



# **CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED**

## **ANNUAL REPORT FOR FINANCIAL YEAR 2016-17**



# CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking) (A Successor Company of C.S.E.B.)

Regd. Office Address:- Vidyut Sewa Bhawan, 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

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2017.

### 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.

However, keeping in view the amendments by the Ministry of Corporate Affairs, Govt. of India in the Companies Act vide Notification dated 05.07.2017 & 13.07.2017 with regard to provisions for the appointment of Independent Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the other Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of your Company in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company.

Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Independent Directors & Woman Director. In response to the above request, Smt. Tripti Sinha has been appointed as Nominee Director (Woman Director) on the Board of Directors of the Company w.e.f. 24th July, 2018. Accordingly, the requirement of Woman Director has been



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complied with. However, the Govt. of C.G. has not yet appointed any Independent Directors on the Board of Directors of the Company.

### 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, 2017. Further, the paid up share capital at the end of the financial year under review stood at Rs. 2263.10 Crore divided into 226.31 Crore equity shares of Rs.10/- each.

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

The Company has issued/allotted 2575 (Nos.) & 2425 (Nos.) State Government Guaranteed, Unsecured, Redeemable, Non-Convertible Debentures of Rs. 10,00,000/- each to different allottees on 27<sup>th</sup> March, 2015 & 03.02.2016 respectively. The above debentures are listed on the National Stock Exchange.

### 4) FINANCIAL RESULTS:

(Rs. in Crore)

PARTICULARS	F.Y. 2016-17	F.Y. 2015-16
Revenue from Operations	12619.32	10149.26
Other Income	216.44	105.19
Profit/(Loss) before depreciation, exceptional & extraordinary items & taxation	(168.09)	(303.70)
Less: Depreciation & Amortization Expenses	253.67	248.25
Profit / (Loss) before exceptional & extraordinary items & taxation	(421.76)	(551.95)
Add : Exceptional & Extraordinary items	-	575.84
Profit / (Loss) before tax	(421.76)	23.89
Less: Tax expenses	0.00	0.00
<b>Profit/(Loss) after taxation</b>	(421.76)	23.89
<b>Other Comprehensive Income</b>	(366.37)	(540.92)
<b>Total Comprehensive Income</b>	(788.13)	(517.03)



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### 5) ADOPTION OF IND AS:

The Financial Statements for the year ended 31st March, 2017 along with restated Financial Statements for the year ended 31st March, 2016 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 6) REVIEW OF PERFORMANCE:

During the financial year 2016-17, the Company has earned Revenue from Operations amounting to Rs. 12619.32crore as compared to Rs. 10149.26crore during the previous 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. 788.13 crore after adjustment of Other Comprehensive Income during the financial year under review as compared to net loss of Rs.517.03 crore during the previous financial year. The power purchase cost has increased during the year under review; Another major reason for loss is additional provision for pension, gratuity and leave encashment to the tune of Rs. 395.52 crore, on the basis of actuarial valuation report as on 31st March, 2017; apart from regular contribution of Rs.395.28 Crores.

### 7) 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.

### 8) OPERATIONAL PERFORMANCE:

During the period from 01.04.2016 to 31.03.2017, 5871 KM Sub-transmission Lines and 8054 KM Low Tension (Distribution) Lines were constructed. Including the above, the total length of Sub-transmission Lines and Low Tension (Distribution) Lines stood at 116388 KM and 170952 KM respectively at the end of the financial year. During the period under review, 15 Nos. new 33/11 KV Sub-station, 28 no. additional power X-mer, 28 no. Aug of Power X-mer, 12874 Nos. new 11/0.4 KV Distribution Transformers and 600 No. Augmentation of 11/0.4 KV X-mer were established as a result of which, the capacity was increased by 1222 MVA. As on 31.03.2017, there were 979 Nos. 33/11 KV and 139437 Nos. 11/0.4 KV Sub-stations with total capacity of 16499 MVA.



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

Sr. No.	Particulars	Unit	F.Y. 2016-17
1.	33 KV Lines	KM	580
2.	11 KV Lines	KM	5292
3.	Low Tension Lines (400-230 Volts)	KM	8054
4.	33/11 KV Sub-stations installed	Nos.	15
	Capacity	MVA	60.20
5.	Installation of Additional Transformer in existing 33/11 KV Sub-station	Nos.	28
	Capacity	MVA	94.35
6.	Increase in capacity of Transformer of existing 33/11 KV Sub-stations	Nos.	28
	Capacity	MVA	50.60
7.	11/0.4 KV Sub-station installed	Nos.	12874
	Capacity	MVA	991.30
8.	Increase in capacity of 11/0.4 KV Transformers	Nos.	600
	Capacity	MVA	22.51

### ◆ Normal Development Work:

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

Sr. No.	Particulars	Unit	Achievement
1.	33 KV Lines Construction	KM	67
2.	11 KV Lines Construction	KM	492
3.	Distribution Lines for Services (For New Connections)	KM	798 + 254 (Conversion)
4.	Distribution Lines for Street Lights	KM	183 + 324(Conversion)
5.	Street Lights (Points)	Nos.	718

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6.	New Distribution Transformers	Nos.	2403
7.	Increase in Capacity of Distribution Transformers	Nos.	600
	Capacity		22.51
8.	Connection provided:		
	Single Phase	Nos.	207705
	Three Phase	Nos.	23567
	High Tension Connection	Nos.	153

## ◆ RURAL ELECTRIFICATION(AS ON 31.03.17):

Out of total 19567 villages (as per census 2011), 18487 villages were electrified as on 30/04/2015 and 1080 villages remained un-electrified. Out of 1080 villages, 404 villages have been electrified during FY 2015-16 till 31/03/2016 and 334 villages in FY 2016-17 till 31/03/2017. Thus total 738 UE villages have been electrified as on 31/03/2017 and 342 villages were balance for electrification. Out of 342 villages, 7 villages were covered under ongoing RGGVY, 66 villages under DDUGJY (Total 73 villages by Grid Connectivity), 59 villages under off-grid and 210 villages covered for electrification through DDG (Total 269 villages by Non –Grid Connectivity) by CREDA.

