

**CHHATTISGARH STATE
POWER DISTRIBUTION COMPANY LIMITED**



**AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED ON
31'ST MARCH 2021**



**STATUTORY AUDITOR'S
BEGANI AND BEGANI
CHARTERED ACCOUNTANTS
TAGORE NAGAR
RAIPUR (C.G.) 492001**

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the accompanying Ind AS financial statements of **CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at **31 March, 2021**, 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').

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view*** in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015(as amended), of the state of affairs of the Company as at 31st March, 2021 and ***its Loss*** (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.





BASIS FOR QUALIFIED OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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 & Appropriate Audit Evidence. The distinguished reasons have been mentioned in our note below:

a) Fixed Assets

(i) Capitalization of Asset

As per our observation and explanation provided by the respective official, assets of the company are being capitalized from the date they are being posted instead of actual date of capitalization as mentioned in capitalization certificate of respective asset, which is not in accordance with IND AS- 16 "Property plant and equipment". As a result of which, record of assets capitalized during the year and depreciation thereon is not presented correctly in the books of accounts.

The Capital WIP of Rs.3,28,449.57/-Lakhs as on 31st March, 2021 include Various head of Capital WIP which has not been capitalized since very long period and needs to be impaired in our opinion. Management should recognize those additions and account for the impairment losses, 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. Further we would like to mention some instances of Capital WIP which is pending for capitalization from long time:

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G.L CODE	NAME	R.A.O	AMOUNT	LAST DATE OF CAPITALISATION
A076540	CWIP SS Xmer> 100 Kv	93	1,34,37,42,045.24/-	Mar-17
A076610	CWIP OH Line > 66 Kv	93	1,12,06,67,989.86/-	Mar-15
A076630	CWIP Internal Wiring	93	91,20,70,919.37/-	Mar-18
A076530	CWIP PI Xmers>100Kv	45	11,34,82,493.17/-	Oct-19
A076821	CWIPSCADA Equipments	51	8,59,05,925.67/-	NOT CAPITLISED
A076510	CWIP Instr& Control	31,33	2,70,27,799.81/-	Jul-18
A076520	CWIP Boil Pl & Equip	33,51	1,41,33,982.44/-	Feb-17
A076525	CWIP Loco & Wagons	53	77,64,581.96/-	Mar-15
A076562	CWIP Comm Equip	35,37	42,85,576.16/-	Apr-13
A076560	CWIP Switchgears	31,33	70,78,868.72/-	Dec-17
A076570	CWIP MtrTst Tools	31	15,17,839.51/-	Mar-13
A076325	CWIP Miscellaneous w	33	14,79,532.00/-	NOT CAPITLISED
A076250	CWIP Office Building	35,37	1,15,44,661.60/-	Mar-17
A076310	CWIP-KuchaPucca Rd	37,45,51	5,76,24,160.80/-	Mar-15
A076564	CWIP AC Plant	33,35,53,54	9,79,321.98/-	Jun-17
A076311	CWIP Well,Wall,Cana	37,93	13,94,43,571.03/-	Apr-13
A076220	CWIP BldgHy Plant	45,51	97,746.32/-	Mar-14
A076623	CWIP-11 KV UG Line t	35	57,185.30/-	Nov-18
A076201	CWIP BldgTher Plant	31,45	2,18,713.07/-	Mar-17
A076260	CWIP Other Buildings	33,37	10,32,854.15/-	Mar-14
A076550	CWIP Mat Hand Equip	45,51,93	24,39,391.95/-	Mar-14

During the course of audit, it was found that under the below mentioned heads excess capitalization amounting Rs.30,883.74 lakhs has been done which resulted in credit balances under the head capital WIP:

SAP CODE	NAME	R.A.O	EXCESS CAPITALISED
A076530	CWIP PI Xmers> 100Kv	33,93	53,98,76,004.88/-
A076540	CWIP SS Xmer> 100 Kv	33,51	93,09,72,150.26/-
A076230	CWIP-Bldg Trans	37,93	39,53,58,601.43/-
A076570	CWIP MtrTst Tools	93	31,79,53,065.02/-
A076250	CWIP Office Building	93	18,97,97,580.02/-
A076631	CWIP- Metering Equip	93	17,76,66,456.18/-
A076311	CWIP Well,Wall,Cana	45,54	14,49,70,462.04/-
A076260	CWIP Other Buildings	53,54,93	7,31,57,091.61/-
A076310	CWIP-KuchaPucca Rd	93	5,76,24,160.80/-
A076240	CWIP-BldgDist	93	3,56,30,849.66/-
A076620	CWIP Undg Cables	53,93	3,19,07,809.10/-
A076510	CWIP Instr& Control	93	3,04,79,099.46/-
A076542	CWIP-33/11 KV Substa	93	2,69,36,739.31/-
A076564	CWIP AC Plant	45,93	2,46,53,409.69/-

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

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A076630	CWIP Internal Wiring	33	1,82,91,434.86/-
A076560	CWIP Switchgears	93	1,46,26,135.36/-
A076541	CWIP-Distribution tr	93	1,38,99,652.97/-
A076520	CWIP Boil PI & Equip	31,93	1,36,59,886.82/-
A076619	CWIP_LT OH Line thro	93	1,27,46,344.66/-
A076525	CWIP Loco & Wagons	93	77,65,266.96/-
A076616	CWIP-11 KV OH Line t	93	76,42,168.29/-
A076562	CWIP Comm Equip	33,93	66,25,035.28/-
A076618	CWIP-LT OH Line thro	93	45,65,957.20/-
A076614	CWIP-33 kv OH Line t	93	44,39,949.00/-
A076150	CWIP-Building Other	51,93	28,47,506.99/-
A076550	CWIP Mat Hand Equip	37	25,52,946.07/-
A076566	CWIP Stati Mac Tools	93	13,23,843.32/-
A076622	CWIP-33 KV UG Line t	93	1,86,275.52/-
A076201	CWIP BldgTher Plant	93	1,20,013.07/-
A076220	CWIP BldgHy Plant	33,93	97,746.32/-

Further, interest amounting Rs.10,91,18,199.97/- has been capitalized during the year. As per the document produced before us we found that interest relating to only those assets has been capitalized which are being shown under the head work in progress at the end of the financial year. No amount of interest has been transferred to the respective assets which have been capitalized during the year from the head capital WIP. This has resulted in understatement of capital work in progress and overstatement of expenses to that extent.

Impairment of Assets

The Company has stated in Para of 'Significant Accounting Policies' (Note 2.9.2 to Financial Statements) 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

b) Current Assets

(i) Cash System of Accounting for Surcharge

Company has adopted Cash System of accounting for delay payment surcharge from Indian Railways, Rental from Staff Quarters, Liquidated Damages and Warranty Claims, which, in our opinion, is not in accordance with the accrual concept; the same should be recognized to curb the uncertainty.

