept., Govt. of C.G. vide its Order no. 3059/F-21/09/2015/13/2/E.D. dated 25.10.2016 for conversion of CS Power Companies. However, keeping in view the amendments in the Companies Act with regard to provisions for the appointment of Independent Director & Woman Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of CSPDCL, in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company. Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Independent Directors & Woman Director. After appointment of Independent Directors, the Company shall constitute/re-constitute Audit Committee, Nomination & Remuneration Committee and CSR Committee. Further, in response to the above request, the Energy Department, Govt. of C.G. has appointed Ms. Tripti Sinha as Nominee Director (Women Director) on the Board of Directors of the Company w.e.f. 24th July, 2018..

Regarding point no. (e), we have been informed that as per the Notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, Govt. of India, the Financial Statements for the Financial Year 2016-17 were to be prepared as per new Accounting Standards i.e. IND AS. The Financial Year 2016-17, being the first financial year for preparation of Financial Statements as per Ind AS, the Company appointed M/s Deloitte Haskins & Sells LLP as consultants. As per the requirement of IND AS, the Company was required to convert the Financial Statements for the F.Y. 2015-16 and opening balance sheet as on 1st April, 2015 in accordance with IND AS. Due to the above new requirement, the preparation of the Financial Statements for the financial year 2016-17 as per IND AS has taken substantial time as compared to earlier accounts which were prepared as per earlier Accounting Standards. Due to the above delay, the Financial Statements for the financial year 2016-17 could not be placed before the members of the Company within the time limit prescribed under the Companies Act, 2013. Subsequently, the Financial Statements of the Company for the Financial Year 2016-17 have approved by the Board of Directors of the Company in its meeting held on 13.08.2018. Further, after completion of Comptroller & Auditor General of India (CAG) audit and receipts of comments of the CAG on the above financial statements for the financial year 2016-17, the Financial Statements alongwith Director Report, the comments of the CAG & Statutory Auditor and management's replies thereon were duly approved and adopted by the members of the Company in its Annual General Meeting held on 31st August, 2019.

Regarding point no. (f), we have been informed that due to non-availability of directors, the meeting could not be conducted during the quarter ended 30.09.2017. It is to mention here that in the erstwhile SS-1 i.e. Secretarial Standard on meetings of the Board of Directors, it was stated that the Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board. From the above, it can be observed that the above provision of SS-1 was not inconsonance with the provisions of the Act. Accordingly, the Institute of Company Secretaries of India, has modified the above provision in the revised SS-1 effective from 1st October, 2017. Now, as per the revised SS-1, there is no requirement of quarterly meetings.





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Regarding point no. (g) & (h), we have been informed that the Board of Directors of the Company in its meeting held on 13th June, 2016 has appointed the Cost Auditor of the Company for the financial year 2015-16 & 2016-17. However, due delay in preparation, finalization & audit of the Financial Statements for the financial year 2015-16, the finalization of cost records for the financial year 2015-16 also got delayed. Further, due to implementation of new accounting standards from the financial year 2016-17, the preparation of accounts for the financial year 2016-17 have been delayed. Due to delay in finalization of the accounts for the financial year 2016-17, the finalization of cost records for the financial year 2016-17 also got delayed. Presently, the audit of the cost records for the Financial Year 2015-16 & 2016-17 was completed and the same has been already filed with the Central Government.

Due to all these incidence, the appointment of Cost Auditor for the financial year 2017-18 also got delayed. Subsequently, the Board of Directors of the Company, in its meeting held on 13th August, 2018, has appointed M/s S.N. & Co., Cost Accountant, for the financial year 2017-18.

We further report that there were no actions/events in pursuance of:

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings,
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

requiring compliance thereof by the Company during the Financial Year.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws as applicable to the Company, has not been reviewed in this audit, since the same has been subject to review by statutory audit and other designated professionals.

We further report that the Board of Directors of the Company is duly constituted except appointment of Independent Directors & Woman Director. 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.

We further report that adequate notice is given to all the directors of the Board Meetings/ Committee meetings, agenda alongwith detailed notes thereon were sent as per provisions of the Act to all the Directors, and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.





S.G. KANKANI & ASSOCIATES

COMPANY SECRETARIES

We further report that the existing systems and processes in the Company for monitoring and ensuring compliance with applicable laws, rules, regulations and guidelines should be further strengthened considering the size and operations of the Company.

We further report that, during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

PLACE: RAIPUR (C.G.)

DATE: 20.08.2020

**FOR, S.G. KANKANI & ASSOCIATES
COMPANY SECRETARIES**


(KAMLESH OJHA)
PARTNER

ACS NO.: 39476

CP NO. : 14660

UDIN: A039476B000599992





S.G. KANKANI & ASSOCIATES
COMPANY SECRETARIES

ANNEXURE-A

To,
THE MEMBERS,
M/S CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED
(CIN: U40108CT2003SGC015822)
VIDYUT SEWA BHAWAN,
DANGANIA, RAIPUR (C.G.)

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the financial laws, like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory audit and other designated professionals.
- 4) Where ever required we have obtained the representations about the compliance of laws, rules and regulation 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. Our examination was limited to the verification of procedures on random 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.

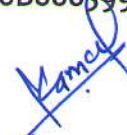
PLACE: RAIPUR (C.G.)
DATE: 20.08.2020

FOR, S.G. KANKANI & ASSOCIATES
COMPANY SECRETARIES


(KAMLESH OJHA)
PARTNER

ACS NO.: 39476
CP NO. : 14660

UDIN: A039476B000599992



CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking)

Regd. Office:- Vidyut Sewa Bhawan, Dangania, Raipur- 492013

CIN: L40108CT2003SGC015822, Email ID: mddiscom@cspc.co.in

Website: www.cspdcl.co.in, Phone No.: 0771- 2574200, Fax No.: 0771- 4066566

ANNEXURE "E" TO THE BOARD'S REPORT MANAGEMENT REPLY TO SECRETARIAL AUDITORS COMMENTS CONTAINED IN THEIR SECRETARIAL AUDIT REPORT FOR THE F.Y. 2017-18

S. NO.	PARTICULARS	REPLY OF THE MANAGEMENT
Para No. 5 Point (a)	The Company is yet to appoint Independent Directors & Woman Director as required under section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014	The Company is a Government of Chhattisgarh Undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Before the Independent Directors and Woman Director were appointed, the Board of Directors of the Company, at its meeting held on 10th July, 2015, decided to change the constitution of the Company from public limited company to private limited company and made a request to the Govt. of CG for the consent in this regard. In response to the above request, CS Power Companies have received permission from the Energy Dept., Govt. of C.G. vide its Order no. 3059/F-21/09/2015/13/2/E.D. dated 25.10.2016 for conversion of CS Power Companies.
Para No. 5 Point (b)	The Company is yet to constitute Nomination & Remuneration Committee as required under Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.	However, keeping in view the amendments in the Companies Act with regard to provisions for the appointment of Independent Director & Woman Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited".
Para No. 5 Point (c)	The Company is yet to constitute Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.	Accordingly, the Board of Directors of CSPDCL, in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company.
Para No. 5 Point (d)	The constitution of the Audit Committee is yet to be modified in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.	Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of



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		<p>Independent Directors & Woman Director. After appointment of Independent Directors, the Company shall constitute/re-constitute Audit Committee, Nomination & Remuneration Committee and CSR Committee.</p> <p>Further, in response to the above request, the Energy Department, Govt. of C.G. has appointed Ms. Tripti Sinha as Nominee Director (Women Director) on the Board of Directors of the Company w.e.f. 24th July, 2018.</p>
Para No. 5 Point (e)	<p>The Financial Statements for the F.Y. 2016-17 of the Company have not been placed before the members of the Company within the time limit prescribed under the Companies Act, 2013.</p>	<p>As per the Notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, Govt. of India, the Financial Statements for the Financial Year 2016-17 were to be prepared as per new Accounting Standards i.e. IND AS. The Financial Year 2016-17, being the first financial year for preparation of Financial Statements as per Ind AS, the Company appointed M/s Deloitte Haskins & Sells LLP as consultants. As per the requirement of IND AS, the Company was required to convert the Financial Statements for the F.Y. 2015-16 and opening balance sheet as on 1st April, 2015 in accordance with IND AS. Due to the above new requirement, the preparation of the Financial Statements for the financial year 2016-17 as per IND AS has taken substantial time as compared to earlier accounts which were prepared as per earlier Accounting Standards.</p> <p>Due to the above delay, the Financial Statements for the financial year 2016-17 could not be placed before the members of the Company within the time limit prescribed under the Companies Act, 2013. Subsequently, the Financial Statements of the Company for the Financial Year 2016-17 have approved by the Board of Directors of the Company in its meeting held on 13.08.2018.</p>

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		Further, after completion of Comptroller & Auditor General of India (CAG) audit and receipts of comments of the CAG on the above financial statements for the financial year 2016-17, the Financial Statements alongwith Board's Report, the comments of the CAG & Statutory Auditor and management's replies thereon were duly approved and adopted by the members of the Company in its Annual General Meeting held on 31st August, 2019.
Para No. 5 Point (f)	No Board Meeting was held during the quarter ended 30.09.2017 as required under Secretarial Standards issued by the Institute of Company Secretaries of India.	<p>Due to non-availability of directors, the meeting could not be conducted during the quarter ended 30.09.2017. It is to mention here that in the erstwhile SS-1 i.e. Secretarial Standard on meetings of the Board of Directors, it was stated that the Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board.</p> <p>From the above, it can be observed that the above provision of SS-1 was not inconsonance with the provisions of the Act. Accordingly, the Institute of Company Secretaries of India, has modified the above provision in the revised SS-1 effective from 1st October, 2017. Now, as per the revised SS-1, there is no requirement of quarterly meetings.</p>
Para No. 5 Point (g)	There were delay in filing of Cost Audit Report with the Central Government for the Financial Year 2015-16 & 2016-17.	The Board of Directors of the Company in its meeting held on 13th June, 2016 has appointed the Cost Auditor of the Company for the financial year 2015-16 & 2016-17. However, due delay in preparation, finalization & audit of the Financial Statements for the financial year 2015-16, the finalization of cost records for the financial year 2015-16 also got delayed. Further, due to implementation of new accounting standards from
Para No. 5 Point (h)	There was delay in appointment of Cost Auditor for the financial year 2017-18.	



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		<p>the financial year 2016-17, the preparation of accounts for the financial year 2016-17 have been delayed. Due to delay in finalization of the accounts for the financial year 2016-17, the finalization of cost records for the financial year 2016-17 also got delayed. Presently, the audit of the cost records for the Financial Year 2015-16 & 2016-17 was completed and the same has been already filed with the Central Government.</p> <p>Due to all these incidence, the appointment of Cost Auditor for the financial year 2017-18 also got delayed. Subsequently, the Board of Directors of the Company, in its meeting held on 13th August, 2018, has appointed M/s S.N. & Co., Cost Accountant, for the financial year 2017-18.</p>
Para No. 5 Point (i)	<p>There was some delay in compliance of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the company has not complied with Regulation 6, 9, 13(4), 52, 56, 57(2), 58(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except the above, the Company has complied applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>Necessary measures being taken on sustained basis.</p>
Para No. 15	<p>The existing systems and processes in the Company for monitoring and ensuring compliance with applicable laws, rules, regulations and guidelines should be further strengthened considering the size and</p>	<p>Necessary measures being taken on sustained basis.</p>



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operations of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SUBRAT SAHOO)

CHAIRMAN

DIN: 08749162

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL
COLLEGE, JAIL ROAD, RAIPUR (C.G.)

PLACE: RAIPUR (C. G.)

DATE: 24-11-2020



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ANNEXURE 'F'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40108CT2003SGC015822
2.	Registration Date	19 th May, 2003
3.	Name of the Company	M/s Chhattisgarh State Power Distribution Company Limited
4.	Category / Sub-category of the Company	Company Limited by Shares State Government Company
5.	Address of the Registered office & contact details	Vidyut Sewa Bhawan, Dangania, Raipur (C.G.) – 492013 Office: (0771) 2574200 Fax: (0771) 4066566 E-mail - mddiscom@cspc.co.in Website- www.cspdcl.co.in
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Main Activity group code Description	Description of Main Activity group	Business Activity Code	Description of Business Activity	% to total turnover of the company
1.	D	Electricity, gas, steam and air condition supply	D1	Electric power generation, transmission and distribution	100%



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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY –

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	M/s Chhattisgarh State Power Holding Company Limited Registered Office Address: Vidyut Sewa Bhawan, Dangania, Raipur (C.G.) – 492013	U65993CT2008SGC020995	Holding Company	100.00%	Section 2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. (Govt. Co.)	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub – total (A) (1):	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-



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d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding (A) = (A)(1)+ (A)(2)	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-

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Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		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.	M/s Chhattisgarh State Power Holding Company Ltd.	2263103172	100.00%	-	2263103172	100	-	0%
2.	Shri Sandeep Modi (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00%	-	0%
3.	Shri Shivraj Singh IAS	10	0.00%	-	10	0.00%	-	0%

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	(Retd.) (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)							
4.	Shri G.C. Mukherjee (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00%	-	0%
5.	Shri Ankit Anand, IAS (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00%	-	0%
6.	Shri N. Bajendra Kumar, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	-	-	-	-
7.	Shri Amitabh Jain, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00%	-	0%
8.	Shri Siddharth Komal Singh Pardeshi, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	-	-	-	10	0.00%	-	0%
TOTAL		2263103232	100%	-	2263103232	100%	-	0%

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Regd. Office:- Vidyut Sewa Bhawan, Dangania, Raipur- 492013

CIN: L40108CT2003SGC015822, Email ID: mddiscom@cspc.co.in

Website: www.cspdcl.co.in, Phone No.: 0771- 2574200, Fax No.: 0771- 4066566

C) Change in Promoters' Shareholding:

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2263103232	100%	NIL	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-		
	At the end of the year	2263103232	100%		

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking)

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E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

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V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year -				
i) Principal Amount	799.65	86.35	-	886.00
ii) Interest due but not paid	-	12.02	-	12.02
iii) Interest accrued but not due	87.97	-	-	87.97
Total (i+ii+iii)	887.62	98.37	-	985.99
Change in Indebtedness during the financial year	-	-		-
* Addition	585.59	7.48	-	593.08
* Reduction	139.12	-	-	139.12
Net Change	446.48	7.48	-	453.96
Indebtedness at the end of the financial year -	-	-		-
i) Principal Amount	1,225.04	86.42	-	1,311.46
ii) Interest due but not paid	-	19.43	-	19.43
iii) Interest accrued but not due	109.06	-	-	109.06
Total (i+ii+iii)	1,334.10	105.86	-	1,439.95

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name			Total Amount
		Shri Ankit Anand, Managing Director	Shri Hemraj Narware, Whole-Time Director	Shri G.C. Mukherjee, Whole-Time Director	
1	Gross salary	Rs. .1514 Cr.	Rs. 0.1634 Cr.	Rs. 0.1688 Cr.	Rs. 0.4836 Cr.
	(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-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit - others,	-	-	-	-
5	Others (Reimbursement of medical &	-	-	-	-
	Total (A)	Rs. .1514 Cr.	Rs. 0.1634 Cr.	Rs. 0.1688 Cr.	Rs. 0.4836 Cr.
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other directors -

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NIL	NIL
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors	NIL	NIL
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -

SN	Particulars of Remuneration	Key Managerial Personnel	
		SANDEEP MODI CFO	Total
1	Gross salary	Rs. 0.3415 Cr.	Rs. 0.3415 Cr.
	(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-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total	Rs. 0.3415 Cr.	Rs. 0.3415 Cr.