S.No	Particular	Nos.		
01	Total inhabited villages as per Census 2011	19567		
02	Total electrified villages as on 31.03.17	19225		
03	Villages balance for electrification as on 01.04.17.	UE	DE	Total
		234	108	342
<b>04 Proposed through Grid Connectivity</b>				
a	Villages covered under ongoing RGGVY	6	1	7
b	Villages covered under ongoing DDUGJY.	35	31	66
<b>05 Proposed through Non-Grid Connectivity</b>				
a	Proposed through off-grid due to forest & long distance from grid.	6	53	59
b	Through DDG	187	23	210



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### ◆ RGGVY IN CHHATTISGARH

- Concept to commissioning work of RGGVY has been entrusted to 03 CPSUs viz. NHPC, NESCL & PGCIL but after refusal by PGCIL for execution in LWE affected districts namely Bastar (including Narayanpur & Kondagaon), Dantewada (including Bijapur & Sukma), & Koriya and Jashpur by NESCL, CSPDCL has taken over the responsibility for implementing the project.
- Detailed Project Reports have been prepared on the basis of the then existing 16 districts with the coverage of all the villages of the State. The then newly created districts of Narayanpur & Kondagaon is bifurcated from district Bastar and district Bijapur & Sukma from district Dantewada.
- Schemes for 03 districts namely Kabirdham (Kawardha), Durg & Janjgir-Champa sanctioned for Rs. 174.973 Crore under 10<sup>th</sup> five year plan and have been completed and closure accepted by REC Ltd. As on 31.03.2017, Rs. 160.8633 Cr. have been disbursed to implementing agencies and Rs. 167.344 Cr. have been incurred.
- Schemes for 15 district namely Rajnandgaon, Raipur, Dhamtari, Mahasamund, Kanker, Bilaspur, Korba, Raigarh, Surguja, Bastar (including Narayanpur and Kondagaon), Dantewada (including Bijapur and Sukma), Kawardha Phase-II, Durg Phase-II under XI Plan and Koriya & Jashpur under XI Plan Phase –II have been sanctioned for Rs. 1185.61 Crore under 11<sup>th</sup> five year plan. As on 31.03.2017, Rs.915.09 Cr. have been disbursed to implementing agencies and Rs. 960.98 Cr. have been incurred as expenditure.
- As on 31.03.2017, work in 11 districts namely Kawardha, Durg, Kawardha Phase-II, Durg Phase-II, Rajnandgaon, Raipur, Dhamtari, Mahasamund, Kanker, Bilaspur, Korba have been completed and closure submitted to REC Ltd.
- Under 12th plan, 04 district project viz. Janjgir-Champa (Rs. 92.204 Cr), Mahasamund (Rs. 44.84 Cr), Dhamtari (Rs. 67.85 Cr) & Korba (Rs. 81.19 Cr) have been Sanctioned and award have been placed to turn-key contractor. Total Rs. 219.06 Cr. has been released by REC and Rs. 211.46 have been incurred till 31.03.2017.

Five Year Plan wise progresses of villages and BPL as on 31.03.2017 is as follows: -

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Particular	Sanctioned provision				Work completed			
	10 <sup>th</sup> Plan	11 <sup>th</sup> Plan	12 <sup>th</sup> Plan	Total	10 <sup>th</sup> Plan	11 <sup>th</sup> Plan	12 <sup>th</sup> Plan	Total
UE/DE village	56	1672	0	1728	56	1681	5	1742
Intensive villages	3093	12974	3236	19303	3093	12483	3003	18579
BPL	134459	754266	64033	952758	134459	606286	18486	759231

Achievement during FY 2015-16 and FY 2016-17

Particular	Achievement FY 2015-16	Achievement FY 2016-17
UE/DE village (No)	404 (341-RGGVY, 19-DDUGJY & 44 DDG)	334 (85-RGGVY, 91-DDUGJY, 43-Off Grid & 115- DDG)
PE village (No)	2154	1024
BPL Connection (No)	43598	7765
Expenditure (Rs in Cr)	209.9314	129.791

## ◆ RGGVY-XII Plan

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





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- Work of actual survey and preparation of DPR thereof has been entrusted to M/s REC-PDCL. Present status of DPRs sanctioned and submitted for sanction is furnished as below: -

S.No.	Name of sanctioned project	Sanctioned cost of Project (Rs. In Crore)	Remarks
1	Janjgir-Champa	92.2044	M/s GopiKrishna Infrastructure Pvt. Ltd; Hyderabad is the turn-key contractor for all these 04 projects.
2	Korba	81.1982	
3	Dhamtari	67.8536	
4	Mahasamund	44.8425	

Coverage of above sanctioned projects are furnished as under:-

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

Status of completed work under 12 <sup>th</sup> PLAN RGGVY As on 31.03.2017											
S.N	Particulars	Name of Districts									
		Korba		DML		MSD		Janjgir		Total	
		Provn	Achvt	Provn	Achvt	Provn	Achvt	Provn	Achvt	Provn	Achvt
1	PE Villages	706	628	602	593	1036	983	892	799	3236	3003



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2	Nos. of habitations	2096	2034	1976	1942	1844	1852	2727	2493	8643	8321
3	BPL connection	23969	4175	5025	689	13404	11855	21635	1767	64033	18486

## ◆ ELECTRIFICATION OF IRRIGATION PUMPS

During the period from 01.04.2016 to 31.03.2017, the line extension work has been completed for 21284 pumps and 387549 pumps have been energized upto 31.03.2017.