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(ii) Trade Receivables

- ❖ As per explanations provided to us by the management "CSPDCL HT for Rectification" (BP No. – 1024240) is a dummy customer account created for Rectification entries only which should be reconciled and no closing balance should remain in this account, but credit balance amounting to Rs.434.21/- crores is still pending for clearance since 31.03.2017.
- ❖ Debtors amounting to
 - During the course of audit, it was found that there were inactive accounts of HT Consumer Rs.103.43/- crores are outstanding for more than One year for which no security deposit is held with CSPDCL. Out of mentioned amount, No Provision for Expected Credit Losses has been made during the year.
 - Rs.1,139.54/- Crores (Rs.984.44 Crores pending since more than 3 years and 155.10 crores pending since less than 3years) are outstanding from the debtors from whom no recovery has been made (Major BP No. showing active Status). From the above outstanding debtors, company have security deposit of Rs.23.50 Crores on which the company is giving interest to the active customers which leads to revenue leakage as the customers were not paying their outstanding liability but the company is allowing interest on their deposit and also the company has not made any provision for doubtful debts, due to which the balances of trade receivable is over stated to such extent.
 - During the Course of Audit we found that an amount of Rs.106.39 Crores under the head Dues Perm Disc Cons (GL Code A100212) which is shown under sundry debtors as receivable since 2013. No proper explanation has been provided for the same.
- ❖ Chhattisgarh State Power Distribution Company Limited has installed machines for collection of bills and other charges at various locations. As explained to us the amount collected through this machines are first Parked at GL A/c No.A100308 named "ATM.ATP.INT Clearing" and there after the same is being transferred to respective heads of accounts. At the year end the mentioned account is having debit balance (Net) of Rs. 3.11/-Crores for which no details/reconciliation has been produced before us.



BEGANI & BEGANI

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GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



- ❖ The company has received excess subsidy amounting to Rs. 11.05/- crore from state government related to state Govt. 400 unit which has been netted under the head sundry debtor instead of classifying it under the liability due to which sundry debtor is under stated and the liability is under stated to that extent. Furthermore The company has also grouped the state government 400 unit ledger (GL A/c Code A100613) having Credit Balance amounting to Rs. 470.96/- crore under the head sundry debtor instead of classifying it under the liability due to which sundry debtor is under stated and the liability is under stated.
- ❖ Furthermore, during the course of audit it was observed that under trade receivable there were some parties which were having credit balances, instead of showing these parties under the head Current Liabilities the same has been Netted off with the Balance of trade receivable due to which the current Liability has been understated.
- ❖ Ind AS 109 requires expected credit losses to be measured through a loss allowance for which the company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The company recognizes lifetime expected loss 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 12 months expected credit losses or at an amount equal to the lifetime expected credit losses if credit risk on financial assets has increased significantly since initial recognition. However, the company has not adopted the Fair Value approach as indicated in Ind AS 109 for valuation of Trade Receivables and has not provided any fair value disclosures as required.

However, the Company has not adopted the approach as indicated in Ind AS- 109 for valuation of trade receivables.



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CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



(iii) Bank Reconciliation Statements:

- During the Course of our Audit we found that most of the Bank accounts maintained by the Company as on 31.03.2021 are not reconciled with balances at banks. There is a huge difference in Bank Balances as shown in our Books & Balances as mentioned in Bank Statements of respective Banks. No proper explanation as to why there are such differences has been provided to us by the management of the Company. Further to this, in Case of Reconciliations provided to us also there is a Difference in Bank Balances as mentioned in our software & Bank Balances taken while reconciling such Bank Accounts. Major Instances of difference in Banks are given below:

(Rs. In lakhs)

GL Code	Bank Name	Account Number	RAO Name	Balance as per Cashbook (SAP) (A)	Balance as per Statement	Balance as per Statement (Reconciled) (B)	Difference (A-B)
A100401	Coll&dep # SBI	10822706358	Raipur I	(11,34,98,778.36) /-	10,000.89 /-	2,93,27,058.00/-	(14,28,25,836.3) /-
A100403	Coll&dep # SBI	10102785160	Bilaspur	64,48,50,905.73/-	41,747.00 /-	56,55,13,573.59 /-	7,93,37,332.14/-
A100422	Coll&dep # UBI	619701010050 112	Bilaspur	(11,51,65,881.38) /-	74,99,418 .00/-	61,99,307.03/-	(12,13,65,188.4) /-

BANK STATEMENTS NOT PROVIDED TO US.

(Rs. In lakhs)

GL Code	Bank Name	Account Number	Balance as per Cashbook (Rs. In lakhs)	Remarks
A100401	Coll&dep # SBI	A/C No. Not Provided to us	9,41,980/-	No Details Provided to us for our Verification
A100403	Coll&dep # UBI	A/C No. Not Provided to us	(68,33,204.07/-)	
A100426	Bank of India	A/C No. Not Provided to us	25,432.94/-	
A100435	Union Bank of India	A/C No. Not Provided to us	16,84,977/-	
A100438	ICICI Bank	16105006494	15,34,244.46/-	
A100401	Coll&dep # SBI	A/C No. Not Provided to us	(102,61,52,225/-)	
A100420	S B I -(HO Disburs.)	A/C No. Not Provided to us	74,31,61,74,106/-	
A100444	C.G Co-Op Bank	A/C No. Not Provided to us	(50,00,000/-)	
A100471	E-TAX payment	A/C No. Not Provided to us	18,13,190.92/-	



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

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BANK RECONCILIATION STATEMENTS NOT PROVIDED TO US.

GL CODE	G/L ACCOUNT TEXT	ACCOUNT NO.	BUSINESS AREA	BALANCE AS PER SAP
A100401	Coll&dep # SBI		H.O	9,41,980/-
A100403	Coll&dep # UBI		H.O	(68,33,204/-)
A100426	Bank of India		H.O	25,432/-
A100435	Union Bank of India		H.O	16,84,977/-
A100412	Disbt bank # ICICI	16105006607	Raipur I	1,01,256/-
A100422	PNB Collection Accou	399002100075284	Raipur I	(53,79,784/-)
A100438	ICICI Bank	16105006494	Raipur I	15,34,244/-
A100410	Disbt bank – SBI	31729435275	Raipur II	(3,60,84,911/-)
A100435	Union Bank of India	619401010050417	Raipur II	(99,74,982/-)
A100401	Coll&dep # SBI	31997767961	Raigarh	(66,12,30,780/-)
A100435	Union Bank of India	554701010050409	Raigarh	1,11,44,129/-
A100401	Coll&dep # SBI	10905974664	Ambikapur	(11,09,61,002/-)
A100403	Coll&dep # UBI	554601010050393	Ambikapur	(40,19,381/-)
A100404	Coll&depo. CGGBank	77016339137	Ambikapur	(2,18,27,119/-)
A100410	Disbt bank – SBI	10905974675	Ambikapur	15,53,25,438/-
A100425	CBI (Disburse)	1321686394	Ambikapur	61,268.99/-
A100435	Union Bank of India	554601010050434	Ambikapur	61,15,538.49/-
A100412	Disbt bank # ICICI	62405000714	Rajnandgaon	(15,418/-)
A100401	Coll&dep # SBI	10456193102	Jagdalpur	(76,21,053/-)
A100404	Coll&depo. CGGBank	77013400345	Jagdalpur	(13,35,26,653)
A100410	Disbt bank – SBI	10456193113	Jagdalpur	(6,16,94,754)
A100422	PNB Collection Accou	2225002101005112 & 2225002101004113	Jagdalpur	(2,24,84,343/-)
A100435	Union Bank of India	327101010248924	Jagdalpur	2,59,01,985/-
A100401	Coll&dep # SBI		CAU	(102,61,52,225/-)
A100412	Disbt bank # ICICI		CAU	(34,184/-)
A100420	S B I -(HO Disburs.)		CAU	7431,61,74,106/-
A100438	ICICI Bank	16105006009	CAU	2,69,14,499/-
A100444	C.G Co-Op Bank		CAU	(50,00,000/-)
A100448	PNB Collection CAU	399002100077705	CAU	12,17,900/-
A100471	E-TAX payment		Ambikapur	(1,05,816.75/-)
A100471	E-TAX payment		Raigarh	17,46,277/-
A100471	E-TAX payment		Durg	48,973/-
A100471	E-TAX payment		Jagdalpur	32,491/-
A100471	E-TAX payment		Raipur I	4,666/-
A100471	E-TAX payment		Raipur II	67,862/-
A100471	E-TAX payment		Rajnandgaon	18,739/-

