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छत्तीसगढ़ स्टेट पॉवर डिस्ट्रीब्यूशन कंपनी लिमिटेड

**DIRECTOR'S REPORT**

**2021-2022**



## CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking)

Regd. Office:-VidyutSewaBhawan, Dangania, Raipur- 492013

CIN: L40108CT2003SGC015822, Email ID: [mddiscom@cspc.co.in](mailto:mddiscom@cspc.co.in)

Website: [www.cspdcl.co.in](http://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 CompanyLtd.  
Raipur (C.G.)

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2022.

#### 1) CONSTITUTION OF THE COMPANY:

Your Company was incorporated on 19<sup>th</sup> 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 31<sup>st</sup> March, 2022. Further, the paid up share capital at the end of the financial year under review stood at Rs. 2886.48 Crore divided into 288.64 Crore equity shares of Rs.10/- each.

#### 3) FINANCIAL RESULTS:

(Rs. in Crore)

PARTICULARS	FY 2021-22	FY 2020-21
Revenue from Operations	17480.91	15998.58
Other Income	319.73	275.75
Profit/(Loss) before depreciation, exceptional & extraordinary items & taxation	(734.04)	(443.77)

Less: Depreciation & Amortization Expenses	480.18	436.21
Profit / (Loss) before exceptional & extraordinary items & taxation	(1214.22)	(879.99)
Add : Exceptional & Extraordinary items		460.21
Profit / (Loss) before tax	(1214.22)	(419.77)
Less: Tax expenses	0.00	0.00
<b>Profit/(Loss) after taxation</b>	<b>(1214.22)</b>	<b>(419.77)</b>
<b>Other Comprehensive Income</b>	<b>(948.05)</b>	<b>(468.67)</b>
<b>Total Comprehensive Income</b>	<b>(2162.27)</b>	<b>(888.44)</b>

**4) REVIEW OF PERFORMANCE:**

During the financial year 2021-22, the Company has earned Revenue from Operations amounting to Rs. 17480.91 crore as compared to Rs. 15998.58 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 accounts prepared as per IND AS was Rs. 2162.27 crore after adjustment of Other Comprehensive Income during the financial year under review as compared to net loss of Rs. 888.44 crore during the previous financial year.

**5) 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.

**6) OPERATIONAL PERFORMANCE:**

During the period from 01.04.2021 to 31.03.2022, 4,495 KM Sub-Transmission Lines and 10,294 KM Low Tension (Distribution) Lines were constructed. Including the above, the total length of Sub-Transmission Lines and Low Tension (Distribution) Lines stood at 1,50,221 KM and 2,17,355 KM respectively at the end of the financial year. During the period under review, work of 11 Nos. New 33/11 KV S/s 76 No. Additional Power Transformer, 47 No. Aug of Power Transformer, 12,340 Nos. New 11/0.4 KV Distribution Transformers and 857 No. Augmentation of 11/0.4 KV Transformer were completed as a result of which, the capacity was increased by 647 MVA. As on 31.03.2022, there were 1,332 Nos. 33/11 KV and 2,04,171 Nos. 11/0.4 KV Sub-stations with total capacity of 20,457 MVA.

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

S. No.	Particulars	Unit	F.Y. 2021-22
1.	33 KV Lines	KM	468
2.	11 KV Lines	KM	4,027
3.	Low Tension Lines (400-230 Volts)	KM	10,294
4.	33/11 KV Sub-stations installed	Nos.	11
	Capacity	MVA	40
5.	Installation of Additional Transformer in existing 33/11 KV Sub-station	Nos.	76
	Capacity	MVA	238
6.	Increase in capacity of Transformer of existing 33/11 KV Sub-stations	Nos.	47
	Capacity	MVA	88
7.	11/0.4 KV Sub-station installed	Nos.	12,340
	Capacity	MVA	247
8.	Increase in capacity of 11/0.4 KV Transformers	Nos.	857
	Capacity	MVA	34

◆ **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:

S. No.	Particulars	Unit	Achievement
1.	33 KV Lines Construction	KM	28
2.	11 KV Lines Construction	KM	225
3.	Distribution Lines for Services (For New Connections)	KM	176
4.	New Distribution Transformers	Nos.	320
5.	Increase in Capacity of Distribution Transformers	Nos.	54
	Capacity	MVA	3.24
6.	Connection provided:		
	Single Phase	Nos.	89,726
	Three Phase	Nos.	16,092
	High Tension Connection	Nos.	251

◆ **Electrification of Irrigation Pumps**

During the period from 01.04.2021 to 31.03.2022, the line extension work has been completed for 31,817 pumps and 4,93,903 pumps have been energized up to 31.03.2022.