## ◆ B.P.L CONNECTION

As per the direction of State Government, the B.P.L. Connection is made available to people who are below poverty line. During the period from 01.04.2016 to 31.03.2017, total 15,161 connections have been provided to the above category families. As a result, there are 15,40,627 B.P.L. Connections to the above category families as on 31.03.2017.

## ◆ STN SCHEME

Energy conservation has also been achieved through strengthening of sub-transmission line under the STN Scheme for which the provision of Rs. 240 Crore has been made by CSERC for the year 2016-17 and expenditure of Rs.73.28 Cr. has been incurred during the reporting year 2016-17.

## ◆ Atal Jyoti Yojana

In view of load management during scarcity of power (peak load hours) the agricultural dominated feeders have been separated under Atal Jyoti Yojana funded by the State Government. The progress has shown satisfactory results by making approx 12% returns per year. Total 130 Nos. 11 KV feeders have been separated in first phase covering 30336 pumps of 732 villages. Total 170 Nos. 11 KV feeders have been separated in second phase covering 31616 pumps of 1708 villages.



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### ◆ DDUGJY & IPDS SCHEME

In the year 2014, Govt. of India launched two new schemes namely IPDS & DDUGJY. The main objectives of the scheme are given as under:

- I. Separation of agriculture and non-agriculture feeders facilitating judicious roistering of Supply to agricultural & non- agricultural consumer in the rural areas; (Under DDUGJY)
- II. Strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure in rural areas. Including metering at distribution transformers. Feeders and consumers end; (under DDUGJY & IPDS)
- III. Rural electrification work including electrification of rural households. (Under DDUGJY)  
The ongoing RGGVY/RAPDRP scheme will be subsumed in newly launched DDUGJY/IPDS scheme respectively.

The Govt. of India has sanctioned an amount of Rs. 1263.46 Cr. (including PMA charges) for the state under DDUGJY Scheme. Similarly an amount of Rs. 526.69 Cr. has been sanctioned for State under IPDS Scheme.

### 9) FUTURE PROSPECTS & PLANS:

**HVDS Scheme:-** The High Voltage Distribution System scheme, as the name suggests has the great scope of T&D loss reduction by converting the existing LT network into HT network Efforts are being made to increase HT/LT ratio in terms of both line length & consumption accompanied by the respective network. The funds for this scheme are being made through company own sources and financing from Rural Electrification Corporation Limited (REC). REC has sanctioned HVDS scheme for feeders separation in Saraipali. Akaltara, Kawardha, Mahasamund & Sakti Division. In Saraipali division out of 58 feeders, 55 No. feeders have been completed & 3 Nos. feeders are under progress. Under Akaltara, Division 29 No. feeders are to be converted into HVDS system out of which work of all 29 feeders have been completed, under (O&M) Dn Kawardha out of 77 no feeder work in 24 no feeders have been completed. Work in 95 feeders of (O&M) Dn Mahasamund are under progress. The HVDS works in (O&M) Dn Sakti has been dropped.

**R-APDRP PART B:-** To reduce line losses in 21 towns (for which 19 DPR Sanction) having population more than 30000 a scheme worth Rs. 710.24 Cr. has been sanctioned for new 33/11 KV for line extension work, cable lying work, new Distribution transformers, shifting of meters



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outside consumer premises etc. Work of 17 town got completed, works of rest 4 Towns (2 DPR) are under progress and will be completed within time frame given by GoI.

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

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

### 10) IMPROVEMENT INITIATIVES:

As per the guidelines of CEA, CSERC and follow-on process of reforms referred in different sections of Electricity Act, 2003, various special initiatives have been taken by the management to improve the working efficiency and to provide better services to the consumers. Some of these are listed below:-

- Special drives have been taken and cent percent meterisation of all consumer categories with electronic meter towards accounting of their actual consumption has been achieved.
- Automatic meter reading system has been adopted and installed in all 2608 HT connection and 21919 Nos. LT Industrial & Non domestic connection having load 15 HP and above till March, 2017 for improvement in billing efficiency which covered approx. 70% of total revenue of the Company.
- Replacement of Stopped / defective meter is being carried out regularly.