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- As per the Bank Reconciliations provided to us, there are various "Cheques in Hand" which are debited in books but not credited in Bank Statements for a long period of time. The same should be reversed and classified as Stale Cheques in books of account of the company. For instances

STALE CHEQUE (Cheque In Hand which are Debited in Books but not Credited in Bank Statements for long time)					
GL CODE	BANK NAME	ACCOUNT NO.	AMOUNT	AREA	REMARKS
A100435	Union Bank of India	619701010050117	8,85,480/-	Bilaspur	DEBIT IN CASH BOOK BUT NOT CREDIT IN BANK SINCE 22.06.2016
A100401	Coll&dep # SBI	10822706358	25,480/-	Raipur I	Bank slip debited in cash book but not credited in bank pending since july 19
A100401	Coll&dep # SBI	10822706358	16,714/-	Raipur I	Bank slip debited in cash book but not credited in bank pending since july 19
A100401	Coll&dep # SBI	10822706358	21,539/-	Raipur I	Bank slip debited in cash book but not credited in bank pending since july 19
A100401	Coll&dep # SBI	10822706358	15,760/-	Raipur I	Bank slip debited in cash book but not credited in bank pending since sep 19
A100401	Coll&dep # SBI	10822706358	35,120/-	Raipur I	Bank slip debited in cash book but not credited in bank pending since nov 19
A100403	Coll&dep # UBI	619701010050112	92,31,339.25/-	Bilaspur	Debited In Cash Book But Credit Not in Bank Since March 2013 To Dec 2020
A100401	Coll&dep # SBI	10102785160	93,02,55,590.1/-	Bilaspur	Debited In Cash Book But Credit Not in Bank Since May 2009 To Oct 2020
A100422	PNB Collection Accou	58002100044864	4,29,11,428.97/-	Bilaspur	Debited In Cash Book But Credit Not in Bank Since Nov 2009 To Nov 2020
A100404	Coll&depo. CGGBank	77015042079	1,21,65,890/-	Bilaspur	Debited In Cash Book But Credit Not in Bank Since Dec 2015 To Dec 2020
A100400	SBI -RGGVY	31095128974	6,01,593/-	H.O	Debited In Cash Book But Not Credit Appering In Bank Sbi RGGVY Int. Received
A100422	PNB Collection Account	77662	6,66,91,564.02/-	H.O	Oct 2016 To Oct 2019
A100404	Coll&depo. CGGBank	77071642784	6,81,742/-	Raigarh	Amount Debited In Sap But Not Credited In Bank Since March 2020

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



A100435	Union Bank of India	554701010050409	9,27,87,528/-	Raigarh	Amount Debited In Sap But Not Credited In Bank Since July 2015
A100403	Coll&dep # UBI	554701010050455	9,52,96,564/-	Raigarh	Amount Debited In Sap But Not Credited In Bank Since 2016

During the course of audit, it was found that Bank Charges amounting to Rs. 9,99,116/- for the year 2019-2020 and Rs. 11,65,285/- for year 2020-21 has been charged by the Chhattisgarh Rajya Gramin Bank in A/c No. 77016339137 of Ambikapur R.A.O. which is still shown in Bank reconciliation statement under the head "Debit Bank Statement but Credit not Appearing in Cash Book". The said charges is still not accounted for in Books of Accounts due to which there is an understatement of expenditure and overstatement of bank statement.

(iv) **Cash in Transit:**

The balance of **cash in transit** is pending since long time which should be reconciled and nullified at the end.

G.L Code	Particulars	Area	Amount (Dr.)	Amount (Cr.)	Difference
A100305	Cash in transit	Raigarh	1,33,40,68,747/-	1,27,63,58,977/-	5,77,09,770/-
A100305	Cash in transit	Durg	2,09,78,91,950/-	2,01,82,30,969/-	7,96,60,981/-
A100305	Cash in transit	Jagdapur	1,34,59,67,038/-	1,35,09,02,038/-	(49,35,000)/-
A100305	Cash in transit	Raipur II	2,47,76,86,197/-	2,47,72,42,882/-	4,43,315/-
A100305	Cash in transit	Rajnandgaon	1,21,66,77,535/-	1,29,39,33,512/-	(7,72,55,977)/-
A100305	Cash in transit	Head Office	23,08,22,76,165/-	23,03,64,55,278/-	4,58,20,888/-

Further to the above-mentioned difference for the year, there is an opening Balance of Rs. 1,030.47/-Lacs is also pending for adjustment since last years. No proper explanation as to why such Balances are still pending & not rectified has been provided to us.

(v) **Stores & Spares**

❖ As per Ind AS 2, the cost of inventories may not be recoverable if those inventories are damaged, or have become wholly or partially obsolete. The practice of writing inventories down below cost to net realizable value is consistent with the view that assets should not be carried in excess of amounts expected to be realized from their sale or use. However, the company had not valued the items appearing in 'Defective and Empties' Account at fair value.