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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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SUBRAT SAHOO)
CHAIRMAN
DIN: 08749162

PLACE: RAIPUR (C. G.)
DATE: 24-11-2020

ADD: D 1/5, NEW DEVENDRA NAGAR, NEAR MEDICAL COLLEGE, JAIL ROAD, RAIPUR (C.G.)

**Statutory
Audit Report
Financial
Year
2017 - 2018**

**CHHATTISGARH
STATE POWER
DISTRIBUTION
COMPANY
LIMITED**

**Pandey & Co.
Chartered Accountants**



INDEPENDENT AUDITORS' REPORT

TO

The Members of Chhattisgarh State Power Distribution Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED [CSPDCL]** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS Financial Statements').

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

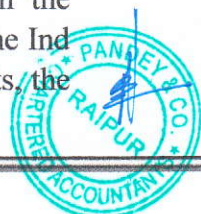
This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the





auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate, except as stated in the Basis for Qualified Opinion paragraph, to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

Major comments and observations, based on our audit, which in our opinion are significant and required provisions in the financial statements in certain cases mentioned herein. The net aggregate impact of non-provision on the loss for the year and /or on the assets/ liabilities and also there are cases as stated in Para below wherein the quantum of impact though material is unascertainable due to lack of sufficient and appropriate audit evidence. The distinguished reasons have been mentioned in our note below:

(a) Impairment of Assets

- The Company has stated in Para of 'Significant Accounting Policies' that the impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired as per Ind As 36. The company has formed a committee to assess the impairment loss incurred if any, the committee is in the process of collecting information from the various field offices, for which various asset wise formats have been circulated to the field office for providing information. However in the absence of techno economic assessment, we are unable to comment on the effect of the same on the Financial Statements of the Company.
- The CWIP of Rs. 27,60,21,89,925/- as at 31st March, 2018 include additions in CWIP which may not been capitalized and need to be impaired. Management should recognize those additions and account for the impairment loss, if any. However, we are unable to obtain sufficient and appropriate information regarding the same to determine impairment loss as required by Ind AS 36.

(b) Cash System of Accounting For Surcharge

Company has adopted Cash System of accounting for delay payment surcharge from Indian Railways during the financial year 2017-18, which in our opinion is not in accordance with the accrual concept; the same should be recognized to curb the uncertainty.





(c) Bank Reconciliation

Bank balances as per Financial Statement of the Company as at 31.03.2018 are reconciled with balances at banks except for the following Regional Accounting Offices (RAOs);

- AMBIKAPUR RAO,
- JANJGIR-CHAMPA RAO,

The company is in the process of reconciling bank balances in books of accounts with that in the banks.

(d) Identification of Micro, Small and Medium Enterprises as defined under MSMED Act, 2006.

The company has system for identification of enterprises qualifying under the definition of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). However, the same is not been able to be implemented successfully; hence this leads to non-identification of vendor enterprises into Micro or Small or Medium Enterprises.

(e) Deemed Deposits under Companies Act, 2013

As per the information provided to us, the company has not maintained age wise details (ageing schedule) of Sundry Creditors, Sundry Debtors and advances, thus we are unable to comment on Deemed Deposits as per Sec 73 to 76 of Companies Act, 2013.

(f) Internal Audit

As per section 138 of companies Act 2013 read with Rule 13 (1) (a) of Companies (Accounts) Rules, 2014 every prescribed company shall be required to appoint an Internal auditor. Though the company has appointed an Internal Auditor but the Internal Audit Report for the Financial Year 2016-17 is yet to be submitted.

(g) Investment

As mentioned in note no. 6 to the Financial Statements, the investment of Rs. 60,00,000/- held by the company are still in the name of Chhattisgarh State Electricity Board (CSEB).

(h) Government Grant and consumer contribution for PPE





As per Ind AS 20 Government Grant and consumer contribution are not amortized on deferred basis in line with related asset for which grant/ contribution was received.

(i) Issued and paid up capital

The Company has not mentioned in note no. 14 to the Financial Statements, the issued and subscribed capital of the company has changed as the result of notification of Government of Chhattisgarh no. 1816/F-21/13/13-2/2014 dated 17.07.2017. The revised issued and subscribed capital is Rs.1780.96 crore resulting in a difference in the opening share capital of Rs 41.27 crore. The adjustment entry of the same is passed by the company but the statutory compliance as required by MCA or Registrar has not been complied.

(j) Cash Flow Statement

Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. TDS, TCS is not separately recorded in preparation of Cash Flow Statement. Further, it was observed that the cash flow statement prepared does not contain the statement of change in liabilities arising out of financial activities, including both changes arising from cash flows and non-cash changes as per required by Ind AS 7.

As per Para 44A of Ind AS 7, an entity shall provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Further To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:

- (a) Changes from financing cash flows;
- (b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) The effect of changes in foreign exchange rates;
- (d) Changes in fair values; and
- (e) Other changes.

(k) Assets held for sale

Company has not classified the non-current assets (or disposal group) as Held for Sale as required by Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. There are non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use, which qualify to be disclosed as assets held for sale.





(m) **Depreciation short claimed due to delayed capitalization of Capital work in progress**

During the scrutiny of fixed asset Register, it was observed that the capitalization of Capital work in progress was done only in month end dates. Further, major capitalization was done in the last day of the financial year. On enquiry, it was brought to our notice that delay is due to non- submission of estimates by divisions and assets are commissioned well before their capitalization in the books of accounts. This amounts to under booking of depreciation & loss to the company. As per FAR, assets of Rs. 407.18 crores were capitalized on 31st March, 2019 but the depreciation charged is Rs.5,10,703. Considering an average deferment of 60 days, company has claimed short depreciation of Rs.3.48 Crores.

(n) **Failure to file financial statements with Registrar of Companies**

Company has failed to file annual returns for the FY 2016-17 and FY 2017-18 till now .

(o) **Revenue Leakage in Power Purchase**

- As per CSERC order dated 13 July,2018, the fixed charges for plants achieving COD before 1st April, 2014 is required to be determined on the basis of month in which COD is achieved. The company has in all cases reported the COD on financial Year basis taking the last reported fixed charge for that year, this has resulted in loss to the company.

For instance in case of Vendor No. 301214, M/s Neeraj Power Private Limited , the COD has been taken as FY 2006-07 without specifying the exact date of COD.

(p) **TDS booking**

The company has in case of vendor payment deducted TDS on actual payment basis. However, as per the Income Tax Act, payer is bound to deduct TDS on payment or credit whichever is earlier. Hence, the company in this manner deferred TDS liability. Due to lack of sufficient and appropriate audit evidence, the amount of deferment cannot be quantified.

Pertaining to previous year (2016-17) & not yet rectified

- (r) Cash & Cash Equivalents (Note 13) includes Rs.18.27 lacs pertaining to cash receivable from employees of the company for misappropriation/embezzlement of cheques collected from the consumers against monthly electricity bills.
- (s) Cash & Cash Equivalents (Note 13) includes Rs. 40.62 being the amount of cheques recorded on the receipt side of the company's cash book towards payment of energy bills by consumers but these cheques were not credited to company's





bank accounts for period exceeding three months to four years and not written back as trade receivables.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the comment under **Basis for Qualified Opinion above**, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2018, and its profit or loss (financial performance including other comprehensive income), and its cash flows and the changes in equity for the year ended on that date.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2018;
- (b) In the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- (a) Every public company which has paid up capital of 100 crore or more or turnover of 300 crore or more need to comply with the requirement of having at least of one woman director under section 149(1) of companies Act 2013. The Company does not have any woman director confirming the requirements under section 149(1) of Companies Act, 2013.
- (b) Section 204 (1) of Companies Act 2013 read with Rule 9 of Companies Rules, 2014 mandates Secretarial Audit for every Listed Company. Although the company has appointed Secretarial auditor for Secretarial audit but the Secretarial audit report has not been submitted.
- (c) Every public company which has paid up capital of 100 crore or more or deposits or borrowings exceeding 50 crore need to comply with the requirement of having Nomination and Remuneration committee under section 178 (1) of companies Act 2013. The Company does not have any Nomination and Remuneration committee.
- (d) As per Sec 177 (1) of Companies Act, 2013 read with Rule 6 and 7 of Companies (Meeting and Power of Board) Rules, 2014 deals with Audit Committee, as the Company do not have Independent Directors on its Board of Directors as required by Sec 177 of the Companies Act, 2013 consequent to which the Company could not





comply with the statutory requirement in this regard.

Our opinion is not qualified in respect of paragraph (a) to (d) under **other matters**.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 1" on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, except for the effects/possible effects of the matters described in the basis for Qualified Opinion paragraph in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statement does not comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanation given to us:





- (i) The Company has disclosed the impact of pending litigations as at 31 March, 2018 on its financial position in its financial statements.
- (ii) The Company has made provisions as at 31 March, 2018, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2018.

For Pandey And Company
Chartered Accountants
Firm Regn. No. 000357C


Amit Pandey
Partner

M. No. 402377



Place: Raipur
Date: 15/10/2019



Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- (i) In respect of its fixed assets:
- a) The Company has maintained records of fixed assets. However *voucher no. supplier Name, quantitative and situation wise details are not maintained in the fixed asset register.*
 - b) The management has explained that physical verification of fixed assets is a perpetual process undertaken at divisional and sub-divisional level. *As the relevant records for the physical verification were not produced before us for our review, we are not in a position to comment thereon.*
 - c) The company possesses land received from MPSEB wherein records were not handed over, for re-organization of erstwhile MPSEB due to non traceability; *hence we are not in a position to comment thereon.*
- (ii) In respect of its inventories:
- a) As per information and explanation given to us, physical verification of inventory is a perpetual process undertaken at stores.
 - b) *The relevant records for the physical verification were not produced before us for our review, hence we are not in a position to comment thereon.*
 - c) As per information and explanation given to us, the company is maintaining proper records of inventory and discrepancies, if any, found during the course of physical verification has been properly dealt with by the management.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee, and security and has not made any investment referred under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from Directors, Promoters their relatives and Inter Corporate deposits which are covered under Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of





India, the maintenance of cost records has been specified under sub-section (1) of section 148 of the Act, and are of the opinion that the cost audit records and report thereon have not been provided before us.

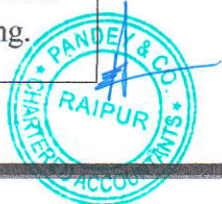
(vii) In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2017 for a period of more than six months from the date of becoming payable.

b) Dues of CSPDCL for Custom Duty, Wealth Tax, Service Tax and Cess, which have not being deposited on account of dispute are as under:

i. In respect of Income Tax Act, 1961

Sr. No.	Assessment Year	Gross Tax Liability demanded (₹ in Crore)	Unpaid Tax Liability (₹ in Crore)	Authority before which case is pending
1	2003-04	277.38	144.81	Pending before Hon'ble High Court of Chhattisgarh & Income Tax Appellate Tribunal (ITAT), Mumbai.
2	2006-07	373.36	246.60	Income Tax Appellate Tribunal (ITAT), Mumbai has passed order in favor of CSEB. However, jurisdictional Assessing Officer has wrongly interpreted the above factual and legal position and also the orders of CIT (Appeal) and ITAT, and has assessed the income at ₹ 840.75 Crore & served a demand notice of ₹ 269.60 Crore in the matter. The appeal filed against above demand notice before CIT (Appeal) has been dismissed. CSPHCL has filed an appeal and stay application before the ITAT, Mumbai within the time as stipulated under the provisions of Income tax Act which is pending.



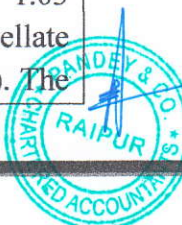


3	2008-09	92.19	-	The matter is pending before CIT (A) / ITAT.
4	2009-10	266.49	-	

- a. The Jurisdictional Assistant Commissioner of Income Tax has raised a tax demand of Rs. 113.06 crore vide order dated. 30/12/2011 passed for Assessment Year 2009-10. The company has sought partial relief against said demand from Commissioner of Income Tax (Appeal) and now the outstanding demand including interest is Rs. 36.20 crore. The company aggrieved from the order of CIT (A) has preferred an appeal to Income Tax Appellate Tribunal, who has granted stay against recovery of said demand. The matter is pending before ITAT, Mumbai Bench.
- b. The company through the online system of Income Tax Department has retrieved that an amount of Rs. 4.71 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of Rs. 2.47 Crore against delay in short deduction/ short payment and the late filing fees including interest amounting to 0.78 Crore The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

ii. In respect of Value Added Tax

Sr. No.	Financial Year	Gross Tax Liability disputed (₹ in lacs)	Remark
1	2010-11	63.79	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". The department has adjusted entry tax refund of ₹ 2.77 lacs against the said outstanding demand. Further, the company has deposited ₹ 3.61 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now the company is in process of filing appeal before second appellate authority i.e. Vanijya Kar Tribunal.
2	2011-12	76.49	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, the company has deposited ₹ 1.03 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The





Sr. No.	Financial Year	Gross Tax Liability disputed (₹ in lacs)	Remark
			first appellate authority has decided the case against the company and now the company is in process of filing appeal before second appellate authority i.e. Vanijya Kar Tribunal.
3	2012-13	86.65	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as “Transfer of Right to use any Goods”. Further, company has deposited Rs.12.99 lacs on 08-08-2017 & filed an appeal before first appellate authority i.e. Dy Commissioner (Appeal).

(viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

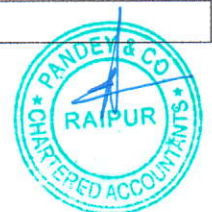
(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, the moneys raised by way of term loans were applied for the purposes for which those are raised.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, such frauds has been noticed or reported.

However, it was mentioned in C&AG report that an embezzlement of funds amounting Rs.18.27 lacs was noticed by CAG during Audit for the period 2016-17. The details of Regional Accounts Office involved and the nature of embezzlement was not reported in the report.

The company has filed various cases in High Court of Bilaspur against Pankaj Kumar Kela & Ano. regarding payment to contractor has been made with forged Signature of Executive Engineers of various Division of CSPDCL. The following cases are pending before the court for disposal.

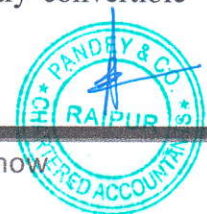
Case No.	Financial Involvement	Brief Description of the case
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WP (Cr) No. 38/2016	Rs. 149.79 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jagdalpur, EE Bijapur, & EE Kondagaon Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 289/2016	Rs. 38.67 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Bilaspur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 22/2016	Rs. 4.08 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Korba Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 23/2016	Rs. 107.91 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Champa Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 154/2016	Rs. 66.19 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jashpur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition

- (xi) The Company is a State Government Company and accordingly the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable. Hence, paragraph 3 (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For Pandey And Company
Chartered Accountants
Firm Regn. No. 000357C

Amit Pandey
Partner
M. No. 402377



Place: Raipur
Date: 15/10/2019



Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED ("the Company") as of 31 March 2018 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 based on the internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Controls 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 external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (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 Controls 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 fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, except as stated below, based on the internal control 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.

Accounting under proper heads of Account was not correctly done at initial stages in SAP software. This has resulted in difference between the opening balances as per SAP software and opening balances as per financial statements. Further as per information and





Pandey & Co.