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- Total 21 No. Special courts have been constituted under section 153 of Electricity Act, 2003 in 21 district head quarters for the purposes of providing 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 regional head quarter. Raipur forum arranges redressal weekly camps at Durg & Rajnandgaon & fortnightly camp at Jagdalpur. Similarly, Bilaspur forum arranges fortnightly camps at Raigarh & Ambikapur towards quickly disposal of consumer grievances by providing closed approach for consumers.
- Towards improvement of collection efficiency & consumer services, total 117 nos. of ATP machines have been installed at different location of the State where the consumer can pay the bill round the clock. There is also a facility of online payment for internet users and duplicate bill can also be printed through this online system. Different modes of digital payment are Net Banking, Debit Card, Credit Card, RTGS, NEFT, UPI, Wallets, Paypoints centers and common service center.
- Improvement in operation efficiency has been achieved through implementation of SAP ERP in different modules like Material Management, Finance & Control Management, Human Resource Management, Billing, Customer Relationship Management and Maintenance System. Owing to this, it is now possible to monitor the implementations of schemes/projects along with module specific information's at circle level, regional level & head office level etc.
- Chhattisgarh is the first state in the country where Distribution Company has adopted implementation of SAP (ERP) System with Billing (ISU) module.
- Centralised call center has been established in Raipur for providing Customer Care Services to electricity consumers of entire CG State including 22 major towns of the state under R-APDRP Scheme. This center has been equipped with SAP-CRM ASPECT Software with IVRS facility. Any customer can contact this center 24\*7 by dialing easy to remember Toll-free No. 1912 from landline or mobile of any telecom operator from anywhere within CG State. At this consumer can register any type of complaint related to supply of electricity, Billing etc. and can query about any CSPDCL Service or can enquire about the status of their complaint.



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CSPDCL internet website [www.cspdcl.co.in](http://www.cspdcl.co.in) is enriched with all mandatory customer care services like Online Bill Payment, 24 months Billing Information, 24 months Payment Information, Online Complaint, Online Application for load Change, Name Change, Tariff Change etc.

CSPDCL has provided all possible payment services to its electricity consumers like online bill payment through Net Banking, Credit Card, Debit Card, UPI, Bharat Bill Payment, 117 Nos. Bill Payment Kiosk ATP Machines, 1700 Pay Point Centers, 9100 Common Service Centers, 324 POS Machines.

## 11) 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.

## 12) TRANSFER TO RESERVES:

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

## 13) 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 & their relatives of the Company within the meaning of Section 73 of the Companies Act, 2013, Clause 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.

## 14) DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per provisions of the Articles of Association of the Company, all the Directors hold the office at the pleasure of the Government of Chhattisgarh. Further, as per various orders issued from time to time by the Energy Department, Govt. of Chhattisgarh, the following changes have taken place in the constitution of the Board of Directors of the Company since the date of previous Director's Report (F.Y. 2015-16):-

SL. NO.	PARTICULARS	EFFECTIVE DATE
1.	Cessation of Shri Anoop Kumar Garg from the Directorship of the Company.	30.06.2017



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2.	Appointment of Shri Siddharth Komal Pardeshi, IAS as Nominee Director of the Company in place of Shri N. Baijendra Kumar, I.A.S.	06.10.2017
3.	Cessation of Shri Shashi Bhushan Agrawal from the Directorship of the Company..	07.09.2017
4.	Appointment of Smt. Tripti Sinha as Nominee Woman Director of the Company.	24.07.2018
5.	Cessation of Shri Shivraj Singh, IAS (Retired) from Chairmanship of the Company.	15.12.2018
6.	Appointment of Shri Gaurav Dwivedi, IAS as Nominee Director of the Company in place of Shri Siddharth Komal Pardeshi, IAS.	25.01.2019
7.	Appointment of Shri Shailendra Kumar Shukla as Chairman of the Company.	29.01.2019
8.	Cessation of Shri Ankit Anand, IAS from the Managing Director of the Company	05.02.2019
9.	Appointment of Shri Mohammed Qaiser Abdul Haque, IAS as Managing Director of the Company.	07.02.2019

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

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Shailendra Kumar Shukla	Chairman & Nominee Director
2.	Shri Amitabh Jain, I.A.S.	Nominee Director
3.	Shri Gaurav Dwivedi, IAS	Nominee Director
4.	Shri Mohammed Qaiser Abdul Haque, IAS	Managing Director
5.	Shri Smt. Tripti Sinha	Nominee Director
6.	Shri G. C. Mukherjee	Whole-time Director
7.	Shri H. R. Narware	Whole-time Director

Further, the following changes have taken place in the Key Managerial Personnel of the Company since the date of previous Director's Report (F.Y. 2015-16):-

SL. NO.	NAME OF KEY MANAGERIAL PERSONNEL	EFFECTIVE DATE
1.	Cessation of Shri Ankit Anand, IAS from the Managing Director of the Company	05.02.2019
2.	Appointment of Shri Mohammed Qaiser Abdul Haque, IAS as Managing Director of the Company.	07.02.2019



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3.	Cessation of Ms. Neha Gyanchandani from the post of Whole-time Company Secretary of the Company.	31.05.2018
4.	Appointment of Shri Arun Mishra as Whole-time Company Secretary of the Company.	13.08.2018

As a result, 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 Mohammed Qaiser Abdul Haque, IAS	Managing Director
2.	Shri Sandeep Modi	Chief Financial Offer
3.	Shri Arun Mishra	Company Secretary

## 15) DECLARATION BY INDEPENDENT DIRECTOR:

Since, the Company has not 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.

## 16) 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.





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### 17) NUMBER OF MEETINGS OF THE BOARD:

Seven (7) Board Meetings were held during the Financial Year ended March 31<sup>st</sup>, 2017.

### 18) AUDIT COMMITTEE :

As on 31<sup>st</sup> March, 2017, the Audit Committee of the Company comprises the following directors:

SL. NO.	NAME OF HON'BLE DIRECTOR	DESIGNATION
1.	Shri Amitabh Jain, I.A.S.	Non-Executive Director
2.	Shri N. Baijendra Kumar, I.A.S.	Non-Executive Director
3.	Shri Ankit Anand, I.A.S.	Executive Director

There is requirement of Independent Directors in the Audit Committee under the provisions of section 177 of the Companies Act, 2013. However, the Company has not complied the above provision of the Companies Act, 2013. As stated in point no. 1, after appointment of Independent Directors by the Govt. of C.G., the Company shall re-constitute Audit Committee.