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

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- ❖ During the Course of audit, it was found that there were various GL A/c Code of impaired/shortage inventories which were shown under the head inventories instead of writing off the list of the some of the GL Code is as below:

GL CODE	LEDGER NAME	AMOUNT
A100133	Scrap &UnservMatrl	2,63,05,081/-
A100132	Defective & Empties	29,73,95,334.1/-
A100127	Stores- Medical	22,82,748.33/-

(vi) **Non Accounting of Revenue Subsidy:**

The Company has raised a Claim of Rs.246.78 Cr for FY 2016-17, Rs. 274.84 Cr for FY 2017-18, Rs.449.07 Cr for FY 2018-19, Rs.400.01 Cr. for FY 2019-20. ***As informed and explained by the management no claim has been raised for Compensation against Free electricity to Farmers under Krishak Jeevan Jyoti Scheme of Government for the F.Y 20-21.*** The Company has till the end of financial year neither received any amount against this compensation nor has received any Confirmation regarding receipt of such amount from State Government. ***As explained & informed to us the said amounts will be accounted for as and when received from Government of Chhattisgarh and hence has not been provided for in the Books of Accounts of FY 2020-21.***

(vii) **Delay Payment Surcharge**

Delay payment surcharge payable during the year has not been provided for current year. In addition thereto, no record of delay payment surcharge payable to private parties was produced before us. As per information and explanation provided to us CSPDCL is paying delay payment surcharge to private parties as claimed by them in their invoice.

(viii) **Renewable Energy Certificate (REC)**

Due to non-compliance of RPO (Renewable Power Obligations) target, the company is obliged to purchase REC Certificate. However, the company has not purchased the REC Certificate which has resulted in creation of a provision amounting to Rs.187.09/- Crores, details of which are given below:



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



Type of Sources	Total Consumption (LV, HV and EHV Sales) (MU)	RPO Target		RPO Achievement		Difference (In MU)	Rate (Rs./ REC)	Amount (Rs in Crores)
		In %	In MU	In %	In MU			
Solar	23361.33	6.50%	1518.49	2.17%	507.45	1011.04	1.00	101.10/-
Non Solar		8.50%	1985.71	4.82%	1125.81	859.9	1.00	89.99/-
Total		15%	3504.20	6.99%	1633.26	1870.94		187.09/-

(ix) Difference in Inter Company Balances

During the course of our verification we found that there is Differences in Inter Company balances of the Company. Details are as under:-

Name	Balance as per our Books (SAP)	Respective Balances as per Inter - Company's Books
Chhattisgarh State Power Holding Company Limited	Dr.bal of Rs.131.13/- Lakhs	No Balance Confirmation and reconciliation of the respective balance has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
Chhattisgarh State Power Generation Company Limited (CSPGCL)	Cr.bal of Rs.2,56,586.49/- lakhs	No Balance Confirmation and reconciliation of the respective balance has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
Chhattisgarh State Power Transmission Company Limited (CSPTCL)	Cr. bal of Rs.76,108.25/- lakhs	No Balance Confirmation and reconciliation of the respective balance has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
Chhattisgarh State Power Trading Company Limited (CSPTCL)	Dr. bal of Rs.0.65/- lakhs	No Balance Confirmation and reconciliation of the respective balance has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



c) Revenue

- ❖ Sale of power through power trading company (PTC) has been booked after netting off commission payable to PTC, which results in under booking of revenue and expenses which is not in accordance with IND AS 115 "Revenue from contract with customers". Since, commission expenses have been netted off; the company has also not deducted TDS under Sec-194H of Income Tax Act, 1961.
- ❖ No Reconciliation of Revenue as per books & GST Returns filed have been provided to us for our verification.
- ❖ During the course of Audit, we observed that there is Difference between Revenue Earned from High tension (HT) consumers as per Billing Module of SAP & Accounting Module of SAP.

As per Billing Module	As per SAP	Difference
6,53,429.19 Lakhs	6,53,465.40 Lakhs	36.21 Lakhs

No detail/reconciliation has been provided between SAP FICO and Billing Module related to LT Consumer Billing and Revenue booking.

- ❖ As per MOU signed between Government of India (GOI), Government of Chhattisgarh (GOCG) and CSPDCL, GOCG shall takeover/compensate the future losses of CSPDCL in a graded manner and shall fund the losses. For the F.Y 2020-21, 50% of losses of 2019-20 has to be reimbursed by GOCG. During the year the company has changed the pattern of claim the details of which are as under:

PREVIOUS YEAR	PREVIOUS YEAR LOSSES ON WHICH CLAIM SHOULD HAVE BEEN RAISED	PREVIOUS YEAR LOSSES ON WHICH CLAIM WAS RAISED	% OF PREVIOUS YEAR LOSSES TO BE REIMBURSED DURING THE YEAR	ACTUAL ADMISSIBLE LOSS AS COMPENSATION FOR THE YEAR	AMOUNT RECEIVED DURING THE YEAR	ACTUAL DIFFERENCE RECEIVABLE/(PAYABLE) FROM STATE GOVERNMENT
2016-17	4,21,75,79,263/-	7,88,12,79,263/-	5%	21,08,78,963/-	48,95,00,000/-	(27,86,21,037)/-
2017-18	2,79,13,86,669/-	1,27,43,43,168/-	10%	27,91,38,667/-	-	27,91,38,667/-
2018-19	42,26,76,575/-	1,39,73,53,782/-	25%	10,56,69,144/-	39,65,74,805/-	(29,09,05,661)/-
2019-20	9,72,63,83,511/-	15,92,50,48,744/-	50%	4,86,31,91,756/-	1,98,97,00,000	2,87,34,91,756/-

- ❖ The company has carried out various deposit works & charged supervision charges thereon at the rate of 15% of deposit works. The company recognizes the same as income on cash basis instead of accrual basis. A clear policy has not been framed by the company regarding this matter.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



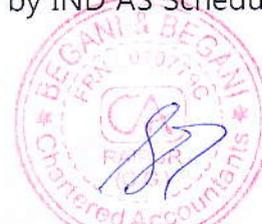
- ❖ During the course of audit, it was observed that company has booked Penalty received from contractor for delayed work under the head Other Income (GL Code- I152014) amounting to Rs.2,20,24,060.45/-. The same should have been reduced from the cost of asset. This has resulted in overstatement of asset and overstatement other income.
- ❖ During the course of audit it was observed that under G.L Code- A100315 "By-Back adjustment A" Company has booked income under Other Revenue amounting Rs. 56,15,761.61/-. The mentioned figure has been earned by the company from the sale proceeds of various fixed assets. No effect of the cost/w.d.v of the assets sold has been taken for calculating profit /loss on sale of such asset which has resulted in overstatement of Other Income and overstatement of Tangible Assets.
- ❖ During the course of audit has been found that under GL Code I152008 "Other Misc. Receipts" income of Rs.37,09,672.88/- has been booked for which no details have been provided to us for our verification.

(i) **Delay Payment Surcharge-**

As per Board Resolution passed by the Board of Directors of Chhattisgarh State Transmission Company Limited (CSPTCL) in a meeting dated 10th June 2021, Delay Payment Surcharge has been waived and written off amounting to Rs.209.19/- crores in the accounts of CSPTCL for the F.Y. 2020-21. Hence, this liability of Rs.209.19/-crore is no longer required, so it has been written off in FY 2020-21 and has been adjusted through other delay payment surcharges shown in Exceptional Items (Note No. 27 to Financial Statements)

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

As informed 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 has not been implemented successfully; hence leading to non-identification of vendor enterprises into Micro or Small or Medium Enterprises. Furthermore, No Additional Disclosure related to trade receivables, loans & trade payables as required by IND AS Schedule III has been made in the Financial Statements of the Company.