Chartered Accountants

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Telefax: +91 – 512 – 2532162

Email: pandeycompany@gmail.com

Head Office: 24/24, Karachi Khana,
Kanpur – 208001

explanation provided, the differences that arose at the first time adoption of Accounting Software “SAP” has been reconciled by passing the adjustment entries in accounting software. The current year closing figures as reported in the Balance Sheet are derived from the Trial Balance of SAP after passing such adjustment entries.

Internal financial control for the conversion of capital work in progress into fixed assets has not been correctly reflected in the Accounting software, this has resulted in difference in the capitalization figures as disclosed in the financial statements and figures as shown in the Books of accounts maintained in the Accounting software. Further the capitalization of capital work in progress in mostly done in the last day of financial year resulting in depreciation being under booked.

Bank Reconciliation at Regional Account Offices (RAOs) as mentioned in ‘Basis for Qualified Opinion’ has not been done resulting in differences with Bank balance as per Bank.

**For Pandey And Company
Chartered Accountants
Firm Regn. No. 000357C**


**Amit Pandey
Partner
M. No. 402377**



**Place: Raipur
Date: 15/10/2019**



Annexure 1 to the Auditors' Report

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of CSPDCL on the Ind AS Financial Statements for the year ended 31 March 2018

Directions under section 143(5) of the Companies Act 2013 for the year 2017-18

Sl.No.	Directions	Remarks/Comment
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Company is a state government undertaking engaged in supply & distribution of power across the state of Chhattisgarh. The company has various infrastructures in form of sub stations, stores, office buildings etc spread across the state. These infrastructures are built on land mostly allotted by Government of Chhattisgarh at nominal value. However, the company possesses land received from MPSEB wherein records were not handed over during re-organization of erstwhile MPEB due to non traceability.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Based on representation received from management, there are no cases regarding waiver/ write off of debts/ loans/ interest etc during the year under audit.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	No inventories are lying with the third parties. Further, based on our audit and as per explanation and information given by the management no assets has been received by the company as gift from Government or other authorities during the period under audit.

Sector specific sub- directions under Section 143(5) of the Companies Act 2013 for the year 2017-18

Power Sector

Sl.No.	Directions	Remarks/Comment
1	Adequacy of steps to prevent encroachment of idle land owned by company may be examined. In case of land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided	As informed to us, there is no encroachment anywhere in land. Further various 33/11 Sub-station were protected by fencing chain link fencing & boundary wall . During the period under audit, management has identified and protected following divisions namely:- Ambikapur Dn. :- Baikunthpur, Farshabahar, Pratappur, Bishunpur, Bhattikala, Sitapur, Chainpur, Chirmiri(Korea),Pathalgaon, Rajpur, Mainpath, Balrampur-(Balrampur), Lundra-(Ambikapur). Bilaspur Dn. :- Nehru nagar(Bilaspur) , Torwa (City Dn.), Raigarh Dn.-1, Korba (Industrial area)





		<p>Jagdapur Dn.:- Geedam, Chitalanka, Kondagaon(33/11KV S/s), Kondagaon (Colony premises), Narayanpur, Kanker.</p> <p>Raipur Dn.:- B/W HUDCO (Bhilai), PandukGariyaband (Area Fencing).</p> <p>Rajnandgaon Dn.:- Joratal (Kawardha), Khairagarh.</p>
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Subject to our comment against point no.1 of Directions u/s 143(5), the company has not acquired any land during the period under audit.
3	Whether the company has an effective system of recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with applicable accounting standards.	The company has two categories of consumers in retail sector namely low tension consumers and high tension consumers. There is a fixed billing cycle and credit period for both the categories. Surcharge is charged in the next succeeding month where in the consumer has defaulted in payment of bill for any particular month which is accounted for on cash basis in case of high tension consumers. Since the company is operating in an ERP environment, the billing system is fully computerized. Further, in accordance with CSERC MYT Regulations 2012, the commission has allowed a provision for writing off of bad and doubtful debts to distribution licensee. A normative provision of 1% of yearly revenue from the retail supply business has been allowed as bad and doubtful debts subject to actual writing off of bad and doubtful debts in the previous year.

Distribution

Sl.No.	Directions	Remarks/Comment
1	Report on the efficiency of the system of billing and collection of revenue in the company.	The company has two categories of consumers in retail sector namely low tension consumers and high tension consumers. There is a fixed billing cycle and credit period for both the categories. Surcharge is charged in the next succeeding month where in the consumer has defaulted in payment of bill for any particular month which is accounted for on cash basis in case of Railway (Disputed) high tension consumers. Since the company is operating in an ERP environment, the billing system is fully computerized. Further, in accordance with CSERC MYT Regulations 2012, the commission has allowed a provision for writing off of bad and doubtful debts to distribution licensee. A normative provision of 1% of yearly revenue from the retail supply business has been allowed as bad and doubtful debts subject to actual writing off of bad and doubtful debts in the previous year.
2	Whether the company recovers and accounts, the state regulatory commission(SERC)	Based on our verification, the company regularly recovers and account for fuel and power purchase adjustment cost based on directives of CSERC.





	approved fuel and power purchase adjustment cost (FPPCA)?	
3	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies have been completed. The reason of difference may be examined.	Company has reconciled receivables/ payables with Chhattisgarh State Power Generation company and Chhattisgarh State Power Transmission Company upto 31 st March, 2018, however, there are few cases which are pending for resolution between the subsidiary companies.
4	Whether the company is supplying power to franchisee, if so, whether the company is not supplying power to franchisee at below its average cost of purchase.	The company has not supplied power to franchisee during the period under audit.

For Pandey And Company
Chartered Accountants
Firm Regn. No. 000357C

Amit Pandey
Partner
M. No. 402377



Place: Raipur
Date: 15/10/2019



Compliance Certificate

We have conducted the audit of accounts of Chhattisgarh State Power Distribution Company Limited for the year ended 2017-18 in accordance with the direction/sub-directions issued by Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied withal the directions/sub-directions issued to us.

For Pandey And Company
Chartered Accountants
Firm Regn. No. 000357C



Amit Pandey
Partner
M. No. 402377

Place: Raipur
Date: 15/10/2019

List of other employee involved in Statutory Audit 2017-18 of Chhattisgarh State Power Distribution Company Limited, Raipur

Sr. No.	Name	Man days involved (Days)
1.	CA P K Pandey	3
2.	CA Amit Pandey	20
3.	CA Shalini Pandey	10
4.	CA Sagar	50
5.	CA Harish	50
6.	CA Abhishek	60
7.	Kamran	30
8.	Santosh	30
9.	Suraj	30
	Total	283

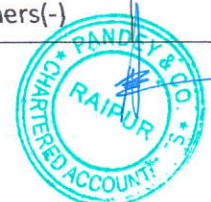




PROFORMA ON THE PERFORMANCE OF THE AUDITORS OF THE GOVERNMENT COMPANIES & CORPORATION FOR THE YEAR 2017-18

To be sent to the Comptroller Auditor General's office with the endorsement copy of Comments/Nil comments Certificate on the accounts of the company/Corporation.

A Basic Data				
(i)	Name of the Company/Corporation			Chhattisgarh State Power Distribution Company Limited
(ii)	Name of the Branch/Unit of the Company/Corporation Audited			Offices throughout the State of Chhattisgarh State Power Distribution Company Limited
(iii)	Year of Accounts			F.Y. 2017-18
(iv)	Name of the Statutory Auditors; Joint Auditor and Branch Auditors And the Partner who Certified the financial statements on the behalf of the CA firm			S.A. M/S Pandey & Co, Raipur Offices Branch Auditors as per list of the company
(v)	Name of the partner, Chartered Accountant employees and other Employees who actually audited the Company/Unit and the man days deployed/spent by the Partners/CA employees on the audit:- The team of Audit of CSPDCL, under in leadership of CA P K Pandey, CA Amit Pandey, CA Shalini, CA Sagar, CA Harish CA Abhishek with about 3 Assistants and totally man days involved over 250.			
	Name	Man days/hours Spent Audit	TA/DA paid/payable	Out of the pocket expenses Paid/payable
	(a)Partners CA.Amit Pandey CA.P.K. Pandey CA.Shalini Pandey CA Sagar Kewlani CA Harish Khatwani	283 Days		
	(b)Chartered Accountant employees	60	Nil	Nil
	(c) Other employees	List enclosed		
(vi)	Audit fee and other remuneration paid/payable to the Auditors by the Company.(please give separate entries for each Audit firm and each type of remuneration)			
	Name of the Statutory Auditor/Joint Auditor/Branch Auditor	Audit fees mentioned in the annexure ii attached with appointment letter	Audit fees (including for CFS) actually paid/payable by the Company	Details of the other remuneration/fees paid/payable to the auditor along with amount thereof for the year of account
	S.A. Pandey & Co.	10,00,000	payable	i) Tax Audit Rs.2,00,000
				ii)Vat Audit Nil
				iii)Half yearly/quarterly financial review Nil
				iv)Others(-)



Chhattisgarh State Power Distribution Company Limited
Balance Sheet as at 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	4	4,30,360.62	3,71,845.95
	(b) Capital Work in Progress		2,76,165.12	2,05,166.10
	(c) Other Intangible assets	5	118.30	118.30
	(d) Financial Assets			
	(i) Investments	6	60.00	60.00
	(ii) Loans	7	11.86	37.91
	(iii) Others financial asset	8	3,679.02	13,336.48
	(iv) Deferred tax assets (net)	9a	-	-
	(e) Non Current Tax Assets	9	28,566.01	28,174.90
	(f) Other non-current assets	10	8,940.83	4,130.88
	Total Non - Current Assets		7,47,901.76	6,22,870.52
2	Current assets			
	(a) Inventories	11	27,425.50	18,451.41
	(b) Financial Assets			
	(i) Trade receivables	12	5,90,015.92	4,59,954.23
	(ii) Cash and cash equivalents	13	49,622.07	26,838.93
	(iii) Bank balances other than (ii) above	13	578.21	567.21
	(iii) Loans	7	75.68	96.19
	(iv) Others financial asset	8	2,128.20	27,560.08
	(c) Current Tax Assets (Net)			
	(d) Other current assets	10	48.93	7.54
	Total Current Assets		6,69,894.51	5,33,475.59
	Total Assets		14,17,796.27	11,56,346.11
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	14	2,26,310.32	2,26,310.32
	(b) Other Equity	15	(3,96,915.55)	(4,59,013.08)
	Total equity		(1,70,605.23)	(2,32,702.76)
	Liabilities			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	2,66,025.20	2,70,228.46
	(ii) Other financial liabilities	17	-	-
	(b) Provisions	18	3,67,413.69	3,91,369.17
	(c) Other non-current liabilities	19	52,447.69	48,840.43
	Total Non - Current Liabilities		6,85,886.58	7,10,438.06
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	79,598.00	37,284.00
	(ii) Trade payables	21	3,06,932.90	2,63,054.58
	(iii) Other financial liabilities	17	3,52,329.00	2,41,795.24
	(b) Provisions	18	59,042.57	41,465.59
	(c) Other current liabilities	19	1,04,612.45	95,010.40
	Total Current Liabilities		9,02,514.92	6,78,609.81
	Total Equity and Liabilities		14,17,796.27	11,56,346.11
	See accompanying notes to the financial statements			

In terms of our report attached.

For Pandey & Co.

Chartered Accountants


FR.NO.- 000357C




Amit Pandey
Partner
Membership No. 402377

For and on behalf of the Board of Directors


M.Q. Abdul Haque
Managing Director
DIN-08369533


Sandeep Modi
Chief Financial Officer


H. Narware
Director
DIN- 07741128


Arun Mishra
Company Secretary
M.No. ACS55153

Place : 15 OCT 2019

Date :

Chhattisgarh State Power Distribution Company Limited
Statement of Profit and Loss for the period ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	22	14,37,255.30	12,61,932.15
II Other Income	23	43,424.54	21,643.98
III Total Revenue (I + II)		14,80,679.84	12,83,576.13
IV EXPENSES			
(a) Cost of power purchase	24	12,53,107.38	11,16,532.72
(b) Employee benefit expense	25	1,36,639.42	1,23,175.53
(c) Finance costs	26	47,206.20	28,417.57
(d) Depreciation and amortisation expense	4	26,727.60	25,366.77
(e) Other expenses	27	35,253.14	32,259.26
Total Expenses (IV)		14,98,933.74	13,25,751.85
V Profit before exceptional items and tax		(18,253.90)	(42,175.72)
Exceptional items	28	(9,660.00)	-
Profit before tax		(27,913.90)	(42,175.72)
VI Tax Expense			
(1) Current tax			
(2) Deferred tax			
Total tax expense (VI)		(27,913.90)	(42,175.72)
VII Profit after tax			
VIII Profit/(loss) for the period (VI + VII)		(27,913.90)	(42,175.72)
IX Other comprehensive income		15,170.44	(36,637.00)
A (i) Items that will not be recycled to profit or loss		-	-
(a) Remeasurements of the defined benefit liabilities / (asset)		15,170.44	(36,637.00)
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
X Total comprehensive income for the period		(12,743.46)	(78,812.72)
XI Earnings per equity share:			
(1) Basic	29	(1.23)	(1.86)
(2) Diluted	29	(1.23)	(1.86)

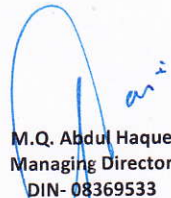
In terms of our report attached.

For Pandey & Co.
Chartered Accountants
FR.NO.- 000357C

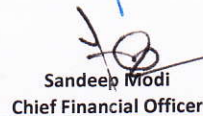



Amit Pandey
Partner
Membership No. 402377

For and on behalf of the Board of Directors


M.Q. Abdul Haque
Managing Director
DIN- 08369533


H. Narware
Director
DIN- 07741128


Sandeep Modi
Chief Financial Officer


Arun Mishra
Company Secretary
M.No. ACS55153

Place : 15 OCT 2019
Date :

Chhattisgarh State Power Distribution Company Limited
Cash Flow Statement as on March 31, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	(12,743.46)	(78,812.72)
Adjustments for:		
Depreciation and Amortisation expenses	26,727.60	25,366.79
Interest Income	(518.65)	(702.12)
Interest Expenses	47,206.20	28,417.56
Operating Profit before working capital changes	60,671.69	(25,730.49)
Movements in working capital:		
Increase / (Decrease) in Trade Payables	43,877.19	(16,583.86)
Increase / (Decrease) in Other Current Financial Liabilities	1,10,533.76	3,467.78
Increase / (Decrease) in Long term Provisions	(23,955.48)	36,095.88
Increase / (Decrease) in Other Current Liabilities	9,602.05	5,838.86
Increase / (Decrease) in Other Non-Current Liabilities	3,607.26	33,459.56
Increase / (Decrease) in Short Term Provisions	17,576.98	5,699.69
(Increase) / Decrease in Loans - Current	20.51	(81.33)
(Increase) / Decrease in Loans - Non Current	26.05	94.06
(Increase) / Decrease in Trade receivables	(1,30,061.69)	(2,29,145.50)
(Increase) / Decrease in Inventories	(8,974.09)	(8,770.83)
(Increase) / Decrease in Other Current Assets	(41.39)	682.92
(Increase) / Decrease in Other Current Financial Assets	25,431.88	40,155.54
(Increase) / Decrease in Other Non Current Financial Assets	9,657.46	(115.67)
(Increase) / Decrease in Other Non Current Tax Assets	(391.11)	(193.39)
(Increase) / Decrease in Other Non Current Assets	(4,809.95)	3,142.56
Cash generated from operations	1,12,771.11	(1,51,984.22)
Income taxes paid	-	-
Net cash generated by operating activities	1,12,771.11	(1,51,984.22)
Cash flows from investing activities		
Movement in Property, Plant and Equipments	(85,242.27)	(62,682.55)
Net (Increase) / Decrease in Capital WIP	(70,999.02)	(8,018.52)
Interest Income	518.65	702.12
Net (Increase) / Decrease in Fixed Deposits	(11.00)	141.00
Net cash (used in)/generated by investing activities	(1,55,733.64)	(69,857.95)
Cash flows from financing activities		
Increase / (Decrease) in Other Long term Borrowings	(4,203.26)	1,94,538.79
Increase/(Decrease) in Consumer contribution towards cost of capital asset	74,841.07	39,080.07
Increase/(Decrease) in RGGVY grant towards cost of capital asset	-	-
Increase/(Decrease) in Grant received under Uday Yojna	-	-
Increase/(Decrease) in Share Application money	-	(6,326.25)
Increase / (Decrease) in Short term Borrowings	42,314.00	3,545.25
Interest Paid	(47,206.20)	(28,418.56)
Net cash used in financing activities	65,745.61	2,02,419.30
Net increase in cash and cash equivalents	22,783.08	(19,422.87)
Cash and cash equivalents at the beginning of the year	26,838.99	46,260.86
Cash and cash equivalents at the end of the year	49,622.07	26,838.99

Change in liability arising from financing activities

Borrowings	1st April, 2017	Cash Flow	31st March, 2018
Non current	2,70,228.46	(4,203.26)	2,66,025.20
Current	37,284.00	42,314.00	79,598.00
Total	3,07,512.46	38,110.74	3,45,623.20

In terms of our report attached.