### 19) NOMINATION & REMUNERATION COMMITTEE:

There is requirement of Independent Directors in the Nomination & Remuneration Committee also. As stated in point no. 1, after appointment of Independent Directors by the Govt. of C.G., the Company shall constitute Nomination & Remuneration Committee.

### 20) CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Company is required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. As stated in point no. 1, after appointment of Independent Directors by the Govt. of C.G., the Company shall constitute CSR Committee.

Further, the Company is having average net loss during the immediately preceding three financial years i.e. 2015-16, 2014-15 and 2013-14. As a result, the Company was not required to spend any amount on CSR activity during the financial year 2016-17. The Report on CSR



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Activities for the financial year 2016-17 in compliance with Section 135 of the Companies Act, 2013 is annexed herewith as an **Annexure-‘A’**.

### 21) **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. Further, the Company is in the process of formulating Risk Management Policy.

### 22) **STATUTORY AUDITOR:**

M/s Pandey & Co., Chartered Accountants, Raipur have been appointed as Statutory Auditor of the Company by the Comptroller and Auditor-General of India (CAG) for the financial year 2016-17.

### 23) **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 2016-17 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 2016-17 are enclosed herewith as **Annexure – “C”**.

### 24) **REPORTING OF FRAUD:**

The Statutory Auditor of the company has not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further the AG auditors during their conduct of supplementary audit has reported misappropriation/embezzlement by employees of the company of cheques collected from consumer against monthly electricity bill amounting to Rs.18.27 Lakh. However no details regarding the names of employees or office where such fraud has occurred has been provide by the AG auditors. Letter has been written to the Accountant General (Audit), Raipur requesting him to provide the details so that appropriate action may be taken in this regard.



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### 25) COST AUDITORS :

The Board of Directors of your Company, in its meeting held on 13<sup>th</sup> June, 2016, has appointed M/s S.N. & Co., Cost & Management Accountants, Raipur, as the Cost Auditor for audit of the Cost Accounting Records of your Company for the financial year 2016-17 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 2014-15 on 12.09.2018. The Cost Audit for the Financial Year 2015-16 and onwards is under process.

### 26) INTERNAL AUDITOR:

Your Company has appointed M/s. N.C. Mittal & Co., Chartered Accountants, Faridabad, Haryana, as Internal Auditor of the Company for financial year 2016-17 in compliance with the provisions of section 138 of the Companies Act, 2013.

### 27) SECRETARIAL AUDIT:

Your Company has appointed M/s S.G. Kankani & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year 2016-17 for conducting Secretarial Audit in pursuance of the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the F.Y. 2016-17 furnished by the Secretarial Auditor is enclosed herewith as Annexure – “D”.

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

### 28) ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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



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## 29) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

## 30) SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

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

## 31) TRANSACTIONS WITH RELATED PARTIES:

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

## 32) MATERIAL CHANGES AND COMMITMENTS:

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

## 33) SIGNIFICANT AND MATERIAL ORDERS:

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

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

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

### a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	➤ <b>Laying of LT-AB cable in theft prone area:-</b> Power theft is main concern as it contributes higher T&D as well as AT&C losses thereby making the distribution company
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		<p>financially weak. Hence, the CSPDCL has taken various initiatives to restrain the direct/ indirect power theft in the State. To prevent the direct theft, 2347.3 KM AB Cables have been laid in theft prone areas in place to bare conductor during 2016-17 apart from RAPDRP/HVDS scheme.</p> <ul style="list-style-type: none"><li>➤ 42415 Nos. meters have been shifted from premises to outside premises at visible place for reduction of theft/malpractice &amp; easy approach for meter reading during 2016-17.</li><li>➤ Automatic Meter Reading system (AMR) has been installed in all 2608 HT connection in the state. Similarly 22215 AMR have been installed in LT Industrial &amp; non-domestic connection up to 31.03.2017. Further installation works of AMR have been awarded on LT connection having load above 15HP to 100HP is under progress.</li><li>➤ CSPDCL has installed 3 star &amp; 4 star rated distribution transformers 11389 Nos. during 2016-17 towards conservation of electrical energy.</li><li>➤ Installation of 11KV &amp; L.T. capacitor is most effective method of energy conservation &amp; reduction of T&amp;D losses. There are 474 nos. 11 KV capacitor bank of 491 MVAR capacity and 35322 Nos. LT capacitor having capacity 500.56 MVAR connected in circuit &amp; good in working condition installed in the state during FY 2015-16.</li><li>➤ Shifting of existing distribution transformer in load center is another effective measure for reduction of Distribution losses, 168 Nos. DT's have been shifted to load center during FY 2016-17.</li><li>➤ 72.50 KM HT line and 241.70 KM LT line conductor have been augmented by higher capacity of conductor during 2016-17 towards reduction of losses apart from R-APDRP works.</li><li>➤ <b>STN Work:</b> - Energy conservation has also been achieved through strengthening of sub-transmission line under the STN Scheme for which the provision of Rs. 240.00 Crore</li></ul>
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		<p>has been made. Out of the above, amount of Rs. 73.28 Crore has been invested for urban &amp; rural area of State during the reporting year 2016-17.</p> <p>➤ <b>Vigilance &amp; O&amp;M checking:-</b> To reduce the commercial loss, CSPDCL has created special vigilance checking cell in 15 circles &amp; 01 HT checking cell to curb theft and other irregularities (Malpractice). Details of category wise checking of connection during 2016-17 are tabulated here under:-</p> <table border="1"><tr><td>No. of direct theft detected</td><td>7491 Nos.</td></tr><tr><td>No. of malpractice cases observed</td><td>20649 Nos.</td></tr><tr><td>Amount billed (Rs in lac)</td><td>4532.89 lac</td></tr><tr><td>Amount recovered (Rs. in lac)</td><td>3058.12 lac</td></tr><tr><td>FIR lodged / written information given to police</td><td>2361 Nos.</td></tr><tr><td>No. of cases put-up to special court.</td><td>375 Nos.</td></tr></table>	No. of direct theft detected	7491 Nos.	No. of malpractice cases observed	20649 Nos.	Amount billed (Rs in lac)	4532.89 lac	Amount recovered (Rs. in lac)	3058.12 lac	FIR lodged / written information given to police	2361 Nos.	No. of cases put-up to special court.	375 Nos.
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FIR lodged / written information given to police	2361 Nos.													
No. of cases put-up to special court.	375 Nos.													
(ii)	the steps taken by the company for	Company has follows the RPO (Renewable Purchase obligation) as per guidelines issued by CSERC time to time.												