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 advances received from customers, thus we are unable to comment on Deemed Deposits as per Sec 73 to 76 of Companies Act, 2013.(Advanced received, if not supplied within 365 days is considered as deemed deposits.)

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 is required to appoint an Internal auditor. Although the company has appointed an Internal Auditor, the Internal Audit Report for the Financial Year 2020-21 is not produced before us for our consideration.

g) GST

- As per section 35(5) of Central Goods and Service Tax Act, 2017, every prescribed company is required to appoint a GST auditor for conduct of GST Audit. As informed to us the audit is still under process and GSTR-9C is not submitted. Also, the Annual Return (GSTR-9) for the same year has not been filed yet.
- During the Financial year 2020-21, company has availed input tax credit only in the month of April, May, June, August and September for which no proper records and explanation has been provided to us. As the company is engaged in the business of distribution of power which is majorly exempt in nature therefore they were not eligible to take input or if they take input than they are required to reverse the input credit in proportion to the exempt supply they had provided. No records or details of reversal of credit, if any, have been produced before us.

ITC claimed for the above month are given below:

MONTH	IGST	CGST	SGST
April	0	17,04,800/-	17,04,800/-
May	0	36,88,807/-	36,88,807/-
June	0	23,05,379/-	23,05,379/-
August	0	47,35,472/-	47,35,472/-
September	12,80,394/-	43,69,988/-	43,69,988/-



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



- Further, as explained by the management the company has filed GSTR-1 and GSTR-3B and the figures reported in the mentioned returns related to the exempt supply is on estimated basis of last year which has to be reported in returns on actual basis. No reconciliation has been provided to us between the actual and estimated figures.
- During the course of audit, we have identified below mentioned revenue heads on which in our opinion company is liable to collect and pay GST as per CGST Act,2017. However, the Company has either not collected or short collected or wrongly collected in a single head amount of GST that is either CGST or SGST. The list of such accounts are as below:

GL Code	Ledger Name	Amount
I152021	Sale Of Tender-E Bidding	2,39,837/-
I152006	Sale of Tender	50,862/-
I152028	Other Misc Revenue	17,28,713/-
I152008	Other Misc Receipts	14,15,32,829/-
I150510	Other Rental Income	2,09,699/-
I152009	Supervision Charges	2,27,95,575/-
I152022	Supervision Charges	43,176 /-
I152020	Supervision Charges	1,00,254/-
I152013	Supervision Charges	49,12,769/-
L110707	Line Affordi	44,25,487/-
L110709	Line Affordi	28,00,000/-
L110708	Line Affordi	10,882/-

In our Opinion the Company may be liable to pay GST on all the above-mentioned accounts in future which will be a Cash Outflow from companies end and will be a Loss to the Company as the Company has either Not Collected or Short Collected the GST Amounts from the recipients. Due to Non Availability of Complete Records & Documents we are unable to quantify the amount of said GST Liability which may arise in future.

- ❖ During the course of audit, it has been observed that Company has collected GST on the following ledger which has an outstanding credit balance since 2019, however management claims that payment of outstanding amount has been made through another ledger but no reconciliation/Confirmation that the below mentioned liabilities has been paid or not has been provided to us :-

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



GL CODE	LEDGER NAME	AMOUNT
L112012	CGST on HT Meter Rent	Cr. 29,01,089.58/-
L112014	SGST on HT Meter Rent	Cr. 29,01,089.58/-
L112016	CGST on LT Meter Rent	Cr. 1,89,92,668.43/-
L112018	SGST on LT Meter Rent	Cr. 1,89,92,668.43/-

h) Government Grant and Consumer Contribution for Property plant and Equipment

As per Ind AS 20 Government grants related to assets, including non-monetary grants at fair value shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognized in profit or loss on a systematic basis over the useful life of the asset. Government Grant and consumer contribution are not amortized on deferred basis in line with related asset for which grant/contribution was received till last Financial Year. During the Financial Year Company has amortized the Grant on the basis of the Rate of Depreciation of the asset for which the Grant/Consumer Contribution has been received. Company has changed the Policy of Amortization of Government Grant/Consumer Contribution related to Fixed asset but they have not given the effect of such change in policy Retrospectively, only the current year adjustment was made. List of some accounts are as below:

GL CODE	LEDGER NAME	AMOUNT
L030104	S Yojana Contribution	6,17,38,990.49/-
L110707	LT Sup. Afford. Char	162,47,03,387.2/-
L110708	LT Sup. Afford. 30	8,47,87,249.09/-
L110709	HT Sup. Afford. Char	75,88,19,236.62/-
L110710	HT Sup. Afford..5km	60,48,819.2/-
TOTAL		253,60,97,682.61/-

i) Cash Flow Statement

Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. TDS, TCS and Profit or Loss on sale of Fixed Assets 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.

j) 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". As informed 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.

k) 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 generally in month end dates. Further, some capitalization was done in the last day of the financial year i.e 31st March,2021. On enquiry raised by us it was explained to us that delay is due to non- submission of estimates by divisions and assets are commissioned well before their capitalization in the books of accounts. The said accounting treatment has resulted in under booking of depreciation resulting in loss to the company. The amount of such short depreciation could not be quantified in view of non-availability of complete details.

l) 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 has deferred TDS liability, due to lack of sufficient and appropriate audit evidence; the amount of deferment cannot be quantified.

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6, PAN: AAEFB9798G



As per section 194H of The Income Tax Act, 1961 TDS should be deducted on commission and brokerage. Accordingly, it mandates Tax deduction by a person (Other than individual or HUF) responsible for paying commission or brokerage to resident person @3.75% For F.Y 2020-21 when the amount exceeds Rs. 15,000 in a year. However, CSPDCL has not deducted and deposited TDS on commission paid on sale of scrap to MSTC. Commission paid to MSTC amounting Rs.18,02,262/- on which TDS amounting Rs. 67,585/- should have been deducted and deposited to the Credit of Central Government.

m) Pertaining to previous years-

Banking fraud has been reported to the company, where an officer of the company has not deposited the cash receipts at Distribution Centre amounting to 236.11/- Lac of Shivori narayan Kera (on various dates) in the bank account of the company rather submitted the false Cash Remittance Advice (CRA) before the office. Necessary steps have been taken by the company with regard to such fraud. Till the inquiry is complete, a provision has been created by the company in this regard in the books of accounts of the company.

n) Compliances of Previous Audit Reports-

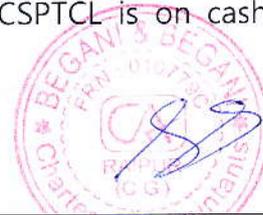
Compliances of previous audit report have not been produced before us for our verification and observation

o) GBI (Generation Based Incentive) Claim:

GBI claim is a subsidy received by the company from the government against purchase of Solar power from two different parties. The applicable SERC Tariff Rate is Rs.17.91.kWh, out of which Rs.10.17.kWh is reimbursed by the government, whereas the company is claiming the same at Rs.12.25.kWh. The company has followed Cash System of accounting instead of Mercantile Basis for recording of this claim.

p) Transmission Charges:

Monthly Transmission Charges of Rs78.51 Cr. is payable by LTOA & MTOA customers to CSPTCL. CSPDCL is a LTOA customer and the monthly transmission charges paid to the CSPTCL is distributed between the LTOA and MTOA consumers in proportion to the allotted capacity, after netting off the transmission charges received from STOA consumers. However, the amount paid by STOA consumers to CSPTCL is on cash basis rather than accrual basis.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



q) Prior Period Item

IND AS- 8 prescribes for selecting and modifying accounting policies, with accounting treatment and changes in accounting policies, changes in accounting estimates and corrections of error. As per IND AS-8 If any mistake is discovered in current year in relation financial statements of prior period/periods, then these mistakes are known as Prior period errors. These errors are in the form of omissions, commission, misinterpretation of facts and misstatements in the entity's financial statements for one or more prior period. An entity shall rectify errors retrospectively unless impracticable, after the finding of such errors in the financial statements of that Financial Year to which error pertains. It also prescribes disclosure requirements in the case of changes in accounting policy, estimates and prior period errors.

During the course of Audit, it was found that Power purchase related to Financial Year 2019-20 was recorded in the current Financial Year. Some of the instances were listed below

Bill Date	Party Name	Document No.	Amount
20.03.2020	RR ENERGY LTD	5000896988	Rs. 87,48,270/-
01.01.2019	M.P. Power Management Co.	5000841151	Rs. 95,63,400/-
12.06.2019	M/s.SUDHA BIO POWER PVT LTD	5100337294	Rs. 3,70,529/-

r) Suspense Accounts

There are three suspense accounts maintained by the Company for which no explanation has been provided by the management. The effect of all three accounts has been reflected in Financial Statement under the head "Other Current Liabilities".

Details of which are as follows:

G.L CODE	NAME OF ACCOUNT	AMOUNT
L114030	Suspense Loading H.T	59,48,946/-
L119999	Suspense Account	1,24,82,749/-
L119997	Imprest Suspense Account	4,17,841/-

All the above mentioned accounts need to be Reconciled and the resultant impact should be given in the concerned account heads.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



s) Other Payable and Trade payable

During the course of audit, it was found that GL A/c Code A100370 "Service tax super" amounting to Rs.24,37,779/- is shown under the other payable in financial statement and GL A/c Code L115053 "GR/IR Clearing account" amounting to Rs.2,74,95,48,777.28/- is shown under the Trade Payable in financial statement which is outstanding since long period of time for which no detail has been provided to us.

t) Other non Current Assets

During the course of audit, it was found that GL A/c Code A102302 "Commercial Tax Receivable" Debit Balance amounting to Rs.37,41,07,083/- is shown under the Other Non Current Tax Assets in financial statement which is outstanding since long period of time for which no details has been provided to us.

- ❖ Furthermore, company has Fixed Deposit under the GL Code- A090108 "Inv. In FD Bank -Co" under Other Current Assets amounting Rs.8,21,046/- of which no document has been produced before us. Therefore, we are unable to comment thereon.

u) Upload Control A/C

During the course of audit, it was observed that various upload control account were found which has to be reconciled and nullified but the same has been not done and there is huge balances is still outstanding from long time detail of the some account are as below.

G.L CODE	NAME OF ACCOUNT	AMOUNT
A109000	Vendor Adv Upload Account	Cr. 15,13,45,920/-
A109099	Transfer A/c-ISU	Cr. 4,99,02,241/-
L010190	Initial Uploading FI	Dr. 12,33,43,575.36/-
L010191	Initial Uploading FI	Cr. 30,90,97,887.84/-
U900001	GL Upload Control	Cr. 10,94,68,63,062.52/-
U900001	GL Upload Control	Dr. 1,26,57,749.12/-
U900007	CWIP Upload Control	Dr. 3,11,57,85,691.61/-

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





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

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



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 to provide a basis for our audit opinion on the Ind AS financial statements.

OTHER MATTERS

- a) As per Section 204(1) of Companies Act 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which mandates Secretarial Audit for every Public Company, the company has appointed Secretarial auditor for Secretarial audit but Secretarial Audit Reports for the financial year 2018-19, 2019-20 & 2020-21 has not been produced before us.
- b) As per section 92 of Companies Act, 2013, every company is required to prepare the Annual Return in Form No. MGT-7 and file with Registrar within 60 days from the date on which Annual General Meeting is held or from the last day on which Annual General meeting should have been held. During the course of audit Annual return for the F.Y 2020-21 has not been produced before us.
- c) As per Sec 135 (1) of Companies Act, 2013 read with Rule 3 of Companies Rules, 2014 every company having net worth of 500 cr. or more, or turnover of 1000 cr. or more, or net profit of 5 cr. or more during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the board consisting of three or more directors, out of which one shall be an independent director. The company does not have any Independent Director on its Board of Directors as required by Sec 149 of the Companies Act, 2013, consequent to which the company could not comply the above provision.
- d) As per Section 178(1) of Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, every listed company and public company which has paid up share capital of 100 crore or more, or which have, in aggregate, outstanding loans or borrowings or debentures or deposits exceeding Rs.50 Crores need to form a Nomination and Remuneration committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Company does not have any Nomination and Remuneration committee due to non-availability of Independent directors.





- 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 which deals with requirement to form Audit Committee, the Company does not have Independent Director in its Board of Directors as required by Sec 149 of the Companies Act, 2013 consequent to which the Company could not comply with the above provision.
- f) As per Sec 148 of Companies Act, 2013 read with Rules 3 and 4 of Companies (Cost Records and Audit) Rules, 2014 which mandates Cost Audit for specified companies, the company has appointed Cost Auditor but the Cost Audit Report for the financial year 2019-20 & 2020-21 have not produced before us

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

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.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6, PAN: AAEFB9798G



- 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 **to the extent as mentioned in our Report** with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e. As it is a Government Company, Provisions of Section 164(2) of the Companies Act, 2013 is not applicable to the Company.
- 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, 2021 on its financial position in its financial statements. (Note no. 30.2 to Financial Statements)
- ii) The Company has made provisions as at 31st March, 2021, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii) The Company has not transferred any amount to the Investor Education and Protection Fund during the year ended 31 March, 2021.

For, **BEGANI & BEGANI**
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(SANKALP SOHANEY)

PARTNER

M.NO. 434993

UDIN : 22434993AAAABN9501



DATE : 31.01.2022
PLACE : RAIPUR (C.G.)