◆ **B.P.L Connection:**

As per the direction of State Government, the B.P.L. Connection is made available to peoples who are below poverty line. During the period from 01.04.2021 to 31.03.2022, total 5,281 connections have been provided to the above category families. As a result, there are 17,64,411 B.P.L. Connections to the above category families as on 31.03.2022.

**7) FUTURE PROSPECTS & PLANS:**

**INTEGRATED POWER DEVELOPMENT SCHEME [I.P.D.S.]**

**(Centrally Sponsored Scheme)](Scheme No. 7655):--**

Ministry of Power, GoI, has launched Integrated Power Development Scheme (IPDS) for strengthening of sub-transmission and distribution network in urban areas including provisions of solar panels, metering and IT enablement of distribution sector.

For Chhattisgarh State, 15 DPR's (circle wise) have been sanctioned for Rs 514.52 Crs.; covering 182 towns - including 168 censuses and 14 statutory towns. The scheme has been closed on March 2021 and the closer amount ₹411.64 cr.

**DEEN DAYAL UPADHYAY GRAM JYOTI YOJANA [D.D.U.G.J.Y. (Centrally Sponsored Scheme)](Scheme No. 7652) :-**

- MoP; GoI vide office memorandum No. - 44/44/2014-RE dated 03.12.14 has conveyed regarding launch of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for rural area.
- For Chhattisgarh State, REC Ltd. conveyed approval of DPR's of all 27 districts vide their letter No. 94 dated 14.08.2015 for Amount Rs.1253.98 Crore (Rs 1247.75 Crore for project + Rs 6.23 Crore as PMA charges).
- The works of 27 districts have been completed and the total expenditure occurred in the scheme as per closer Rs 1203.78 Cr. The scheme has been closed on March 2022.

**Pradhan Mantri Sahaj Bijli Har Ghar Yojna(SAUBHAGYA)**

- MoP:GoI has launched "Pradhan Mantri Sahaj Bijli Har Ghar Yojna" (SAUBHAGYA) on 25.09.2017, in which all houses in the country (i.e. Rural as well as Urban) are to be provided last mile connectivity for electricity connections.

- Amount Rs.413.75 Cr. has been sanctioned to electrify house-holds through grid at rural areas and Amount Rs. 6.78 Cr. has been sanctioned to electrify house-holds through grid at urban areas and additional amount Rs.83.64 cr. also sanctioned.
- As on 31.03.2019, connections of 6,65,756 House-holds have achieved and scheme closed on this achievement and the closer amount is. ₹469.00 crore.

#### Rajiv Gandhi Gram Vidyutikaran Yojna (RGGVY)

- **X PLAN :-** Scheme for 03 districts namely Kabirdham (Kawardha), Durg & Janjgir-Champa sanctioned under 10<sup>th</sup> five-year plan and closed on Oct. 2012.
- **XI PLAN :-** As on 31.03.2018, work in 11 districts namely Kawardha, Durg, Kawardha Ph-II, Durg Ph-II, Rajnandgaon, Raipur, Dhamtari, Mahasamund, Kanker, Bilaspur, Korba under 11<sup>th</sup> five years have been completed and closure accepted by REC Ltd. Under 11<sup>th</sup> plan remaining Scheme for 03 districts namely Bastar (including Narayanpur and Kondagaon), Koriya & Jashpur have been completed and closed on Dec.2021
- **XII PLAN :-** Under 12<sup>th</sup> plan, 04 district projects viz. Janjgir champa (Rs. 92.20 Cr), Mahasamund (Rs. 44.84 Cr), Dhamtari (Rs. 67.85 Cr) & Korba (Rs. 81.19 Cr) have been completed and closed on August 2020.