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	utilizing alternate sources of energy	CSPDCL has purchased Renewable Energy during FY 2016-17 against the target decided by CSERC which is tabulated as below:																									
		<table border="1"> <thead> <tr> <th rowspan="2">Sl. No.</th> <th rowspan="2">Particular</th> <th colspan="3">Obligation as per CSERC Regulation</th> <th colspan="2">Achievement</th> </tr> <tr> <th>Total Consumption</th> <th>RPO target in %</th> <th>RPO target in MU</th> <th>Unit Purchased in Mu</th> <th>Achievement in %</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Solor</td> <td rowspan="2">19162.52</td> <td>1.50%</td> <td>287.44</td> <td>290.66</td> <td>1.52%</td> </tr> <tr> <td>2.</td> <td>Non-Solar</td> <td>6.50%</td> <td>1245.56</td> <td>958.55</td> <td>5.00%</td> </tr> </tbody> </table>	Sl. No.	Particular	Obligation as per CSERC Regulation			Achievement		Total Consumption	RPO target in %	RPO target in MU	Unit Purchased in Mu	Achievement in %	1.	Solor	19162.52	1.50%	287.44	290.66	1.52%	2.	Non-Solar	6.50%	1245.56	958.55	5.00%
Sl. No.	Particular	Obligation as per CSERC Regulation			Achievement																						
		Total Consumption	RPO target in %	RPO target in MU	Unit Purchased in Mu	Achievement in %																					
1.	Solor	19162.52	1.50%	287.44	290.66	1.52%																					
2.	Non-Solar		6.50%	1245.56	958.55	5.00%																					
(iii)	the capital investment on energy conservation equipment's	Total capital investment on energy conservation work under various scheme approx Rs. 95 Cr. during 2016-17.																									

### b) Technology absorption

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	---
	(b) the year of import;	---
	(c) whether the technology been fully absorbed	---
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	---
(iv)	the expenditure incurred on Research and Development	Nil

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



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### 35) EXTRACT OF ANNUAL RETURN:

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

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

The Company has formed an internal complaint committee for Head Quarter offices and also issued necessary instructions to all field offices for constitution of internal complaint committees at Regional/Circle/Division/Sub-Division/Zone/DC offices. No case has been registered under the above act during the financial year 2016-17 under “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”

### 37) PARTICULARS OF EMPLOYEES :

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

### 38) HUMAN RESOURCES:

Employees are the most precious asset of an organization and favourable environment is necessary to encourage creativity, innovation and performance excellence amongst them. Your company has focused its efforts to enhance the capabilities of employees to develop competent, trained and multi- disciplinary human capital in CSPDCL so as to meet the challenging assignments. Your company strongly believes in achieving organizational excellence through human resources and follows “People First” approach to leverage the potential of its employees to fulfill its business plan.

### 39) INDUSTRIAL RELATIONS:

Employee relations in the Company continued to be cordial and harmonious during the year. Employees were encouraged to participate in the areas concerning their work conditions,





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welfare etc. The overall industrial relations scenario was peaceful governed by harmony and mutual trust.

### 40) SAFETY, HEALTH & ENVIRONMENT:

- Various guidelines have been issued time to time for carrying the job with safety standards. Installation /testing/ commissioning works have been done by taking measures as per Indian Electricity safety rules. Necessary safety tools have been provided to every Line man / technical staff. Regular safety- drill camps have been organized at each division level. Special training programme have also been organized to safeguard the man & material.
- There are 05 Numbers Departmental OPD dispensaries to nurture for their employees. In addition to departmental dispensary facility, CSPDCL has tie-up with other Govt. / Private recognized & reputed state/ inter-state super specialty hospitals for chronic/ critical medical cases and the employees get reimbursement facility for their hospitalization on the basis of referrals.
- Pleasant environment has been maintained by conducting the different games. Some of the departmental employees have played even at inter-State / National level by the motivation & continuous encouragement and won the national championship trophy. Employees get the reward/honors for their splendid job by the top management at the time of national festivals.

### 41) VIGILANCE MECHANISM:

The Board of Directors of M/s Chhattisgarh State Power Holding Company Limited, the Holding Company of the Company, in its meeting held on 13<sup>th</sup> June, 2016, has approved the Vigilance Manual in compliance with the provisions of section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and also decided to implement the same in all Chhattisgarh State Power Companies including our Company.