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 2020, we report that:

(i) In respect of its fixed assets:

The Company has maintained records of fixed assets. However, *voucher no., supplier name, quantitative and situation wise details are not maintained in the fixed assets register.*

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 of the physical verification were not produced before us for our review, we are not in a position to comment thereon.*

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.*

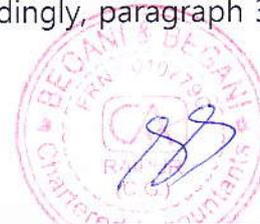
(ii) In respect of its inventories:

As per information and explanation given to us, physical verification of inventory is a perpetual process undertaken at stores. *As the relevant records of the physical verification were not produced before us for our review, we are not in a position to comment thereon.*

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, or 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.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from Directors, Promoters or 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) As the relevant cost audit records and report thereon for the FY 2020-21 have not been provided before us, we are not in a position to comment thereon.

(vii) In respect of statutory dues:

- 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, 2021 for a period of more than six months from the date of becoming payable.
- Dues of CSPDCL which have not been deposited on account of dispute are as under:

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	The matter is pending before Appellate Tribunal.
3	2008-09	92.19	-	The matter is pending before CIT (A) . ITAT.

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.



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



- c. The company through the online system of Income Tax Department has retrieved that an amount of Rs.5.53 Crore is outstanding against TDS liability (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.
- d. Demand notice had been issued by the Income tax department at the time of summary assessment of return of income of the company for the A.Y. 2019-20 amounting to Rs. 10.78 Cr. The company is in disagreement with the Income tax department and response has been filed for the same, however, the matter is pending before the department for resolution.

In respect of Value Added Tax

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 VanijyaKar Tribunal. The liability may arise based on outcome of the case. The year wise gross disputed demand against such liabilities is as under: -

Sr. No.	Financial Year	Gross Tax Liability disputed (Rs. in lacs)	Authority before which case is pending
1	2010-11	63.79	Appeal before second appellate authority i.e.VanijyaKar Tribunal.
2	2011-12	76.49	Appeal before second appellate authority i.e.VanijyaKar Tribunal.

In Respect of Service Tax

- i) 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:

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



Financial year	Service Tax Demnd (Rs. In crores)	Authority before which case is pending
2013-14	39.95	The company has filed writ petition before Hon'ble High Court of Bilaspur, Chhattisgarh.
2014-15	14.49	
2015-16	15.47	
2016-17	19.43	
2017-18 (UPTO June)	5.25	
Total	94.59	

- ii) Additional Director General of GST Intelligence Raipur Unit have issued SCN dated 16.10.2019 demanding service tax Rs.13.26 Crore on System Strengthening Charges as follows:

Financial year	Service Tax Demand (Rs. In crores)	Authority before which case is pending
2014-15	2.15	The company has filed writ petition before Hon'ble High Court of Bilaspur, Chhattisgarh.
2015-16	3.03	
2016-17	6.47	
2017-18 (UPTO June)	1.61	
Total	13.26	

- iii) Demand Notice has been issued by the GST and Central Excise department for GST and Service Tax issues, the matter is under consideration before the department, the period and the amount involved is given hereunder:

Name of Statute	Nature of dues	Amount (Rs. In crores)	Period to which amount relates	Forum where dispute is pending
GST and Central Excise department	Service tax	12.29	April 2015 to June 2017	Superintendent, Raipur
GST and Central Excise department	Service tax	2.21	2015-16 to 2017-18(uptoJune,2017)	Superintendent, Raipur
GST and Central Excise department	Service tax	1.94	July 2012 to June 2017	Appellate tribunal, New Delhi
GST and Central Excise department	Service tax Penalty	1.94	July 2012 to June 2017 (Penalty)	Appellate tribunal, New Delhi
GST and Central Excise department	Service tax Penalty	6.37	2015-16 to 2017-18(upto June,2017)	Superintendent, Raipur



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



(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) during the year ended on 31st March, 2021. According to the information and explanations given to us, the money raised by way of term loans were applied for the purposes for which they have been 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, following frauds have been noticed.

- a. A Fraud of Rs.18.01 Lacs by an Employee Mr. Jagannath Manikpuri of Dhamtari Division, Raipur Region-II of CSPDCL has been noticed during the 2016-17. It is to mention that FIR has been lodged against the person and the company has provided in the accounts in FY 2018-19 (Note No.27 to Financial Statements).

S.No.	Nature of Fraud	Amount (Rs.)
1	Employee fraud	18,01,500/-

- b. A Fraud amounting to Rs. 1,09,70,179/- was committed in the F.Y 2018-19 by an employee Mrs.Prapti Rai Bhagat O.A. Grade-III of Bilaspur region of CSPDCL relating to the embezzlement of electricity bills of consumers , which has been quantified in Financial Statements for F.Y 2019-20 as per the investigation report assessment.

Further another embezzlement of Rs.28,67,775/- was committed by Mrs. Priya Amle (J.E.) and Mr.Tikesh Yadav during the FY 2018-19, However the same is being reported during FY2019-20.A FIR has been lodged against the person and the company has provided both the amounts in the accounts in FY 2019-20.(Note No.27 to Financial Statements).

S.No.	Nature of Fraud	Amount (Rs.)
1	Employee fraud	1,38,37,954/-



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



- c. As per the letter no. 05-06.B&CM.2019-20.3809 dated 05th December 2019 & letter no. 05-06.B&CM.2018-19.8452 dated 27th December 2018, cheques having cheque no.42017198, 42017199 &02032599 of Rs.8,80,929, Rs.19,50,930 &Rs.45,10,520 respectively have been debited from UBI CC A/c (A/c No. 619405010000102) of the company. However, as per management's contention, these were wrongly debited as neither of these were issued or authorized by them. Also, they state the fact that the original leafs of these cheques are still in possession of the company & had already been verified by bank. The bank's reply to management is that it has received the copies of these cheques & has not received any instructions from company to stop these payments.

Although, cheque no. 02032599 passed on 17th December 2018 of Rs.45,10,520 has been credited back to the company's bank a/c, but for the remaining two cases, neither such action has been taken by the bank nor any FIR has been filed by the company till date. Further to this the balance amount of remaining two cases has been provided in the accounts in FY 2019-20 (Note No.27 to Financial Statements).

- d. During the Financial Year 2020-21 banking fraud has been reported to the company, where an officer of the company has not deposited the cash receipts at Distribution Centre amounting to 236.11/- Lac of Shivori narayan Kera (on various dates) in the bank account of the company rather submitted the false Cash Remittance Advice (CRA) before the office. Necessary steps have been taken by the company with regard to such fraud. Till the inquiry is complete, a provision has been created by the company in this regard in the books of accounts of the company.

(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.

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6, PAN: AAEFB9798G



- (xiv) According to the information and explanations give 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, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN : 010779 C)

(SANKALP SOHANEY)
PARTNER
M.NO. 434993
UDIN : 22434993AAAABN9501

DATE : 31.01.2022
PLACE : RAIPUR (C.G.)