For Pandey & Co.

Chartered Accountants

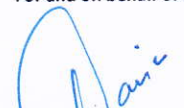
FR.NO.- 000357C


Amit Pandey
Partner
Membership No. 402377




Place : **15 OCT 2019**
Date :

For and on behalf of the Board of Directors


M.Q. Abdul Haque
Managing Director
DIN- 08369533


H. Narware
Director
DIN- 07741128


Sandeep Modi
Chief Financial Officer


Arun Mishra
Company Secretary
M.No. ACS55153

Chhattisgarh State Power Distribution Company Limited
 Statement of changes in equity for the year ended 31st March, 2018
 All amounts are in ₹ (in Lacs) unless otherwise stated

a. Equity share capital

	No. of Shares	Amount
Issued and Paid up Capital at 1st April, 2017	2,26,31,03,232	2,26,310.32
Less: Treasury Shares if any		
Balance at 1st April, 2017	2,26,31,03,232	2,26,310.32
Changes in equity share capital during the year		
Balance at 31st March, 2018	<u>2,26,31,03,232</u>	<u>2,26,310.32</u>

In terms of our report attached.

For Pandey & Co.

Chartered Accountants
 FR.NO.- 000357C




Amit Pandey
 Partner
 Membership No. 402377




Place :
 Date :

15 OCT 2019

For and on behalf of the Board of Directors



M.Q. Abdul Haque
 Managing Director
 DIN- 08369533



H. Narware
 Director
 DIN- 07741128



Sandeep Modi
 Chief Financial Officer



Arun Mishra
 Company Secretary
 M.No. ACS55153

Chhattisgarh State Power Distribution Company Limited
Statement of changes in equity for the year ended 31st March, 2018
 All amounts are in ₹ (in Lacs) unless otherwise stated

b. Other Equity

	Share application money pending allotment	Reserves and Surplus			Items of other comprehensive income		Total
		Capital Reserve - GOCG Grant under UDAY Yojna	GOCG contribution towards capital assets	Retained earnings	Debt instrument through other comprehensive income	Re-measurements of the defined benefit plans	
Balance at 1st April, 2017	-	87,012.00	1,44,331.95	(5,99,628.03)	-	(90,729.00)	(4,59,013.08)
Profit/(Loss) for the year				(27,913.90)			(27,913.90)
Other comprehensive income for the year, net of income tax						15,170.44	15,170.44
Total comprehensive income for the year				(27,913.90)		15,170.44	(12,743.46)
Changes during the year			74,841.07				74,841.07
Changes in share application money							
Amounts transferred to initial amount of hedged item							
Balance at 31st March, 2018	-	87,012.00	2,19,173.02	(6,27,541.92)	-	(75,558.57)	(3,96,915.47)

In terms of our report attached.

For Pandey & Co.
 Chartered Accountants
 FR.NO.- 000357C



(Signature)
Amit Pandey
 Partner
 Membership No. 402377

For and on behalf of the Board of Directors

(Signature)
M.Q. Abdul Haque
 Managing Director
 DIN-08369533

(Signature)
H. Narware
 Director
 DIN-07741128

(Signature)
Sandeep Modi
 Chief Financial Officer

(Signature)
Arun Mishra
 Company Secretary
 M.No. ACS55153

Place :
 Date : **15 OCT 2019**

1 Background

Chhattisgarh State Power Distribution Company limited (the Company) is a state government company incorporated under the Companies Act, 1956 with the main object of distribution and supply of electricity. The registered office of the company is located at Vidyut Sewa Bhawan, Danganiya, Raipur (C.G.), Pin 492013

2 Significant Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013. The Company is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of the Companies Act, 2013 in terms of Section 174 of the Electricity Act, 2003.

Upon the year ended 31st March, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the first financial statements of the company under Ind AS. The date of transition to Ind AS is 1st April, 2015.

Refer Note 53 for details of first-time adoption exemptions availed by the Company.

2.2 Basis of accounting and preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments (if any) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.3 Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of current and deferred tax expense, valuation of defined benefit obligations and provisions and contingent liabilities.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Electricity duty and cess recovered from consumers and forwarded to the Government is neither a cost nor an income to the Company and hence the same has been kept out of the revenue account altogether.

Interest income on investments (including fixed deposits) and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Income/Expenditure relating to a prior period, which do not exceed Rs. 500,000/- in each case, are treated as income/expenditure of current year.

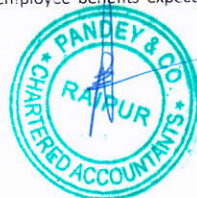
2.5 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee Benefits

2.6.1 Short Term Employee Benefits

The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expense) after deducting any amount already paid.



2.6.2 Post-employment benefits: Defined contribution/ benefit plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

A separate trust in the name of CSEB Gratuity and Pension Fund Trust has been formed by erstwhile CSEB to mitigate the liability of pension and gratuity of its retiring employees. The trust is recognized under part B of Schedule IV of the Income Tax Act' 1961. After the restructuring of erstwhile board, the successor companies have been contributing their respective share of pension and gratuity liability to the aforesaid trust. Company provides for the share of its deficit in the actual contribution vis-à-vis the stipulated contribution determined on the basis of actuarial valuation in its profit and loss account.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.6.3 Earned Leave Encashment

The employees of the Company are entitled to compensate absences based on the unavailed leave post retirement of employees on accrual basis based on fair estimates.

2.6.4 Other Long Term Employee Benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.9 Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation commences when the assets are ready for their intended use.

Freehold land and Assets held for sale are not depreciated.



Depreciation is recognised so as to write off the 90% of the cost of assets (other than freehold land) less their residual values over their useful lives, using the Straight line method (SLM) method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on assets are provided on Straight line method (SLM) method on the gross block at the rates notified by the Chhattisgarh State Electricity Regulatory Commission (CSERC) pursuant to Tariff Regulation 2015. Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal. Full cost of all small and low value items each costing Rs.5000/- or less under all class of assets is fully charged to revenue in the year in which the assets are put to use. No part of the cost of such items is included in the cost of fixed assets and accordingly no depreciation is charged thereon. Depreciation on additions/deletions of assets is provided on pro-rata basis from/up to the period for which the asset is available for use/disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

An expenditure having the effect of extending the useful life of an asset or increasing output or capacity or efficiency of an asset or decreasing operating costs of an asset is 'improvement'. Expenditure on improvement may involve replacement of an existing asset or may not involve replacement of an existing asset. All expenditures on improvements are capitalized.

Any expenditure on repairs or rehabilitation of an asset purchased by the company (whether second hand or new) incurred before commissioning of asset or putting the asset in usable condition are treated as a cost of the capital assets. Land cost comprises of its purchase price, compensation, if any, paid on acquisition of land, legal charges and stamp duties, site preparation cost such as cost of leveling and filling and all incidental expenses incurred on the transfer, development and improvement of such land. All material related cost, labour or contractor charges payable to outsider for work done by them in respect of capital jobs are included in the cost of concerned capital assets.

Estimated useful lives of the assets are as follows:

Type of Assets	Useful lives
Land - Leashold	30
Factory Buildings	30
Office Buildings	30
Residential & Other Buidlings	30
Roads & Others	30
Hydraulic Works	19
Lines & Cable Networks	19
Plant, Machinery & Equipments	19
Furniture & Fixtures	16
Office Equipments	16
Vehicles	11
Computers	7

2.9.1 Capital Work-in-Progress

All capital expenditure is accounted for through capital work-in-progress accounts. On commissioning of the assets, the expenditure is transferred to appropriate Property, plant and equipment accounts. Commissioning of an asset is a technical matter, which involves consideration of various factors such as trial, testing to ensure whether the asset is in usable condition etc. Capitalization of assets is therefore done on issue of Asset Commissioning Certificate from the relevant Technical Authority/ management certificate of the Company.

2.9.2 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



2.10 Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Accounting for all materials transactions are in the same period in which the physical event of receipts and issues etc has taken place. Similarly, liability for all materials received and accepted by the company is created in the month in which the materials are accepted. Shortages/ Excesses found during the course of physical verification or otherwise are transferred under account head namely "Stock excess/ shortage pending investigation" classified under inventories. The cases of such excesses/ shortages are referred to a committee formed for the very purpose, balance under these account heads are transferred to profit and loss account only after final disposal of the case from the said committee, however adequate provision to the extent of shortages in inventory has been made till final write off of inventory.

2.11 Provisions and contingencies

2.11.1 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

In accordance with the CSERC MYT Regulations, 2010 the Commission (CSERC) has allowed a provision for writing off of bad and doubtful debts to distribution licensee. A normative provision 1% of yearly revenue from the retail supply business is being allowed as bad and doubtful debt subject to actual writing off of bad and doubtful debts in the relevant year.

2.11.2 Contingencies

A contingent liability is disclosed when there is remote chances as below:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.12.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.12.2 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.12.3 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.



2.12.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

2.12.5 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.12.6 Financial liabilities and equity instruments

2.12.7 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.12.8 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.12.9 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.12.10 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.15 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues.



2.16 Contributions, Grants & Capital Subsidies towards Cost of Capital Assets

Amount receivable as consumer's contribution, subsidy or grant towards capital assets are credited to appropriate account set out in chart of Accounts only if the following conditions are satisfied:

- a. The amount is not subject to any conditions to be fulfilled by the Company; or
- b. The conditions attached to the amount have been fulfilled by the Company.

Consumer's contributions, capital subsidies and grants related to depreciable fixed assets are treated as deferred income and are recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset, i.e., such amounts are allocated to income over the periods and in the proportions in which depreciation on those assets is charged. Accounting for cost of a capital asset is done in the normal course without considering any contribution, subsidy or grants towards the cost of the asset. Depreciation are been charged in the normal course on the 'full cost' of the asset.

Consumers' contribution, capital subsidies and grants related to non-depreciable assets are credited in capital reserve. However, if a grant related to a non-depreciable asset requires the fulfillment of certain obligations, the grant are credited to income over the same period over which the cost of meeting such obligations is charged to income.

Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the company, are recognised as other operational income in the Statement of Profit and Loss in the period in which such costs are incurred.

2.17 Expenditure on Project identification Survey and Feasibility Studies:

Expenditure incurred on identification, survey and feasibility studies of a project before the project is considered for sanction or rejection are accumulated in an account provided for the purpose. Later, if the project is rejected, the full amount of expenditure is charged to Revenue as infructuous capital expenditure in the year in which the project is rejected. If the project is sanctioned, the expenditure is charged to capital work-in-progress account for that project. Any expenditure incurred on detailed feasibility studies etc. after a project is sanctioned shall also be charged to the capital work-in-progress account for that project. The aggregate of expenditure incurred before and after sanction of a project are allocated over the "tangible" assets acquired /constructed under the project, in the same manner as the revenue expenditure chargeable to capital works are to be allocated.

2.18 Standards issued but not yet effective

On 28 March, 2018, Ministry of Corporate Affairs ('MCA') has notified the Ind AS 115, Revenue from contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- 1) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- 2) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April, 2018.

The Company is evaluating the requirements of the amendment and its effects on the financial statements.

3 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

Estimation of current tax and deferred tax expense

Estimation of values of contingent liabilities

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note 4 - Property, plant and equipment

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
I. Gross Block														
Balance as at 1st April, 2017	169.16	74.15	2,179.40	4,486.08	1,909.44	1,810.95	185.61	3,86,190.26	1,75,969.21	242.22	412.83	270.65	4,682.63	5,78,583
Additions and transfers	-	-	729.72	1,287.96	33.98	17.19	-	56,038.16	27,128.85	1.40	4.22	-	0.79	85,242
Deletions and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March, 2018	169.16	74.15	2,909.12	5,774.04	1,943.42	1,828.14	185.61	4,42,228.42	2,03,098.06	243.62	417.05	270.65	4,683.42	6,63,825
II. Accumulated depreciation														
Balance as at 1st April, 2017	39.95	-	515.51	571.69	750.40	267.58	120.38	1,40,363.26	59,362.00	147.18	260.03	228.42	4,110.24	2,06,737
Depreciation / amortisation expense for the year	3.96	-	78.38	161.30	64.57	60.78	8.75	18,242.58	8,010.34	7.12	12.91	1.11	75.80	26,728
Balance as on 31st March, 2018	43.91	-	593.89	732.99	814.97	328.36	129.13	1,58,605.84	67,372.34	154.30	272.94	229.53	4,186.04	2,33,464
Net block (I-II)														
Balance as on 31st March, 2018	125.25	74.15	2,315.23	5,041.05	1,128.45	1,499.78	56.48	2,83,622.58	1,35,725.72	89.32	144.11	41.12	497.38	4,30,361
Balance as on 31st March, 2017	129.21	74.15	1,663.89	3,914.39	1,159.04	1,543.37	65.23	2,45,827.00	1,16,607.21	95.04	152.80	42.23	572.39	3,71,846
Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
I. Gross Block														
Balance as at 1st April, 2016	169.16	101.16	1,841.65	3,301.54	1,799.68	1,806.61	175.13	3,45,492.39	1,55,634.23	228.63	414.33	254.04	4,681.50	5,15,900
Additions and transfers	-	(27.01)	337.75	1,184.54	109.76	4.34	10.48	40,697.87	20,334.98	13.59	(1.50)	16.61	1.13	62,683
Deletions and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March, 2017	169.16	74.15	2,179.40	4,486.08	1,909.44	1,810.95	185.61	3,86,190.26	1,75,969.21	242.22	412.83	270.65	4,682.63	5,78,583
II. Accumulated depreciation and impairment														
Balance as at 1st April, 2016	35.98	-	450.49	452.16	688.62	207.73	112.17	1,23,530.16	51,646.99	140.30	247.25	228.09	3,807.38	1,81,547
Depreciation / amortisation expense for the year	3.97	-	65.02	119.53	61.78	59.85	8.21	16,833.10	7,715.01	6.88	12.78	0.33	302.86	25,189
Balance as at 31st March, 2017	39.95	-	515.51	571.69	750.40	267.58	120.38	1,40,363.26	59,362.00	147.18	260.03	228.42	4,110.24	2,06,737
Net block (I-II)														
Balance as on 31st March, 2017	129.21	74.15	1,663.89	3,914.39	1,159.04	1,543.37	65.23	2,45,827.00	1,16,607.21	95.04	152.80	42.23	572.39	3,71,846
Balance as on 31st March, 2016	133.18	101.16	1,391.16	2,849.38	1,111.06	1,598.88	62.96	2,21,962.23	1,03,987.24	88.33	167.08	25.95	874.12	3,34,353