### 42) ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support received from Central Government, Govt. of Chhattisgarh, Chhattisgarh State Electricity Regulatory Commission, Chhattisgarh



## CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

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State Power Companies, bankers, various Government Authorities, employees, customers, suppliers and other business associates.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SHAIENDRA KUMAR SHUKLA)

CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)

PLACE: RAIPUR (C. G.)

DATE: 22.06.2019



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### ANNEXURE – ‘A’

#### REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1.	A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company is required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. As stated in point no. 1, after appointment of Independent Directors, the Company shall constitute CSR Committee.
2.	The composition of the CSR committee	
3.	Average net profit of the company for last three financial years.	Rs. (1816.80/-) Lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Nil
5.	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year	Not Applicable
(b)	Amount unspent, if any	Not Applicable
(c)	Manner in which the amount spent during the financial year	As per <b>Annexure-A</b>
6.	In case of the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	Not Applicable



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## ANNEXURE-A: ANNUAL REPORT ON CSR ACTIVITIES

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)  
DATE: 22.06.2019

  
(SHAIENDRA KUMAR SHUKLA)  
CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)



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**ANNEXURE – ‘B’ TO THE DIRECTORS’ REPORT  
MANAGEMENT REPLY  
TO  
STATUTORY AUDITORS COMMENTS THERETO  
ON THE FINANCIAL STATEMENTS OF THE COMPANY**

<b>PARTICULARS</b>	<b>REPLY OF THE MANAGEMENT</b>
<b>AUDITORS REPORT</b>	<b>MANAGEMENT REPLY</b>
Major comments and observations based on our audits which in our opinion are significant and required provisions in the financial statements in certain cases mentioned herein. The net aggregate impact of non-provision on the loss for the year and/or on the assets/liabilities and also there are cases as stated in para below wherein the quantum of impact though material is unascertainable. The distinguished reasons have been mentioned in our note below:	The auditor’s comments on sub paras (a),(b),(c),(d),(e),(f),(g),(h),(i),(j) & (k) have been discussed below in detail.
<b>(a) Impairment of Assets</b> The Company has stated in Para of 'Significant Accounting Policies' that the impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired as per Ind AS 36. The company has formed a committee to assess the impairment loss incurred if any, the committee is in the process of collecting information from the various field offices, for which various asset wise formats have been circulated to the field office for providing information. However in the absence of techno economic assessment, we are unable to comment on the effect of the same on the Financial Statements of the Company.	The auditor’s comments represent the factual position; the company has formed a committee to assess the impairment loss incurred if any. Further the committee is in the process of collecting information from various field offices. Report from committee on impairment of Assets if any is awaited.
The CWIP of Rs. 2051, 66, 09,281/- as at 31st March, 2017 include additions in CWIP which may not be capitalized and need to be impaired. Management should recognize those additions and account for the impairment loss, if any. However, we are unable to obtain sufficient and appropriate information regarding the same to determine impairment loss as required by Ind AS 36.	The report of Committee is still awaited as soon as the findings of the committee is received appropriate action on impairment of CWIP is required shall be taken.



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<p><b><u>(b) Cash System of Accountings For Surcharge-</u></b> Company has adopted Cash System of accounting for delay payment surcharge from Indian Railways during the financial year 2016-17, which in our opinion is not in accordance with the accrual concept; the same should be recognized to curb the uncertainty.</p>	<p>The company has adopted Cash System of accounting for delay payment of surcharge from Indian Railways during the financial year 2016-17, as the amount of surcharge to be collected from Indian Railway is under dispute and the chances of collection is remote therefore the same is being accounted for on cash basis. Further accounting for surcharge on mercantile basis would inflate the profit or reduce the losses, whereas the chance of getting it materializing is very remote.</p>
<p><b><u>(c) Bank Reconciliation</u></b> Bank balances as per Financial Statement of the Company as at 31.03.2017 are reconciled with balances at banks except for the following Regional Accounting Offices RAOs);</p> <ul style="list-style-type: none"><li>• AMBIKAPUR RAO,</li><li>• JANJGIR-CHAMPA RAO,</li><li>• RAIPUR-I RAO and</li><li>• RAIPUR-II RAO.</li></ul> <p>The company is in the process of reconciling bank balances in books of accounts with that in the banks.</p>	<p>The company is in the process of reconciling the balances of banks of the mentioned RAO's. Further the position has improved during the financial year 2017-18 and except some collection banks accounts reconciliation backlogs of all RAO's has been completed.</p>
<p><b><u>(d) Identification of Micro. Small and Medium Enterprises as defined under MSMED Act.2006.</u></b> 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 (MSMEDA). However, the same is not been able to be implemented successfully; hence this leads to non- identification of vendor enterprises into Micro or Small or Medium Enterprises.</p>	<p>The company has manual system for identification of enterprises qualifying under the definition of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Each and every bill pertaining to Small and Medium enterprises vendors is manually marked MSME and is passed accordingly within the stipulated time period.</p>
<p><b><u>(e) Deemed Deposits under Companies Act 2013</u></b> As per the information provided to us, the company has not maintained age wise details (ageing schedule) of Sundry Creditors, Sundry Debtors and advances, thus we are unable to comment on Deemed Deposits as per Sec 73 to 76 of Companies Act 2013.</p>	<p>Age wise report of debtors is available in SAP system and was also provided to the Auditors. However, Age wise report of Creditors is not available in SAP system. Deemed deposits as per section 73-76 is applicable only for sub clause (a) &amp; (c) of clause XII of Rule 2 of</p>