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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls 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 have an adequate internal financial controls system over financial reporting subject to Qualified opinion and such internal financial controls in our opinion were operating effectively as at 31 March, 2021, subject to Qualified opinion based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on



BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

The major observations of Qualified opinion are as under:

- a. 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" have been adjusted through Capital Work-in-progress by passing the adjustment entries in accounting software.
- b. The current year closing figures as reported in the Balance Sheet are derived from the Trial Balance of SAP after passing such adjustment entries.
- c. 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 is some is done on the last day of the month resulting in depreciation being under booked.
- d. Bank Reconciliation of various bank accounts as mentioned in 'Basis for Qualified Opinion' has not been done resulting in differences with Bank balance as per Bank.
- e. The Company also needs to strengthen an appropriate internal control system for Revenue Recognition on account of Revenue from Sale of Power as there is a difference in Billing module & FICO Module.
- f. The company should take efforts for obtaining confirmations and should reconcile the inter company balances on priority basis.

For, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN : 010779C)



(SANKALP SOHANEY)
PARTNER
M.NO. 434993
UDIN : 22434993AAAABN9501

DATE : 31.01.2022
PLACE : RAIPUR (C.G.)

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Chhattisgarh State Power Distribution Company Limited for the year ended 31st March, 2021 in accordance with the directions/sub-directions & Specific Sector Directions issued by Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with the directions/sub-directions issued to us.

For, BEGANI & BEGANI
CHARTERED ACCOUNTANTS
(FRN: 010779C)



(SANKALP SOHANEY)

PARTNER

M.NO. 434993

UDIN : 22434993AAAABN9501

DATE : 31.01.2022

PLACE : RAIPUR (C.G.)



ANNEXURE "1" TO THE AUDITOR'S 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, 2021

Revised Directions under section 143(5) of the Companies Act, 2013 for the year 2020-21

Sl. No	Directions	Remarks/Comment
1	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on representation received from management, the company has system in place to process all the accounting transactions through IT system. But going through the system, it was found that: a. The depreciation on the fixed assets was calculated manually and then the entry was recorded in the system. b. The rectification Entries which was passed for finalization of Financial Statement for the Financial Year 2019-20 and 2020-21 is not recorded in system.
2	Whether there is any restructuring of existing loans or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As explained by the management, there is no restructuring of existing loans or any cases of waiver of debt/loans/interest etc.
3	Whether funds received, receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Based on representation received from management, the company has properly accounted for utilized the funds received/receivable from the Central/State government as per the terms and conditions.



Sector specific sub-directions under Section 143(5) of the companies Act, 2013 for FY 2020-21

SI. No.	Directions	Remarks/Comment
1	Adequacy of steps to prevent encroachment of idle land owned by company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided.	<p>As informed to us, there is no encroachment anywhere in land.</p> <p>Further various 33/11 Sub-stations were additionally protected by fencing chain linked boundary wall. During the period under audit, management has identified and protected following divisions namely:</p> <p>Ambikapur Dn.: Dhamni, Muktipara, Baikunthpur, Pathalgaon.</p> <p>Bilaspur Dn.: Dharamjaigarh, Baloda, Sariya, Mohanbhata, Bankighat.</p> <p>Jagdarpur Dn.: Narayanpur.</p> <p>Raipur Dn.: Sonpur, Kurud, Bhakhara, Raheja Tower, Indraprasth, Rajadevari, Dhatadeeh, Arjuni, Moorumsilli.</p> <p>Rajnandgaon Dn.: Boundary Wall-Mohla.</p> <ul style="list-style-type: none">Going through the record/declaration made by the company in Last Financial Year it was found that there is a deviation in record/declaration made by the company during the Financial Year and in the Last Financial Year record/declaration.
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 awaited.	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	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	Based on the representation received from the management the company has not entered into any agreement with franchise for distribution of electricity in selected areas and revenue sharing agreements, during the year under audit.

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6, PAN: AAEFB9798G



4	Report on the efficiency of the system of billing and collection of revenue in the company.	<p>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. There is a difference of Rs. 36.21 Lakhs between bills as generated by Billing Module under SAP & revenue as accounted for in FICO Module under SAP of which no proper explanation has been provided to us.</p> <p>The billing and collection efficiency of CSPDCL of last five years are as under-</p> <table border="1" data-bbox="722 1187 1449 1460"><thead><tr><th></th><th>2016-17</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th></tr></thead><tbody><tr><td>Billing Efficiency</td><td>81.44</td><td>81.91</td><td>83.4</td><td>81.71</td><td>83.16</td></tr><tr><td>Collection Efficiency</td><td>99.04</td><td>99.09</td><td>96.11</td><td>99.52</td><td>92.43</td></tr></tbody></table> <p>Here it is submitted that the collection efficiency mentioned in the table is considering of Government subsidy.</p>		2016-17	2017-18	2018-19	2019-20	2020-21	Billing Efficiency	81.44	81.91	83.4	81.71	83.16	Collection Efficiency	99.04	99.09	96.11	99.52	92.43
	2016-17	2017-18	2018-19	2019-20	2020-21															
Billing Efficiency	81.44	81.91	83.4	81.71	83.16															
Collection Efficiency	99.04	99.09	96.11	99.52	92.43															
5	Whether tamper proof meters have been installed for all consumers? If not then, examine the accuracy of billing is ensured.	<p>It is submitted that there are no specific Tamper Proof Meters, though all electronic meters having data downloadable facility are enabled with tamper indication. Hence, CSPDCL is also purchasing all 1-phase and 3-phase meters having tamper indication facility and are being installed in field also since 2008. As on March-2021, all metered 1-phase consumers and 3-phase consumers are metered with tamper indication.</p> 																		

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G



6	Whether the company recovers and accounts the State Electricity Regulatory Commission (SERC) approved fuel and power purchase adjustment cost (FPPCA)?	Based on our verification, the company regularly recovers and account for fuel and power purchase adjustment cost directives of CSERC.	
7	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies have been completed. The reason of difference may be examined.		
	Name	Balance as per Books (SAP)	Respective Balances of Inter -Company's Books
	Chhattisgarh State Power Holding Company Limited	Dr.bal of Rs.131.13/- Lakhs	No Balance Confirmation and reconciliation of the respective balances has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
	Chhattisgarh State Power Generation Company Limited (CSPGCL)	Cr..bal of Rs.2,56,586.49/- lakhs	No Balance Confirmation and reconciliation of the respective balances has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	Cr. bal of Rs.76,108.25/- lakhs	No Balance Confirmation and reconciliation of the respective balances has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
	Chhattisgarh State Power Trading Company Limited (CSPTCL)	Dr. bal of Rs.0.65/- lakhs	No Balance Confirmation and reconciliation of the respective balances has been produced before us for verification. Hence we are unable to comment on Differences if any, between inter-company balances.
8	Whether the company is supplying power to franchisees, if so, whether the company is not supplying power to franchisees at below its average cost of purchase.	Based on the representation received from the management, the company has not supplied power to any franchisee during the period under audit.	
9	How much tariff roll back subsidies have been showed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government. Shortfall, if any, may be commented.	Based on the representation received from the management, tariff roll back subsidies have been showed and booked in accounts as income and receivable.	