#### REVAMPED DISTRIBUTION SECTOR SCHEME (RDSS): -

1. MoP: GoI vide their Office Memorandum No. 10/03/2021-UR&SI-II (E-258311) dated 20 July 2021, has launched the Revamped Distribution Sector Scheme. Monitoring Committee of Revamped Distribution Sector Scheme in its first meeting held on dated 23.07.2021 has approved the operational guidelines for RDSS. The main objectives of the scheme are to -
  - a. Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
  - b. Reduce the AT&C losses to Pan-India levels of 12-15 % by 2024-25.
  - c. Reduce ACS-ARR gap to zero by 2024-25.
2. The Scheme has the following parts-
  - PART-A
    - Smart Metering
    - Distribution Infrastructure Works (Line Loss Reduction & Modernization Works)
    - Project Management.
  - PART-B
    - Training, Capacity Building and other Enabling & Supporting Activities.

3. The Gross Budgetary Support (GBS) for the State of Chhattisgarh is as under: -

Rs. in Crore

S.No.	Particulars	Total Project Cost	GBS*	PMA Charges**	GBS for PMA Charges
1	Smart Metering Works	4089.97	613.50	15.34	9.2
2	Infrastructure Works- Loss Reduction	3544.38	2126.63	53.17	31.90
	Total	7634.35	2740.12	68.50	41.10

\*Excluding incentives in case of Smart Metering Works of Phase-I

\*\*2.5% of GBS for smart Metering (excluding incentive) and 1.5% of total Project cost.

**HVDS scheme:-**The High Voltage Distribution System scheme, as the name suggests, has the great scope of T&D loss reduction by covering the existing LT network in to 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, Aklatara, 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) Dn, Kawardha, out of 77 no feeders, work in 42 no feeders has been completed and under (O&M) Dn Mahasamund, out of 95 no feeder, work in 80 feeder has been completed.

**R-APDRP Part B:-**To reduce line losses in 21 towns (for which 19 DPR Sanction) having population more than 30000 as scheme worth Rs 710.24 Crs was 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 21 town got completed.

**STN Scheme:-** Energy Conservation has also been achieved through strengthening of Sub-transmission line under the STN (076) scheme for which the provision of Rs. 817.84 Crore has been made by CSERC for the year 2021-22 and expenditure of Rs. 351.97 Crore has been incurred including spill over work during the reporting year 2021-22.



## 8) 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, Photo Spot Billing has been implemented in all over C.G. Covering around 62 lac consumers.
- Automatic meter reading system has been implemented in all 3613 HT connections, 12962 LT connections having connected load above 50HP and 14288 LT connections having connected load between 15HP to 50HP for precise reading and accounting of Energy consumed by major consumers approximately covering 70% of the total Revenue of the company.
- CSPDCL has completed 100% feeder metering to monitor the losses at all voltages level and for proper energy accounting at all 739 Nos 33 KV feeder and 5392 Nos 11 KV feeder. In addition this 4700 Nos AMR has been install at all 11 KV feeders in urban as well as rural area. 76960 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. 445364 No. of Stopped/Defective meters have been replaced in the year 2021-22.
- 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. 142 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.
- 24 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.



- Continuous improvement in operational efficiency has been achieved through adding further functionalities in various modules of SAP EFP : 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. This has resulted in even better consumers services, procurement & inventory management, financial progress monitoring and in providing module specific information at various levels (Distribution Centre, Zone/Sub Division, Division, circle, Region & Head Office)
- Further improvements in the customer services through the Centralised Call Center have been achieved for the electricity consumers of entire state. Consumers 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 further with additional Online Consumer Web Self Service & Online New Service Connection (NSC). The other customer care services like Online Bill payment, 24 months Billing information, 24 months payment information, Online Complaint Registration, Online Application for load change, Name change, Tariff change are continued as earlier.
- CSPDCL has further increased the number of Bill payment Kiosk ATP Machines from 125 to 142 no.s for convenience of consumers. The other payment services to its electricity consumers like Online Bill Payment through Net Banking, Credit Card, Debit Card, BHIM UPI, Bharat Bill payment System, pay point Centres, Common Service center are continued as earlier.

Operational efficiency has been enhanced in meter Data Acquisition System (MDAS), implemented in 22 major towns of the state under R-APDRP Scheme.