Chhattisgarh State Power Distribution Company Limited
 Notes to the financial statements for the year ended 31st March, 2018
 All amounts are in ₹ (in Lacs) unless otherwise stated

Note 5 - Other Intangible Assests

Description of Assets	Computer Software	Total
Intangible Assets		
Cost		
Balance as at 1st April, 2017	1,183.00	1,183.00
Additions		-
Balance as at 31st March, 2018	1,183.00	1,183.00
II. Accumulated amortisation and impairment for the year		
Balance as at 1st April, 2017	1,064.70	1,064.70
Amortisation expense for the year	-	-
Balance as at 31st March, 2018	1,064.70	1,064.70
Net block (I-II)		
Balance as on 31st March 2018	118.30	118.30
Balance as on 31st March 2017	118.30	118.30



Chhattisgarh State Power Holding Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note 6 - Investment

Particular	As at 31st March, 2018			As at 31st March, 2017		
	QTY	Amounts		QTY	Amounts	
		Current	Non Current		Current	Non Current
<u>Investments Carried at amortised cost</u>						
Unquoted Investments (all fully paid)						
Investments in debentures or bonds Nuclear Power Corporation of India Limited	6		60.00	6		60.00
Total Unquoted Investments	6		60.00	6		60.00



Chhattisgarh State Power Distribution Company Limited
 Notes to the financial statements for the year ended 31st March, 2018
 All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 7 - Loans

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
A. Financial assets classified at amortised cost						
Loans to employees						
- Secured, considered good	75.68	11.86	87.54	96.19	37.91	134.10
- Unsecured, considered good						
- Doubtful						
Less : Allowance for bad and doubtful loans						
TOTAL	75.68	11.86	87.54	96.19	37.91	134.10
GRAND TOTAL	75.68	11.86	87.54	96.19	37.91	134.10



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 8 - Other financial assets

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost :				
Security Deposits		3,679.02		3,676.48
Revenue Subsidy/Grants Receivable	25.14	-	26.66	9,660.00
Interest Accrued on deposits	468.32	-	111.94	-
Receivable from CSPGCL	-	-	25,845.58	-
Receivable from CSPHCL	1,634.74	-	1,575.90	-
Others				
TOTAL	2,128.20	3,679.02	27,560.08	13,336.48



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 9 - Non Current Tax Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
Income taxes (net of provisions)	28,566.01	28,174.90
Total	28,566.01	28,174.90

Note No. 9a - Deferred Tax Assets (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets	2,25,221.82	2,30,152.84
Deferred Tax Liabilities	15,848.04	17,082.05
Net Deferred Tax Assets (Net)*	-	-
*However, deferred tax asset recognized only to the extent of deferred tax liability pursuant to accounting policy		
Unrecognized Deferred tax assets	2,09,373.78	2,13,070.79

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets		
Disallowances u/s 40a of the Income Tax Act,1961	78.09	64.86
Disallowance u/s 37 of the Income Tax Act, 1961	110.75	56.90
Disallowances u/s 40 A (7) of the Income Tax Act,1961	1,05,154.95	1,06,778.58
Disallowances u/s 43B of the Income Tax Act,1961	14,640.94	13,940.38
Unabsorbed Depreciation under Income Tax Act	31,368.34	35,443.38
Carry Forward Business Loss Under Income Tax Act	73,868.74	73,868.74
	2,25,221.82	2,30,152.84
Deferred Tax Liabilities		
Depreciation	15,848.04	17,082.05
	15,848.04	17,082.05



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 10 - Other non-current and current assets

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Advance to Suppliers & Contractors	-	8,933.66	-	4,130.88
Prepaid Expenses	5.06	7.17	-	-
Cenvat credit	-	-	-	-
Other advances	43.87	43.87	7.54	7.54
	48.93	8,940.83	7.54	4,130.88
		8,989.76		4,138.42



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 11 - Inventories

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Raw materials		
Coal & Fuel		18,114.56
Stores & Spares	26,938.05	
Scrap & Unservicable Materials	487.45	583.96
(b) Material Short/(Excess) pending investigation		
(1) Cost	703.28	703.28
(2) Less: Provision	(703.28)	(950.39)
Total Inventories at the lower of cost and net realisable value	27,425.50	18,451.41



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 12 - Trade receivables

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Trade receivables				
Secured, considered good	5,90,015.92		4,59,954.23	
Unsecured, considered good	39,224.08		39,224.08	
Doubtful	(39,224.08)		(39,224.08)	
Less: Allowance for Credit Losses				
TOTAL	5,90,015.92	-	4,59,954.23	-

Amount outstanding as at 31st March, 2018 includes 1818.13 Crores (31st March 2017 includes Rs. 1955 Crs) receivable from Govt. of Chhattisgarh towards SHP agricultural consumers and BPL Consumers. Against above receivables, Govt. of Chhattisgarh has provided guarantee for the loans borrowed from Power Finance Corporation amounting to Rs. 595 Crs, Rural Electrification Corporation amounting to Rs. 595 Crs and Union Bank of India Rs. 500 Crs (Additionally Cash Credit limit from Union Bank of India was increased from 250 Crs to Rs. 515 Crs). The guarantee is provided by the State government in lieu of reimbursement of Company's claim against supply of free electricity to the consumers of agricultural pumps under Krishak Jeewan Jyoti Yojna and to the Below Poverty Line (BPL) consumers of the State.



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 13 - Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Cash and bank balances		
(i) Cash and cash equivalents		
Cash in imprest	7.19	6.15
Cash in transit	1,661.93	1,184.86
Balances with Banks	26,990.03	20,250.14
Cheques on hand	20,962.92	5,397.78
	49,622.07	26,838.93
(ii) Other bank balances		
Term deposits	578.21	567.21
	578.21	567.21
Cash and cash equivalent as per balance sheet	50,200.28	27,406.14
Bank overdrafts	-	-
	50,200.28	27,406.14
Cash and bank balances included in a disposal group held for sale	-	-
Cash and cash equivalents as per statement of cash flows	50,200.28	27,406.14



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 14 - Equity share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of Rs. 10 each	3,30,00,00,000	3,30,000.00	3,30,00,00,000	3,30,000.00
Issued, Subscribed and Fully Paid: Equity shares of Rs. 10 each	2,26,31,03,200	2,26,310.32	2,26,31,03,200	2,26,310.32
Total	2,26,31,03,200	2,26,310.32	2,26,31,03,200	2,26,310.32



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 15 - Other equity

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital Reserve - GOCG Grant under UDAY Yojna	87,012.00	87,012.00
GOCG contribution towards capital assets	2,19,173.02	1,44,331.95
Retained earnings	(6,27,542.00)	(5,99,628.03)
Other Comprehensive Income	(75,558.57)	(90,729.00)
Total	(3,96,915.55)	(4,59,013.08)

Nature and purpose of the reserve

Retained Earnings

Retained Earnings are the profits of the company earned till date net of appropriations.

Other Comprehensive Income

Remeasurements comprising actuarial gains and losses are reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

GOCG contribution towards capital assets

The amount has been received from Government of Chhattisgarh towards creation of capital assets.

Capital Reserve - GOCG Grant under UDAY Yojna

The company received Rs. 870.12 cr under Ujjwal DISCOM Assurance Yojana (UDAY) of Central Government dated 05th November 2015 for financial turnaround of Power Distribution Companies. As per the scheme, State Government shall take over 75% of DISCOM debt as on 30 September 2015, which is taken over in 2015-16. Accordingly, CSPDCL has parted away with following loan liability (being 75% of total debt) of which details are as under:

Name of Lender	Loan (as at 30.09.2015) (in Lakh)	Loan repaid under UDAY (75%) (in Lakh)
Power Finance Corporation	9,755.00	14,541.00
Rural Electrification Corporation	74,533.00	59,347.00
Chhattisgarh State Power Holding Company Limited	22,315.00	12,315.00
Debentures- SECL	780.00	780.00
LIC Housing Finance	12.00	12.00
State Government Loan	8,634.00	-
Others	17.00	17.00
Total	1,16,046.00	87,012.00

The contribution of Rs. 870.12 cr received from GOCG, being in the nature of promoter's contribution, has been classified as Capital Reserve.



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 16 - Non Current Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
1 Secured Borrowings:		
(A) Term Loans		
(1) From Power Finance Corporation Limited	26,741.07	12,244.25
(2) From Rural Electrification Corporation	76,221.63	52,671.71
(B) Working Capital Term Loans		
(1) From Union Bank of India	31,250.00	43,750.00
(2) From Rural Electrification Corporation	40,906.25	55,781.25
(3) From Power Finance Corporation Limited	40,906.25	55,781.25
Total Secured Borrowings (A)	2,16,025.20	2,20,228.46
2 Unsecured Borrowings - at amortised Cost		
(1) Bonds		
8.72% CSPDCL Bonds 2014-15	25,750.00	25,750.00
10.36% CSPDCL Bonds 2015-16	24,250.00	24,250.00
Total Unsecured Borrowings (B)	50,000.00	50,000.00
Total Borrowings (A)+(B)	2,66,025.20	2,70,228.46

Nature of Security	Terms of Repayment																																																																																
<p>1.(A)(1) Against Term Loan from Power Finance Corporation:</p> <p>Term Loan from Power Finance Corporation amounting to Rs. 400.01 (PY Rs. 224.74 cr.) (including current maturities) are secured by first charge in favour of PFC by way of hypothecation on the newly financed assets under the project and part of existing asset.</p>	<p>The repayment will be made annually in equal quarterly installments together with interest on the outstanding balance commencing after the expiry of moratorium period. There will be moratorium on repayment of principal and interest on loan for the sanction period of execution which shall in no case exceeds 3 years (R-APDRP Part A, Part B and Scada projects). The tenure of loan is for 10 years including moratorium period and at ROI of 9% pa and 12% pa for R-APDRP part B counter funding and 13% pa for Upgradation of Server Loan (STL). Sanctioned The Company has drawn the first phase and second phase of its sanctioned limit and assets acquired under project are still under implementation stage.</p>																																																																																
<p>1 (A)(2) Against Term loan from Rural Electrification Corporation:</p> <p>Term loan from rural electrification corporation amounting to Rs. 825.03 cr. (PY Rs. 574.90 cr.) (including current maturities) are secured by way of Mortgage / Hypothecation of future assets so created out of loan amt sanctioned for the project subject value being 110% of the loan amount so sanctioned.</p>	<p>The loan will be repayable in 13 year including moratorium period of 3 year in quarterly installments starting from April'13 for Atal Jyoti and February 2015 for STN.</p>																																																																																
<p>1(B): Working capital term loans</p> <p>Against the receivables from Govt. of Chhattisgarh towards SHP agricultural consumers and BPL Consumers., Govt. of Chhattisgarh has provided guarantee for the loans borrowed from Power Finance Corporation amounting to Rs. 595 Crs, Rural Electrification Corporation amounting to Rs. 595 Crs and Union Bank of India Rs. 500 Crs. The guarantee is provided by the State government in lieu of reimbursement of Company's claim against supply of free electricity to the consumers of agricultural pumps under Krishak Jeewan Jyoti Yojna and to the Below Poverty Line (BPL) consumers of the State.</p>	<p>Following is the repayment schedule for the term loans :-</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">UBI</th> <th colspan="2">REC</th> <th colspan="2">PFC</th> <th colspan="2">Total</th> </tr> <tr> <th>Interest</th> <th>Principal</th> <th>Interest</th> <th>Principal</th> <th>Interest</th> <th>Principal</th> <th>Interest</th> <th>Principal</th> </tr> </thead> <tbody> <tr> <td>2016-17</td> <td>20.91</td> <td>0</td> <td>20.22</td> <td>0</td> <td>13.37</td> <td>0</td> <td>54.5</td> <td>0</td> </tr> <tr> <td>2017-18</td> <td>44.81</td> <td>62.5</td> <td>60.99</td> <td>37.19</td> <td>60.2</td> <td>37.19</td> <td>166</td> <td>136.88</td> </tr> <tr> <td>2018-19</td> <td>33.55</td> <td>125</td> <td>51.47</td> <td>148.75</td> <td>48.24</td> <td>148.75</td> <td>133.26</td> <td>422.5</td> </tr> <tr> <td>2019-20</td> <td>23.57</td> <td>125</td> <td>36.31</td> <td>148.75</td> <td>33.01</td> <td>148.75</td> <td>92.89</td> <td>422.5</td> </tr> <tr> <td>2020-21</td> <td>12.46</td> <td>125</td> <td>20.98</td> <td>148.75</td> <td>17.79</td> <td>148.75</td> <td>51.23</td> <td>422.5</td> </tr> <tr> <td>2021-22</td> <td>2.08</td> <td>62.5</td> <td>5.73</td> <td>111.56</td> <td>3.33</td> <td>111.56</td> <td>11.14</td> <td>285.62</td> </tr> <tr> <td>Total:</td> <td>137.38</td> <td>500</td> <td>195.7</td> <td>595</td> <td>175.94</td> <td>595</td> <td>509.02</td> <td>1690</td> </tr> </tbody> </table>	Particulars	UBI		REC		PFC		Total		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	2016-17	20.91	0	20.22	0	13.37	0	54.5	0	2017-18	44.81	62.5	60.99	37.19	60.2	37.19	166	136.88	2018-19	33.55	125	51.47	148.75	48.24	148.75	133.26	422.5	2019-20	23.57	125	36.31	148.75	33.01	148.75	92.89	422.5	2020-21	12.46	125	20.98	148.75	17.79	148.75	51.23	422.5	2021-22	2.08	62.5	5.73	111.56	3.33	111.56	11.14	285.62	Total:	137.38	500	195.7	595	175.94	595	509.02	1690
Particulars	UBI		REC		PFC		Total																																																																										
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal																																																																									
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Total:	137.38	500	195.7	595	175.94	595	509.02	1690																																																																									
<p>C. State Government Loan (including APDRP Loan)</p>	<p>The unsecured loan from Govt of Chhattisgarh is repayable in equated annual installment of Rs.29 cr. The applicable ROI is 8.9% p.a. Further, the repayment was to be made through adjustment of the amount receivable from budget allocation of state government. However, since FY 2016-17 no adjustment of Loan Outstanding is being made by state government, the loan has been reinstated as Long term loan borrowing in FY 2017-18)</p>																																																																																
<p>2(1) Bonds</p> <p>8.72% CSPDCL Bonds</p> <p>During FY2014-15 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 8.72% amounting to Rs.257.50 cr through private placement with Green Shoe Option.</p>	<p>The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.</p>																																																																																
<p>10.36% CSPDCL Bonds</p> <p>During FY2015-16 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 10.36% amounting to Rs.242.50 cr through private placement with Green Shoe Option.</p>	<p>The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.</p>																																																																																



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 17 - Other Financial Liabilities

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
a) Other financial liabilities carried at amortised cost:				
Deposits & Retentions from Contractors & Suppliers			16,187.83	
Security Deposits from Consumers	56,079.74		1,60,680.68	
Employee related liabilities	1,84,681.66		1,179.07	
Current maturities of loan from Power Finance Corporation Limited	1,179.94		13,948.63	
Current maturities of loan from Rural Electric Corporation	28,134.45		8,537.53	
Current maturities of loan from Union Bank of India	21,156.63		6,250.00	
Current maturities of loan from Government of Chhattisgarh	12,500.00		8,634.89	
Interest accrued but not due on borrowings	8,642.44		11,857.20	
Interest accrued and due on borrowings	1,276.70		423.14	
Interest Payable On Consumer's Deposits	13,271.99		331.38	
Electricity duty payable	-		4,727.16	
Electricity cess payable	4,698.91		867.20	
Other payables	945.15		6,447.59	
Other	7,985.17		376.92	
Inter Company Payable Account				
Chhattisgarh State Power Holding Company Limited	10,158.16			
Chhattisgarh State Power Transmission Company Limited	1,073.46			
Total other financial liabilities	3,52,329.00		2,41,795.24	



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless

Note No. 18 - Provisions

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits				
(1) Pension & Gratuity	51,609.49	3,29,210.09	32,583.00	3,52,868.29
(2) Leave encashment	6,402.38	38,203.60	4,100.28	38,500.88
(3) Ex Gratia	639.47	-	704.92	-
(4) DA Arrears	391.23	-	29.51	-
(5) Interim relief	-	-	4,047.88	-
Total Provisions	59,042.57	3,67,413.69	41,465.59	3,91,369.17



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018

All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 19 - Other Liabilities

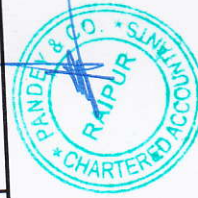
Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non- Current	Current	Non- Current
a. Deposit Works	65,302.89	-	58,133.47	-
b. Statutory dues	1,261.83	-	289.83	-
Taxes payable (other than income taxes)	1,759.86	-	1,882.12	-
Employee Recoveries and Employer Contributions				
c. Others	28,788.84	-	28,948.65	-
Unspent Fund Under RGGVY Scheme	-	52,447.69	-	48,840.43
Consumer contribution towards capital assets	7,499.03	-	5,756.34	-
Others payables				
TOTAL OTHER LIABILITIES	1,04,612.45	52,447.69	95,010.40	48,840.43



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 20 - Current Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Secured Borrowings		
(a) Working Capital Demand Loans	15,000	
(i) Loan from Rural Electrification Corporation Limited		
(b) Loans repayable on demand		16,456
Cash Credit Limit	24,686	
(i) From State Bank of India, Raipur (Against Hypothecation of stocks and Fixed Assets of the Company)	39,912	20,828
(ii) From Union Bank of India (Against Hypothecation of Book Debts and Guarantee from State Government)		
	79,598	37,284
Total Secured Borrowings	79,598	37,284
Total Current Borrowings	79,598	37,284



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note No. 21 - Trade payables

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Trade payable for goods & services	3,06,932.90		2,63,054.58	
Trade payable for salaries and wages				
Total trade payables*	3,06,932.90	-	2,63,054.58	-



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless

Note no -22 Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

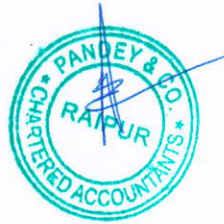
Particulars	For the year ended	
	31st March, 2018	31st March, 2017
(a) Revenue from rendering of services		
Industrial Power : High Tension	5,53,805.34	5,46,042.66
Parallel Operation Charges from CPP	7,064.21	7,185.78
Low Tension Consumers including Industrial Medium & Low Voltage	5,43,883.93	5,16,277.72
Meter Rent/Service line rental	2,864.93	3,080.91
Interstate sale including UI charges	2,46,056.45	98,883.28
(b) Other operating income		
Delay Payment Charges	21,490.83	17,934.81
Wheeling Charges & Open Access	5,604.56	2,214.23
Reactive charges	166.05	312.76
Revenue Subsidy	56,319.00	70,000.00
Total Revenue from Operations	14,37,255.30	12,61,932.15



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note no -23 Other Income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest income on financial assets at amortised cost		
Bank deposits	518.65	702.12
Loans to employees	19.46	28.87
Deposits with Contractors and Suppliers	293.79	1,044.57
Rent income	-	-
Interest on Other Loans & Advances	22,153.55	6,002.85
Miscellaneous income	7,831.83	2,006.45
Net proceeds from sale of scrap	575.61	596.38
Amortization of capital grant	10,998.93	9,531.90
Rebate Claim on Power Purchase	1,032.72	1,730.84
Total Other Income	43,424.54	21,643.98



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note no -24 Cost of power purchase

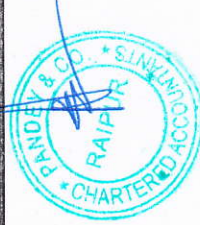
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Power purchase	11,33,542.78	9,88,033.14
Transmission charges	1,19,564.60	1,28,499.58
Total	12,53,107.38	11,16,532.72



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note no -25 Employee Benefits Expense

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages and bonus	87,899.25	77,095.03
Contribution to provident and other funds	2,031.61	1,654.66
Gratuity & Pension	40,180.45	45,208.56
Leave compensation	9,025.93	589.84
Other staff costs	829.95	1,015.91
Staff welfare expenses	690.68	911.20
Less: Employee benefit expense capitalised	(4,018.45)	(3,299.67)
Total Employee Benefit Expense	1,36,639.42	1,23,175.53



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
 All amounts are in ₹ (in Lacs) unless otherwise stated

Note no -26 Finance Cost

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest expense on borrowing		
Term loans	9,977.54	6,390.97
Working capital loans	21,725.81	8,145.53
State Government loans	676.69	497.97
Debentures	-	-
Bonds	4,757.70	4,748.92
Security Deposit from Consumers	10,196.51	9,986.91
Less: Amounts included in the cost of qualifying assets (if any)	(481.52)	(1,646.83)
(b) Expenses on Issue of Bonds/Debenture	-	-
(c) Bank charges	353.47	294.10
Total finance costs	47,206.20	28,417.57



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note no -27 Other Expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repairs and maintenance:		
(i) Plant & machinery	16,695.24	13,175.96
(ii) Buildings	1,553.61	1,158.94
(iii) Others	2,105.80	2,704.18
Power expense	2,839.48	3,028.92
Rent including lease rentals	47.04	42.18
Rates and taxes	324.20	555.67
Insurance charges	5.70	5.28
Vehicle Running, Hiring and Maintenance charges	1,843.95	1,985.44
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	11.80	9.00
(ii) For Taxation matters	2.36	1.80
Other expenses		
(i) Provision for shortages in inventory	154.10	(48.90)
(ii) Legal and other professional costs	1,217.25	558.96
(iii) Reimbursement of expenses to CSPHCL	1,243.25	1,303.08
(iv) Meter reading and other merchandising costs	6,711.08	5,994.48
(v) Other General Expenses	2,250.53	2,182.83
Less: Other expenses Capitalised	(1,752.25)	(398.56)
Total Other Expenses	35,253.14	32,259.26

Note no -28 Exceptional Items

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Expense:		
Claim Receivable from Government of Chhattisgarh W/off	9,660	-
Net Total	(9,660)	-

Pursuant to splitting of erstwhile CSEB into 5 successor companies, an opening balance sheet was notified by GOCG. As per opening balance sheet notified dated 29.10.2010, read with opening balance sheet (final) dated 17.07.2017, as notified by government of chhattisgarh, a total 'subsidy receivable' from GOCG of Rs.415.34 Crores was indicated in the opening balance sheet of CSEB as on 1st January, 2009. CSPDCL's share in this subsidy is/was Rs.96.60 Crore. However, as constant follow-up and correspondence with the State Government did not yield any response, the management is of the opinion that the recovery of the same is highly doubtful and hence decided to write off such subsidy receivable from State government



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note 29 Basic / diluted earnings per equity share (EPS) have been calculated as under:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	(Rs.)	(Rs.)
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders (In lacs)	(27,914)	(42,176)
Weighted Average number of Ordinary Share Outstanding	2,26,31,03,200	2,26,31,03,200
Weighted Average number of Potential Equity shares on account of Share Application Money	-	-
Total Shares considered for:		
1. For Basic Earnings per Share of Rs. 10 each	2,26,31,03,200	2,26,31,03,200
2. For Diluted Earnings per Share of Rs 10 each	2,26,31,03,200	2,26,31,03,200
Earnings per Share		
Basic (in Rs.)	(1.23)	(1.86)
Diluted (in Rs.)	(1.23)	(1.86)



Note 30: Restructuring of Chhattisgarh State Electricity Board:

In exercise of the powers conferred by Section 131 read with sub-section (1) and (2) of Section 133 of the Electricity Act, 2003 (Central Act 36 of 2003), State Government (means the Government of Chhattisgarh) vide notification no. F-21/13/2009/13/2 dt.31.03.2010 notified the Chhattisgarh State Electricity Board Transfer Scheme Rules, 2010 (hereinafter referred to as 'transfer scheme rules') in regard to the transfer of properties, undertakings, interests, rights, obligations, liabilities, personnel and proceedings from Chhattisgarh State Electricity Board (hereinafter referred to as Board) to its Successor Companies viz., Chhattisgarh State Power Generation Company Ltd. (CSPGCL), Chhattisgarh State Power Distribution Company Ltd (CSPDCL), Chhattisgarh State Power Transmission Company Limited (CSPTCL), Chhattisgarh State Power Trading Company Limited (CSPTCL) and Chhattisgarh State Power Holding Company Limited (CSPHCL).

Under rule (3) (g) of the transfer scheme rules "Distribution Company" or "CSPDCL" means the Chhattisgarh State Power Distribution Company Limited, a company incorporated under the Companies Act, 1956 with the main object of distribution and supply of electricity. The Distribution Undertaking shall comprise generally of all the Assets forming part of sub-section 18 and 19 of Section (2) of the Act, liabilities and proceedings, including the following but not limited to them, belonging to the Board, concerning the distribution of electricity in the area of supply consisting of Collectorate of Raipur, Bilaspur, Durg, Rajnandgaon, Raigarh, Koriya, Korba, Sarguja, Janjgir-Champa, Mahasamund, Kawardha, Dhamtari, Kanker, Bastar, Dantewada, Jashpur, Narayanpur in the State of Chhattisgarh. The Company is wholly owned subsidiary of Chhattisgarh State Power Holding Company Limited.

Under rule (3) (c) of the transfer scheme rules, appointed date means the date of 01st January'09 for effecting transfer of functions, properties, interests, undertaking, rights and liabilities, proceedings or personnel of the erstwhile Board to the relevant successor companies in accordance with the act and transfer scheme rules for all objects and purposes under this Scheme.

As per Schedule V Part II para (a) (v) of the transfer scheme all expenses incurred by the Holding Company including Administration and General expenses, legal and consulting fees, etc. shall be shared by Generation Company, Transmission Company, Distribution Company and Trading Company in the ratio of their respective equity, accordingly net expenses of CSPHCL after offsetting income has been absorbed by other successor companies as per the provision of transfer scheme rules. CSPDCL has been charged Rs. 13.03 cr (PY Rs. 12.76 cr) as their share of expenses allocated from CSPHCL, the same has been included in "Other Expenses" in Note No.9.4 of the Statement of Profit and Loss Account.

Note 30.1: Opening Balances transferred pursuant to transfer scheme:

The Government of Chhattisgarh vide notification no. 1816/F-21/13/2-2014 dated 17.07.2017 has notified the final opening balance sheet as on 01st January' 2009 of CSPDCL. The revised opening balance sheet as compare to provisional opening balance sheet (vide notification no.2020/F-21/13/09/13/2/ED dt.29th October'2010) are as under :-

Sl. No.	Particulars	Rs. In Crs		
		Notification No.: 2020/F-21/13/09/13/2 /ED dt.29th October'2010	Notification No.: 1816/F-21/13/13-2/2014 dated 17.07.2017	Difference
ASSETS				
A	Fixed Assets	1,749.56	1,749.23	0.33
B	Less: Depreciation	646.74	646.74	0
C	Net Assets	1,102.82	1,102.49	0.33
D	CWIP	806.52	681.16	125.36
E	Intangible and other Assets	9.5	0	9.5
F	Investment in subsidiary company	0	-	-
G	Investment	78.9	84.42	-5.52
H	Stock	29.24	29.24	0
I	Receivable against supply of power	1,166.24	1,151.02	15.22
J	Cash & Bank	23.11	23.11	0
K	Inter company Receivable/Payable	-47.23	-47.23	0
L	Loans & Advance	394.57	411.11	-16.54
M	Sundry Receivable	53.29	63.49	-10.2
N	Security Deposits from Consumers	-463.22	-472.89	9.67
O	Other Current Liabilities	-1,034.33	-1,038.26	3.93
P	Subsidy Receivable from Government	240.48	240.48	0
	Total Assets (C to P)	2359.89	2228.14	131.75
LIABILITIES				
A	Surplus + Equity Adjustment	1,822.23	1,780.96	41.27
B	Reserve and Reserve Funds	91.03	0	91.03
C	Sub Total: Shareholder: Equity	1,913.26	1,780.96	132.30
D	Total Funds from State Gov.	214.94	214.94	0
E	Payment Due on Capital Liabilities	149.03	149.58	-0.55
F	Capital Liabilities	82.66	82.66	0
	Total Liabilities (C to F)	2,359.89	2,228.14	131.75

Note 30.2: Provisional allocation of Personnel pursuant to Transfer Scheme:

i. Under rule 8 (b) of the transfer scheme rule, the Personnel of the erstwhile Board shall stand assigned to the services of the Generation Company, Distribution Company, Transmission Company, Holding Company and Trading Company as the case may be on the appointed date, on as is where is basis, namely, that they will continue to serve in the place where they are working on the Appointed date, till further orders of the State Government.

ii. The Personnel transferred to the Transferees, shall be deemed to have entered into an agreement with the Transferee concerned to repay loans, advances and other sums due or otherwise perform obligations undertaken by them to the erstwhile Board which remain outstanding as on the Appointed Date, on the same terms and conditions as contained in the arrangement with the erstwhile Board.

Note 30.3: Final Absorption of Personnel in Transferee Company

i. The State Government shall, in consultation with the Successor Companies, finalize the transfer to and permanent absorption of the Personnel in a Transferee taking into account the suitability, ability and experience of the personnel, number and nature of the vacancies and other relevant factors and issue appropriate orders, as it may think fit, for such permanent absorption within forty eight months from the Appointed Date.

ii. Accordingly the State Government has constituted a Grievance Committee to receive representations and submit recommendations on transfer and absorption of Personnel to the Successor Companies. The final report of the Grievance Committee is still awaited.