- To improve the billing efficiency, correctness of meter reading and avoid manual intervention, Spot Billing with photograph has been implemented in the state from billing month of July-2021. Number of consumers covered is 48.5 lacs for all LT consumers excluding the agriculture consumers. The new photo spot billing is being done with the help of android mobile device and through thermal handheld printer. To ensure the photo spot billing should be done at the consumer’s doorstep the latitude and longitude of the premise is being captured.
- Different modes of digital payment have been provided e.g. Net Banking, Debit Card, Credit Card, RTGS, NEFT, BHIM and other UPI, Bharat Bill payment System, Wallets, Pay-points centres and common service centres. 151 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.
- CSPDCL has further increased the number of Bill payment Kiosk ATP Machines from 142 to 151 for convenience of consumers.

- Centralised Call Center facility with IVRS and Tollfree No. 1912 has been available to all electricity consumers of CSPDCL for registration of technical and commercial complaints 24x7. All the CSPDCL offices and Fuse of Call Centers have been linked with the Centralised Call Center for resolution of registered technical and commercial complaints in minimum time.
- Mor Bijlee Android Mobile App has been available for electricity consumers. Some new Features added like Bill Calculation, Bijlee Bill Half Yojna Rebate details, Emergency Complaint and many other useful information's has been provided to the consumers in this app.
- Missed Call Services for easier New Electricity Connection has been launched by CSPDCL since Feb-2022 for entire Chhattisgarh through No. 7404040625.
- CSPDCL Prakash Mobile App has been available for CSPDCL Officers/ Employees. Technical Complaint Closure, View Consumer Profile, NSC Connection Status, Feeder Interruption etc are the facilities available for CSPDCL Officers/ Employees.
- CSPDCL Website "www.cspdcl.co.in" has been enriched further with additional Ease of Doing Business Portal.
- Continuous improvement in operational efficiency has been achieved through adding further functionalities in various modules of SAP ERP: 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. This has resulted in even better consumers services, procurement & inventory management, financial progress monitoring, taxation and in providing module specific information at various levels (Distribution Centre, Zone/Sub Division, Division, circle, Region & Head Office).
- **Integrated Power Development Scheme-Information Technology**

The Government of India had sanctioned Rs. 77.71 Crore for the expansion of the Information Technology Monitoring System in the cities of the state of Chhattisgarh with a population of more than five thousand under Integrated Power Development Scheme in Information Technology Enablement Phase-II. The project has been physically completed on the scheduled date of December 2021.

The total actual cost of the scheme is Rs.75.99 crores have come, whose completion report has been submitted to the project nodal agency M/s Power Finance Corporation of the Government of India.

Under IPDS IT Phase-II scheme following upgradation works has been done.

- I. Information Technology Infrastructure - which involved Hardware Supplies like Computer System, Printer, UPS etc. was extended to all the 160 IPDS Towns.
- II. Meter Data Acquisition System- with scope of installation of Modems at Feeder, Cop, & DT locations of all 160 towns under IPDS IT.
  - CSPDCL has completed 100% feeder monitoring through MDAS for all 182 R-APDRP and IPDS Towns.
  - Operational efficiency has been enhanced in Meter Data Acquisition System (MDAS), Implemented in 182 towns under R-APDRP Scheme and IPDS Scheme. A total number of 8838 new modems have been added to integrate meters of 160 IPDS towns.
- III. Geographical Information System- which involved Creation of base map of project area and its asset mapping digitization in GIS etc. works which were done in RAPDRP towns now covers 182 towns.
- IV. Data Centre and Data Recovery infrastructure was upgraded with installations of new servers.

The government of India had sanctioned costing of Rs. 14.87 Crore for ERP Upgradation under IPDS-IT scheme. The ordered cost for this project was Rs. 24.12 Crore but this project has been physically completed on the scheduled date of December 2021 with the actual cost of Rs. 14.84 Crore whose completion report has been submitted to the project nodal agency PFC of the Government of India.

The following works has been done and are being used: -

- a) Employee Self Service (ESS)
- b) Business intelligence ware house (BW)-In Memory Computation.
- c) Upgradation of Servers for SAP.
- d) Energy Accounting in 182 IPDS/RAPDRP towns.