Note 31: Contingent liability not provided in the profit and loss account are as follows:

31.1 Contingent Liabilities arising due to Reorganization of MPEB into MPSEB and CSEB

i. Vide notification dated 2nd November 2004, Central Govt. has appointed 15th November 2000 as date of dissolution of erstwhile MPEB. Further, vide notification dated 4th November 2004, assets & liability of erstwhile MPEB has been finally allocated between successor SEBs i.e. MPSEB and CSEB.

ii. On bifurcation of erstwhile state of Madhya Pradesh, MPEB had sustained tax loss of Rs. 1,422.46 Crore and Rs. 993.65 Crore in FY 1999-2000 and FY 2000-01 respectively, aggregating to Rs. 2,416.11 Crore As per section 65 of Madhya Pradesh Reorganization Act (MPRA), the Central Government has been empowered to make rules for bifurcation of these tax losses of MPEB between MPSEB and CSEB. However, no such rules have been made by the Central Government so far.

iii. In the absence of such rules, for the purpose of this computation, CSEB has claimed its share of Rs. 554.98 Crore in the brought forward tax losses of MPEB in power consumption ratio of 77.03:22.97 (MPSEB:CSEB), as laid down by the Central Government in its Notification dated November 4th, 2004 for allocation of current assets and liabilities of MPEB. Board's tax liabilities may vary based on the outcome of Rules to be issued by Central Government u/s 65 of MPRA 2000. Accordingly, any liability arising on non-framing of said rules may have an adverse financial implication on the successor companies of erstwhile CSEB.

iv. After the re-organization of the erstwhile MPEB and subsequent formation of successor boards i.e. MPSEB and CSEB, the matter regarding apportionment of pension and gratuity liabilities between the two boards has not been settled so far. The pension and gratuity liabilities were to be apportioned between MPSEB and CSEB in accordance with Schedule - VI of the M.P. Reorganization Act - 2000 and settled on yearly basis. In a meeting convened by Ministry of power, Government of India on 22.12.2008 at New Delhi, it was mutually agreed between MPSEB and CSEB that the pension liability shall be settled between MPSEB and CSEB under one time settlement. The actuary firm, M/s Thanawala Consultancy Services was appointed on mutual consent of MPSEB and CSPHCL for carrying out actuarial valuation for the purpose of calculating the one time settlement amount. The firm had submitted its draft report. However certain discrepancies were observed in the data furnished by MPSEB which were likely to impact the settlement amount to a considerable extent. This was brought to the notice of actuary firm and MPSEB and it was requested to verify and furnish the corrected data. MPSEB has not made available the correct data. As such the liability in this regard cannot be ascertained at present. However, total liability of CSEB on this account shall devolve on successor companies, i.e. CSPGCL, CSPTCL and CSEB.

v. Erstwhile MPEB has filed Income Tax Return for FY 1999-2000 and 2000-01 beyond the due date as prescribed in the Income Tax Act. The MPSEB had filed application for condonation of delay before CBDT. Accordingly, the delay in filing of return for AY 2000-01 has been condoned by CBDT, whereas no relief had been granted for AY 1999-2000. CSEB has also moved application for condonation of delay of return filed by MPSEB for these years and CBDT has taken same view in the application of MPSEB. CSPHCL has filed a writ petition against order of CBDT before Hon'ble High Court of Bilaspur, accordingly any adverse outcome of the case will have financial implication on the successor companies of erstwhile CSEB.

31.2: The demand has been raised against erstwhile Board by Income Tax department after income assessment of AY 2003-04 & onwards. The Board has filed appeal against order and cases are pending before various authorities. The liability may be arising based on outcome of the case. The year wise gross disputed demand and tax paid against such liabilities are as under :-

Sl. No.	Assessment Year	Gross disputed Tax Liability in Crores	Unpaid Tax Liability in Crores	Authority before which case is pending
1	2003-04	277.38	144.81	Pending before Hon'ble High Court of Chhattisgarh & Appellate Tribunal, Mumbai
2	2006-07	373.36	246.60	Income Tax Appellate Tribunal (ITAT), Mumbai has passed order in favour of CSEB. However, jurisdictional Assessing Officer has wrongly interpreted the above factual and legal position and also the orders of CIT (Appeal) and ITAT, and has assessed the income at Rs. 840.75 Crore & served a demand notice of Rs. 269.60 crore in the matter. The appeal filed against above demand notice before CIT (Appeal) has been dismissed. The matter is pending before Appellate Tribunal.
3	2008-09	92.19	-	The matter is pending before CIT (A) / ITAT.
4	2009-10	266.49	-	

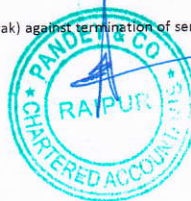
Any adverse outcome in the Income Tax cases referred above will have an adverse financial implication on the successor companies i.e. CSPGCL, CSPDCL and CSPTCL of erstwhile CSEB.

31.3: The Jurisdictional Assistant Commissioner of Income Tax has raised a tax demand of Rs. 113.06 crore vide order dt.30/12/2011 passed for Assessment Year 2009-10. The company has sought partial relief against said demand from Commissioner of Income Tax (Appeal) and now the outstanding demand including interest is Rs. 36.20 Crore The company aggrieved from the order of CIT (A) has preferred an appeal to Income Tax Appellate Tribunal, who have granted stay against recovery of said demand. The matter is pending before ITAT, Mumbai Bench.

31.4: The demand has been raised against the company by the Commercial Tax Department after assessment of FY 2010-11 & onwards. The Company has filed appeal against order and cases are pending before The Vanijya Kar Tribunal. The liability may arise based on outcome of the case. The year wise gross disputed demand against such liabilities are as under :-

Sl. No.	Financial Year	Gross Tax Liability disputed in lacs	Remark
1	2010-11	63.79	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". The department has adjusted entry tax refund of Rs. 2.77 lacs against the said outstanding demand. Further, company has deposited Rs. 3.61 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company has paid 20% of Balance Demand i.e., Rs. 11.27 Lakh & filed an appeal before Vanijya Kar Tribunal.
2	2011-12	76.49	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs. 1.03 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company has paid 20% of Balance Demand i.e., Rs. 13.58 Lakh & filed an appeal before Vanijya Kar Tribunal.

31.5 A Claim has been lodged on the company by an ex-employee (R P Nayak) against termination of service on proven criminal offence under PC Act 1988 and the case is pending before the Honorable High Court of Bilaspur.



31.6 M/s Balco filed an Appeal before Appellate Tribunal case no. 325/2017 regarding methodology of computing Cross subsidy surcharge payable by EHV(Extra High Voltage) Consumer availing supply through open access from other sources. The matter is in under consideration with the Tribunal & financial implication has yet to be decided.

31.7: There are various appeal matters which are pending before various court of laws i.e. APTEL/Commission/High Court, the details of which are enumerated as under:

S.No.	Name of Parties	Reference of Matter (Appeal No.)	Authority Before which case is pending	Nature of Dispute	Amount involved (in Lacs)
1	M/s Vandana Global Ltd	265/2015	Commission	Backing Down Instructions	28.89
2	M/s Vandana Vidyut Ltd	247/2015	SC	Deduction from bill has been challenged	33.05
3	M/s Godavari Power & Ispat Ltd.	22944/2017	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and Godavari Power both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as Godavari Power's contention is that the POC is not at all payable. And the POC Charges already paid during FY 2009-10 be adjusted against CSS.	Amount could not be quantified
4	M/s S K S Ispat Ltd.	3038/2018	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and S K S Ltd both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as SK S Ltd's contention is that the POC is not at all payable.	Amount could not be quantified
5	M/s Salasar Steel and Power Ltd.	1593/2018	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and Salasar Steel Ltd both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as Salasar's contention is that the POC is not at all payable.	Amount could not be quantified
6	M/s Rajaram Maize Products- Solar division	172/2018	APTEL	M/s Rajaram Maize Products- Solar division has preferred this Appeal against Commission's order dtd.03.03.2017 & 14.11.2017 where by Commission has disallowed about 71,85,400 Units injected by the Appellant for any adjustment. If order comes against CSPDCL, then either payment is to be made to Rajaram for these units at the rate decided by APTEL/Commission or adjustment is to be granted towards banking for consumption of the same at Starch Plant.	Amount could not be quantified
7	M/s Sharda Energy & Minerals Ltd.	42/2018	Commission	Refund of CSS amount recovered by CSPDCL	172.77
8	CREDA, CSPDCL	30/2018, 17/2019 and 64/2018	Commission	RPO for period FY 2015-16, FY 2016-17 and FY 2017-18	Amount could not be quantify
9	D B Power	43/2017	CSERC	Rate of variable charges for supply of power.	Amount could not be quantify
10	M/s Balco	325/2017	Commission	Methodology for Computing Cross Subsidy Surcharge	Amount could not be quantify
11	M/s Real Power Pvt. Ltd.	Appeal No. 339/2016		Parallel Operation Charges	32.01
12	M/s Monnet Ispat & Energy Pvt Ltd	Petition No. 51/2016(M)		Revision of Power Purchase bill for July-14	62.70
13	M/s API Ispat Ltd	Appeal No. 321/2016		Cross Subsidy Charges	19.85
14	M/s Ind Synergy Ltd	Petition No. 38/2016 (D)		Billing Arrears	495.13

31.8 Outstanding Bank Guarantees issued in favour of Income Tax Department as at 31.03.2018 is Rs. 0.00Crore (PY Rs. 21.12 Crore) and outstanding Letter of Credit issued against Power Purchase as on 31st March'18 is Rs. 91.34 Crore (PY Rs. 100.60 Crore).

31.9 CSPDCL has filed various Appeal vide no. 17/2015, 18/2015 & 106/2016 in respect of FY 2011-12, 2012-13 & 2013-14 respectively regarding quantum of Renewal Power Obligation (RPO) for reduction of carbon emission under National Action plan announced by Government of India for climate change. Further, the company has filed petition before CSERC in the related matter for FY 2014-15.

31.10 M/s Fatehpuria Transformers & Switchgears (P) Ltd., Jaipur (a supplier of Distribution and Power Transformer in CSPDCL) have filed 13 nos. cases on 30.11.2015 in the MSME Council of Rajasthan at Jaipur, for claiming interest of total Rs. 964.66 lacs on Delayed payment under Micro Small and Medium Enterprises Development Act 2006, against various orders placed by CSEB/CSPDCL. Reply from CSPDCL has been submitted to MSME Council, Jaipur. Hearing of case at MSME, Jaipur is due.



31.11 M/s Swastik Copper (P) Ltd., Jaipur (a supplier of Distribution and Power Transformer in CSPDCL) have filed 05 nos. cases in 2017 at MSME Council of Rajasthan, Jaipur, for claiming interest of total Rs. 112.00 lacs on delayed payment under Micro Small and Medium Enterprises Development Act 2006, against various orders placed by CSEB/CSPDCL. Reply from CSPDCL has been submitted to MSME Council, Jaipur. Hearing of case at MSME, Jaipur is due.

31.12 Details of MSME Cases Filed by Various Other Firms

Sr. No.	Name of Firm	Location of MSME Council	Order No. & date	Claimed Amount (Rs. In Lacs)	Case No.
1	M/s Bharat Electricals Bhaneshwar	Cuttak (Orissa)	924 Dt. 21.12.2004	110.76	37/2017
2	M/s A.V. Forging Mohali	Chandigarh	02-03/CE(S&P)/SEPI/ASE(P)/773 Dt. 07.02.2004	11.62	330/2013
3	M/s J.B. Industries Punchkula, Haryana	Chandigarh	02-03/ED(S&P)DTRs/DDUGJY/2692 Dt. 22.08.2016	12.26	721/18/23670-A Dt. 05.11.2018
4	M/s Century Infrapower Jaipur	Jaipur	02-03/CE(S&P)Dist.Trans/TS-472/2497 Dt. 16.10.2014	181.6	RJ17B0035669/S/00008
5	M/s Century Infrapower Jaipur	Jaipur	02-03/CE(S&P)Dist.Trans/TS-412/2351 Dt. 29.07.2013	25.95	RJ17B0035669/S/00002
6	M/s Ganapati Infrapower Pvt. Ltd.	Jaipur	02-03/CE(S&P)Dist.Trans/TS-472/2498 Dt. 16.10.2014	52.15	Notice of Firm GIPL/Mktg./18-19/D-47 Dt. 17.07.2018
7	M/s PP Industries Bhatinda	Bhatinda	2352 Dtd. 29.07.2013/ 2340 Dtd. 16.07.2013/ 2499 Dtd. 16.10.2014/ 2656 Dtd. 08.03.2016/ 2582 Dtd. 13.10.2015/ 2693 Dtd. 22.08.2016/ 2828 Dtd. 19.07.2017	175.57	Mktg/MSEFC/06/18/863/10678-A Dtd. 30.07.2018

31.13 M/s Capital Transformers has claimed refund of Rs. 81.65 lacs deducted by CSPDCL against delay in supply of Transformers. Arbitration clause has been invoked by the firm for which Hon'ble High Court has appointed Shri V.K. Shrivastava as arbitrator.

31.13 The company through the online system of Income Tax Department has retrieved that an amount of Rs. 4.30 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of Rs. 0.48 Crore against delay in short deduction/ short payment. The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

31.14 Employees of the company filed cases before High Court of Bilaspur, the details are as under:

- Dr. Hemlata Pathak- Against Two Advance Increment in view of her enhanced educational qualification (Ph.D.), the case is rejected by ED (HR).
- Petition filed by the petitioner to claim annual increment w.e.f. June'1988 instead of Nov'1988.

31.15 Additional Director General of GST Intelligence Bhopal Zonal Unit have issued SCN dated 18-10-2018 demanding service tax of Rs 94.59 Crore on Meter Rent, Compensation Charges Penalty Recovered from contractors, Parallel Operation Charges, and non tariff miscellaneous charges etc. as follows :

F.Y.	SERVICE TAX DEMAND Rs. In Crores
2013-14	39.95
2014-15	14.49
2015-16	15.47
2016-17	19.43
2017-18 (UPTO June)	5.25
Total	94.59



32. Financial instruments

32.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

The gearing ratio at end of the reporting period was as follows.

Particulars	31-03-2018	31-03-2017
Debt (i)	4,16,056.72	3,44,883.51
Cash and bank balances	50,200.28	27,406.14
Net debt	3,65,856.44	3,17,477.37
Total Equity (ii)	(1,70,605)	(2,32,703)
Net debt to equity ratio	(2.14)	(1.36)

(i) Debt is defined as long-term and short-term borrowings

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus

32.2 Financial Instruments – Fair values and risk management

Categories of Financial Instruments:

Financial Assets	31 March 2018			31 March 2017		
	FVTPL	FVTOCI	Amortised Cost/Cost	FVTPL	FVTOCI	Amortised Cost/Cost
Investment			60.00			60.00
Trade receivables			5,90,015.92			4,59,954.23
Cash and cash equivalents			49,622.07			26,838.93
Other Bank balances			578.21			567.21
Loans			87.54			134.10
Other financial assets			5,807.22			40,896.56
Total			6,46,170.96			5,28,451.03
Financial liabilities						
Borrowings			4,16,056.72			3,44,883.51
Trade Payables			3,06,932.90			2,63,054.58
Other financial liabilities			3,52,329.00			2,41,795.24
Total			10,75,318.62			8,49,733.33

Management believes that the carrying amounts of financial assets and financial liabilities recognised in these financial statements approximate their fair values, hence the fair value disclosures are not given.

32.3 Financial risk management objectives

The company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's Corporate Treasury function manages the financial risks relating to the operation of the Company. These risks include Interest risk, credit risk and liquidity risk.

32.3.1 Interest rate risk management

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Company in the reporting period or in future years. Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations.

Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on rate of borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-18	50	2,080.28
31-Mar-17	50	1,724.42

32.3.2 Credit risk management

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

Financial Assets	As at 31st March 2018 (Rs.)	As at 31st March 2017 (Rs.)
Trade Receivables	5,90,015.92	4,59,954.23
Loans	87.54	134.10
Other financial assets	5,807.22	40,896.56
Investments	60.00	60.00
Total	5,95,910.68	5,00,984.89



32.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial assets are listed below:

Expected contractual maturity for Financial Liabilities

	Upto 1 Year	1-5 years	5+ years	Total
March 31, 2017				
Borrowings	79,598.00	1,77,345.58	88,679.62	3,45,623.20
Trade Payables	3,06,932.90	-	-	3,06,932.90
Other financial liability	3,52,329.00	-	-	3,52,329.00
	7,38,859.90	1,77,345.58	88,679.62	10,04,885.10
March 31, 2016				
Borrowings	37,284.00	2,01,021.29	69,207.17	3,07,512.46
Trade Payables	2,63,054.58	-	-	2,63,054.58
Other financial liability	2,41,795.24	-	-	2,41,795.24
	5,42,133.82	2,01,021.29	69,207.17	8,12,362.28



Note 33: Employee benefit Plan:

1 Defined Benefit Plan

A separate trust in the name of CSEB Gratuity and Pension Fund Trust has been formed by erstwhile CSEB to mitigate the liability of pension and gratuity of its retiring employees. The trust is recognized under part B of Schedule IV of the Income Tax Act 1961. After the restructuring of erstwhile board, the successor companies have been contributing their respective share of pension and gratuity liability to the aforesaid trust. Company provides for the share of its deficit in the actual contribution vis-à-vis the stipulated contribution determined on the basis of actuarial valuation in its profit and loss account. The employees of the Company are also entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Company records liability based on actuarial valuation computed under projected unit credit method.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The amounts stated below in this note are in Rs. Crores.

Summary of Membership Data:

Sr No	Particulars	31-03-2018	31-03-2017
i	Gratuity		
	Number of employees Gratuity	9,232	9,725
	Total Monthly Salary	62.11	58.04
	Average Past Service (Years)	20.14	20.10
	Average Age (Years)	46.59	46.55
	Average remaining working life (Years) weighted average duration	15.41	15.45
ii	Pension		
	For Active Employees		
	Number of employees Pensioners	5,073	5,910
	Total Monthly Pension	45.24	45.21
	For Retired Employees		
	Number of Retired Employee	3,900	3,447
	Total Monthly Pension	14.25	12.41
	For Spouse		
	Number of Spouse	3,900	3,337
	Total Monthly Pension	6.92	6.56
iii	Leave		
	Leave balance considered on valuation date	19,19,440	20,04,376

1.1 Risk associated with the Plan

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

1.2 Principal Actuarial Assumptions:

Sr No	Particulars	31-03-2018	31-03-2017
i	Discount rate (p.a.)	7.73%	7.32%
ii	Salary Escalation rate (p.a.)	6.00%	6.00%
iii	Pension Escalation rate (p.a.)	4.00%	4.00%

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

1.3 Principal Demographic assumptions:

Sr No	Particulars	31-03-2018	31-03-2017
1	Retirement age (Years)	62	62
2	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
3	Withdrawal rate		
	Upto 30 Years	0%	0%
	From 31 to 44 Years	0%	0%
	Above 44 years	0%	0%

1.4 The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current Service Cost	119.80	92.29	18.13	17.33
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Interest Cost on Defined Benefit Obligation	494.43	486.59	31.18	29.84
Interest Income on Plan Assets	(212.28)	(205.34)	-	-
Amount recognised in statement of profit and loss	401.95	373.54	49.31	47.17
Actuarial gain / (loss) for the year on Defined Benefit Obligation	125.84	(368.21)	29.27	(5.78)
Actuarial gain / (loss) for the year on Asset	(3.40)	7.62	-	-
Amount recognised in other comprehensive income	122.44	(360.59)	29.27	(5.78)



1.5 The amount included in the Balance sheet arising from the entity's obligation in respect of its defined benefits plans as follows:

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2018	31-03-2017
Present value of defined benefit obligation	6,932.69	6,754.54
Fair value of plan assets	3,124.49	2,900.02
Unfunded Liability/provision in Balance Sheet	3,808.20	3,854.52
Bifurcation of the present value of defined benefit obligation at the end of the year		
Current	516.09	297.19
Non-current	6,416.59	6,457.35

1.6 Movement in fair value of the defined Benefit Obligation

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Opening defined benefit Obligation	6,754.54	6,082.39	426.01	373.06
Current Service cost	119.80	92.29	18.13	17.33
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Interest cost on defined benefit obligation	494.43	486.59	31.18	29.84
Actuarial (Gain)/Loss on arising from Experience Adjustment	24.29	119.21	(17.02)	(12.87)
Actuarial (Gain)/Loss on arising from change in Financial assumptions	(150.13)	249.00	(12.25)	18.65
Benefits paid	(310.25)	(274.94)	-	-
Closing defined benefit Obligation	6,932.69	6,754.54	446.06	426.01

Significance of actuarial gain/loss - Recurring significant amount of actuarial gain/loss arising from experience as percentage of PBO in a year indicates that valuation assumptions need reconsideration unless it is caused by some exceptional event during the inter-valuation period.

1.7 Movement in fair value of Plan assets are as follows:

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2018	31-03-2017
Opening fair value of Plan assets	2,900.02	2,566.72
Actual return on Plan assets	208.88	212.96
Employer contribution	325.83	395.28
Benefits paid	(310.25)	(274.94)
Closing fair value of Plan assets	3,124.49	2,900.02

1.7.1 Major categories of plan assets (as percentage of total plan assets):

Particulars	Gratuity and Pension	
	31-03-2018	31-03-2017
	Funds Managed by Insurer	100.00%
High Quality Corporate Bonds	0.00%	31.14%
Government of India Securities	0.00%	20.61%
Central /State Government Guaranteed securities	0.00%	10.65%
Equity Shares of listed companies/Equity Mutual Fund	0.00%	4.49%
Closing fair value of Plan assets	100.00%	100.00%

1.8 Movement in Net defined Benefit Obligation

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2018	31-03-2017
Opening Net defined benefit Obligation	3,854.52	3,515.57
Total Service Cost	119.80	92.29
Net Interest cost (Income)	282.15	281.25
Actuarial (Gain)/Loss	(122.44)	360.59
Contribution paid to the fund	(325.83)	(395.28)
Closing Net defined benefit Obligation	3,808.20	3,854.52

1.9 Sensitivity Analysis of the Defined Benefit Obligation

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Discount Rate				
Impact of increase in 50bps on DBO	(217.82)	(201.22)	(14.01)	(13.88)
Impact of decrease in 50bps on DBO	233.61	202.57	15.03	14.88
Salary Escalation Rate				
Impact of increase in 50bps on DBO	236.41	202.31	15.21	14.99
Impact of decrease in 50bps on DBO	(222.26)	(201.84)	(14.30)	(14.11)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.



Chhattisgarh State Power Distribution Company Limited
Notes to the financial statements for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

Note 34: Quantitative Details of Purchases and Sales of Energy in MUs and Rs. in Crore:

Energy Purchased and Sold	Purchases		Sales	
	In MU	Rs in cr	In MU	Rs in cr
F.Y. 2017-18	31,838.68	12,531.19	26,556.87	13,508.18
F.Y. 2016-17	29,212.12	11,165.32	21,951.46	11,683.73

* including MU (PY - 0.00MU) received through power banking.

Note 35: Estimated value of contracts remaining to be executed against capital commitments is Rs.1654.98 crore as at end of the year.

Note 36: The Company is a state government undertaking engaged in the only in one activity i.e. 'Distribution of Electricity'. Hence Segment Reporting as per Ind AS 108 is considered not applicable.

Note 37: In the absence of necessary schedules of suppliers and contractors during the period, relevant disclosures of Micro, Small & Medium Enterprises covered under Micro, Small & Medium Enterprises Act, 2006 could not be compiled and disclosed.

Note 38: The company has fully disclosed the impact of pending litigations on its financial position in its financial statements. Further, the company is not required to transfer any amount to the Investor Education and Protection Fund as required under Companies Act 2013.

Note 39: In view of paragraph 11 of Ind AS-24, no disclosure is required as regards related party relationships with other state controlled enterprises and transaction with such enterprises. Other disclosures as required by Ind AS-24 are as under:

A. List of Related Parties:	Name	Nature of relationship
Key management personnel:	Ankit Anand	Managing Director
	Hemraj Narware	Whole Time Director
	Gopal Chandra Mukherjee	Whole Time Director
	Sandeep Modi	Chief Financial Officer

B: Transactions carried out with key management personnel, their relatives and their enterprises where transactions have taken place, in ordinary course of business:

Name of Related Party	Nature of relationship	Apr'16 to March'17 (In Rs.)	Apr'17 to March'18 (In Rs.)
Ankit Anand	Managing Director	11.75	15.14
Hemraj Narware	Whole Time Director	-	16.34
Gopal Chandra Mukherjee	Whole Time Director	-	16.88
Sandeep Modi	Chief Financial Officer	27.24	34.48

Even though no disclosure is required as per para 24 of Ind AS 24, para 25 requires a government related entities to disclose significant related party transactions and following are the significant related party transactions

Name of related party	Nature of Transaction	Nature of Relationship	(In Lacs)	
			FY 17-18	FY 16-17
Chhattisgarh State Power Holding Company Limited	Administrative & General Expenses	Holding Co.	13.44	13.03
Chhattisgarh State Power Generation Company Limited	Cost of Power	Fellow subsidiary	7,16,093.69	6,27,026.03
Chhattisgarh State Power Transmission Company Limited	Cost of Power	Fellow subsidiary	82,198.95	86,871.82
Chhattisgarh State Power Trading Company Limited	Cost of Power	Fellow subsidiary	20,851.41	30,437.42
Ankit Anand	Salary/Remuneration & Pension	KMP	15.14	11.75
Hemraj Narware	Salary/Remuneration & Pension	KMP	16.34	-
Gopal Chandra Mukherjee	Salary/Remuneration & Pension	KMP	16.88	-
Sandeep Modi	Salary/Remuneration & Pension	KMP	34.48	27.24

Note 40 : Government grants

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance": Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the company, are recognised as other operational income in the Statement of Profit and Loss in the period in which such costs are incurred.

UDAY Yojana

Pursuant to an tripartite MOU, dated 25th January, 2015, signed between Ministry of Power (Government of India), Government of Chhattisgarh and Chhattisgarh State Power Distribution Company Limited ('the company'), the state government has provided a grant equivalent to 5% of the losses incurred by the company. Accordingly, the amount of government grant recognised in FY 2017-18 Rs.5,63,19,00,000 (FY 2016-17 Rs.7,00,00,00,000).

Other revenue subsidy

Other revenue subsidy refers to grants received from state government towards 'Tariff concession to final consumer'.

Particulars	FY 2017-18	FY 2016-17
UDAY Yojana	4,895	-
Other revenue subsidy	51,424	70,000
Total	56,319	70,000



Note 41: Details of Claims lodged by the Company not acknowledged as debt:

a. Legal notice dt.12.05.2008 was served on M/s. Accurate Transformer Limited, New Delhi towards recovery of Rs. 12.34 cr towards penalty and Rs. 0.12 Crore towards CPRI testing charges for supply of substandard 135 nos. of 3.15 MVA & 5 MVA of 33/11 KV power transformers. The firm vide letter dated 31.07.08 denied any liability and requested for arbitration intimating that they will appoint their arbitrators by 08.08.2008. The firm has however not appointed any arbitrator till date. Further the company (or erstwhile board) has forfeited permanent security deposit of Rs. 5.00 lac and has withheld their bills of Rs. 31.05 lac. The Hon'ble High Court Bilaspur has appointed Mr. VK Agrawal, Retd. Justice of High Court of Jabalpur as arbitrator and thereafter series of hearing has been held in the matter. The Arbitrator has passed order in favour of CSPDCL on 16.04.2017, directing the firm to pay rs. 4 crore and a penalty of Rs. 10 lacs. This award is however, challenged before the commercial Court, Naya Raipur. Commercial Court has dismissed firms petition and upheld the arbitration award passed in favour of CSPDCL on 13.04.2018. M/s Accurate Transformer has further challenged the decision of commercial court at High Court Bilaspur.

b. The company has lodged claim against various vendors against supply of inferior quality transformers of which detail are as follows:

SN.	Name of firm	Amount of penalty (rs. in lac)
1	M/s East India Udyog Ltd, Gheziabad	310.41
2	M/s Fairdeal Transformers & Swg. Pvt. Ltd, Guna	142.86
3	M/s Somani Electricals (P) Ltd, Raipur	509.31
4	M/s RBS Trans & S/gears (P) Ltd, Raipur	661.83
5	M/s Shree Engineers, Korba	293.74
6	M/s Tecmag Trans. (P) Ltd, Raipur	251.51
7	M/s Arya Electricals, Raipur	566.01
	Total	2,735.67

The above vendors have contested for arbitration against the said claim of the company. The matter has been referred to an arbitration tribunal. The tribunal has issued an arbitration award in favour of transformer manufacturers. However, the said arbitration award has been challenged by the company in District Court of Raipur. The District Court has given award in favour of the company, in one of the two cases which is CSPDCL Vs. M/s Somani Electricals & Others. This has been however challenged by the vendor in the High Court of Bilaspur for which decision is pending till date. In other case filed by CSPDCL at District Court, Raipur against M/s East India Udyog Ltd. Gheziabad, against the arbitration award, however the decision is pending till date.

c. The company has filed an appeal before the Hon'ble Supreme Court vide appeal no. 5683 to 5685 of 2010 towards refund of POC claim of Rs. 1.53 Crore from M/s Salasar Steel & Power Ltd. Raigarh in place of cross subsidy charges, the matter is pending for final disposal.

d. The company has filed various cases in High Court of Bilaspur against Pankaj Kumar Kela & Ano. regarding payment to contractor has been made with forged Signature of Executive Engineers of various Division of CSPDCL. The following cases are pending before the court for disposal.

Case No.	Financial Involvement	Brief Description of the case
WP (Cr) No. 38/2016	Rs. 149.79 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jagdalpur, EE Bijapur, & EE Kondagaon Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 289/2016	Rs. 38.67 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Bilaspur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 22/2016	Rs. 4.08 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Korba Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 23/2016	Rs. 107.91 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Champa Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 154/2016	Rs. 66.19 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jashpur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition

e. Company has raised a demand of Rs.153.13 crore (excluding Interest) to M/s JSPL for excess payment made for purchase of power during 2011-12 to 2012-13 under short term. The matter is subjudice before Honorable High Court of Chhattisgarh bearing Petition No. WP(c) 1927/2016. Further, an ad Interim stay issued by the Honorable High Court on aforesaid recovery.



Note 42: The Commercial Tax Department has raised the demand of on meter rent and sale of tender form for F.Y. 2008-09 to 2012-13, CSPDCL has appealed against the demand and decision passed by C.G. Commercial Tax Tribunal is in favour of CSPDCL for meter rent however against as per the decision VAT is payable on sale of tender form. CSPDCL have paid the VAT on sale of tender form of Rs. 119757.

Note 43: Amounts in the financial statements are presented in Indian Rupees in lakhs and rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.



Note 44: Significant Events after the Reporting Period
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 45: Approval of financial statements
The financial statements were approved for issue by the Board of directors on 27th July, 2019

In terms of our report attached.
For Pandey & Co.
Chartered Accountants
FR.NO.- 000357C



Amit Pandey
Partner
Membership No. 402377

For and on behalf of the Board of Directors


M.Q. Abdul Haque
Managing Director
DIN: 08369533

Sandeep Modi
Chief Financial Officer


H. Narware
Director
DIN- 07741128

Arun Mishra
Company Secretary
M.No. ACS55153

Place:

Date: 15 OCT 2019