**9) 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.

**10) TRANSFER TO RESERVES:**

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

**11) 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.

**12) 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. Further no 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. 2020-21. Accordingly, the following persons constitute the Board of Directors of the Company as on date:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Ankit Anand, I.A.S.	Chairman & Nominee Director
2.	Shri Manoj Khare	Managing Director
3.	Smt. Ujjwala Baghel	Nominee Director
4.	Shri Sanjiv Kumar Katiyar	Nominee Director
5.	Shri Sanjay Kumar	Nominee Director

Further, no changes have taken place in the constitution of Key Managerial Personnels of the Company since the date of previous Directors' Report for the F.Y. 2020-21. Accordingly, 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 Manoj Khare	Managing Director
2.	Shri Y.B. Jain	Chief Financial Officer
3.	Smt. Gunjan Dubey	Company Secretary

**13) DECLARATION BY INDEPENDENT DIRECTOR:**

Since, the Company was not required to appoint Independent Directors as required under Section 149(4) read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014 hence, the question of obtaining of declaration from the Independent Directors does not arise during the financial year under review.

**14) 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.

**15) NUMBER OF MEETINGS OF THE BOARD:**

6 (Six) Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2022.

**16) AUDIT COMMITTEE :**

The Board of Directors of the Company in its meeting held on 30.11.2012 has constituted Audit Committee consisting of the following members as per the provisions of Section 177 of the Companies Act, 2013:

SL. NO.	MEMBER
1)	Managing Director of the Company
2)	Principal Secretary / Secretary, Energy, GoCG
3)	Principal Secretary / Secretary, Finance, GoCG

As on 31st March, 2022, the Audit Committee of the Company was comprising the following directors:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1)	Smt Alarmelmangai D., I.A.S.	Non-Executive Director
2)	Shri Ankit Anand, I.A.S.	Non-Executive Director
3)	Shri Harsh Gautam	Executive Director

The provision for constitution of Audit Committee is not applicable on your Company w.e.f. 1st April, 2021. Keeping in view the above provision, the Board of Directors of the Company, in its meeting held on 17<sup>th</sup> July, 2021, dismantled the Audit Committee of the Company.

**17) NOMINATION & REMUNERATION COMMITTEE:**

The Company does not fall within the purview of criteria prescribed under the Companies Act, 2013 for constitution of Nomination & Remuneration committee.

**18) CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

The Company was required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. Since no Independent Directors were appointed by the Govt. of C.G., the Company could not comply with the above provision of the Companies Act, 2013. Further, the provisions for appointment of independent directors are not applicable on your Company w.e.f. 1<sup>st</sup> April, 2021

The Company was having average net loss during the immediately preceding three financial years i.e. 2020-21, 2019-20 and 2018-19. As a result, the Company was not required to spend any amount on CSR activity during the financial year 2021-22. The Report on CSR Activities for the financial year 2021-22 in compliance with Section 135 of the Companies Act, 2013 is annexed herewith as an **Annexure-‘A’**.

Further, as per the newly inserted provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable w.e.f. 22.01.2021 and the functions of CSR Committee provided under the Companies Act 2013 shall be discharged by the Board of Directors of Company. Since, the Company was having average net loss during the immediately preceding three financial years. Accordingly, the Company was not required to constitute a CSR Committee as per section 135 of the Companies Act, 2013.

**19) 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.

**20) STATUTORY AUDITOR:**

M/s Begani & Begani , 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 2021-22.



**21) REPORT/COMMENTS OF THE AUDITORS /CAG:**

Observations of the Statutory Auditors along with Management's replies thereto on the Financial Statements of the Company for the financial year 2021-22 are enclosed herewith as **Annexure – "B"**.

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 2021-22 are enclosed herewith as **Annexure – "C"**.

**22) REPORTING OF FRAUD:**

No fraud has been reported by the company during the FY 2021-22.

**23) COST AUDITORS:**

The Board of Directors of your Company, in its meeting held on 18th October 2019, has appointed M/s R.M. Bansal, Cost & Management Accountants, Bilaspur, as the Cost Auditor for audit of the Cost Accounting Records of your Company for the financial year 2021-22 in pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014.

Further, the Company has filed the Cost Audit Report for the Financial Year 2021-22 on 17.10.2022.

**24) 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.

**25) 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 12<sup>th</sup> March, 2021, has appointed the following person as Internal Auditors for the financial year 2021-22:

S.No.	Name of Internal Auditor	Region
1.	M/s APAS & 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