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	Companies (Acceptance of Deposits) Rule, 2014. The sub clause (c) does not require age wise details of security deposit. The sub clause (a) requires age wise details of advances for more than one year. The same will be provided to the audit next year.
<b>(f) Internal Audit</b> As per section 138 of companies Act 2013 read with Rule 13 (1) (a) of Companies (Accounts) Rules, 2014 every prescribed company shall be required to appoint an Internal auditor. Though the company has appointed an Internal Auditor but the Internal Audit Report for the Financial Year 2016-17 is yet to be submitted.	M/s Mittal and Company, Faridabad have been appointed as Internal Auditor for FY 2016-17. Major portion of audit i.e. revenue audit, power purchase audit etc has been completed and the related finding has been submitted by the internal auditor s and has been shown to the statutory auditors during the course of audit, however the final summary Internal Audit report was yet to be submitted by the Internal Auditors.
<b>(g) Investment</b> As mentioned in note no. 6 to the Financial Statements, the investment of Rs. 60,00,000/- held by the company are in the name of Chhattisgarh State Board (CSEB).	The Investment of Rs.60,00,000/- has been allocated to CSPDCL during the bifurcation of assets and liabilities of the erstwhile CSEB, Further the investment is shown in the books of CSPDCL and the interest income received is shown in Profit & Loss account of the company, it is also to be mentioned that the investment has matured and amount has been realised on 26.03.2019 and shall be accounted for in FY 2018-19.
<b>(h) Government Grant and consumer contribution for PPE.</b> As per Ind AS 20 Government Grant and consumer contribution are not amortized on deferred basis in line with related asset for which grant /contribution was received.	The Government Grant and consumer contribution are amortized in accordance with the asset capitalized during the year, however due to the number and nature of asset it is not possible to correlate and have a one to one relation between the contribution and assets developed.
<b>(i) Issued and paid up capital</b> As mentioned in note no. 14 to the Financial Statements, the issued and subscribed capital of the company has changed as the result of notification of	CSPHCL has considered these as investment, and after notification, company has reduce their investment in the Company. Accordingly no compliance is required for the same.



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<p>Government of Chhattisgarh no. 1816/F-21/13/13-2/2014 dated 17.07.2017. The revised issued and subscribed capital is Rs.1780.96 crore resulting a difference in the opening share capital of Rs 41.27 crore. The adjustment entry of the same is passed by the holding company but the statutory compliance as required by MCA or Registrar has not been complied and no certification has been taken from company secretary in this regard.</p>	
<p><b><u>j. Cash flow Statement</u></b></p> <p>Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. Cash Flow Statement as prepared by the company has wrong classification of the financial and operating activities. Items in Cash Flow Statement are disclosed by taking net effect of increase or decrease in those items, which should be separately disclosed by the company as required by the Ind AS 7 "Statement of Cash Flows". TDS, TCS and Profit or loss on sale of Fixed Assets is not separately recorded in preparation of Cash Flow Statement.</p>	<p>The auditor's comments represent the factual position as the accounts as been already signed by the person authorized by board of directors and the Statutory Auditors correction cannot be made in the reporting year, further the same has been taken care of during the preparation of account of FY 2017-18.</p>
<p><b><u>k. Assets held for sale</u></b></p> <p>Company has not classified the non-current assets (or disposal group) as Held for Sale as required by Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. There are non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use, which qualify to be disclosed as assets held for sale.</p>	<p>As per Ind AS 105 - The objective of this Indian Accounting Standard (Ind AS) is to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations. In particular, this Ind AS requires: (a) assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and (b) assets that meet the criteria to be classified as held for sale to be presented separately in the balance sheet and the results of discontinued operations to be presented separately in the statement of profit and loss.</p> <p>The assets held by the company unlike any other manufacturing or trading concern</p>





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cannot be distinguish form each other assets and cannot be termed as a separate block of assets which are held separately as a result of discontinued operations as the operation performed by the company is of continuous perpetual nature. The unusable assets which has to be discarded due to were and tear or due to change in technology are immediately replaced by the some other assets as the operation of the company is still continued. Further the sale proceed of the discarded assets is realized through sale in auction and is recorded as sale of scrap. Therefore Company has not classified the non-current assets (or disposal group) as Held for Sale sepeartely.



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<b>OTHER MATTERS</b>	
<p>a) Every public company which has paid up capital of 100 crore or more or turnover of 300 crore or more need to comply with the requirement of having at least of one woman director under section 149(1) of companies Act 2013. The Company does not have any woman director confirming the requirements under section 149(1) of Companies Act, 2013.</p>	<p>The Company is a Government of Chhattisgarh Undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Before the Independent Directors and Woman Director were appointed, the Board of Directors of the Company, at its meeting held on 10th July, 2015, decided to change the constitution of the Company from public limited company to private limited company and made a request to the Govt. of CG for the consent in this regard. In response to the above request, CS Power Companies have received permission from the Energy Dept., Govt. of C.G. vide its Order no. 3059/F-21/09/2015/13/2/E.D. dated 25.10.2016 for conversion of CS Power Companies. However, keeping in view the amendments in the Companies Act with regard to provisions for the appointment of Independent Director &amp; Woman Director and constitution of the Audit Committee and Nomination &amp; Remuneration Committee, the Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of CSPDCL, in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company. Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Independent Directors &amp; Woman Director.</p> <p>After appointment of Independent Directors, the Company shall constitute/re-constitute Audit Committee and Nomination &amp;</p>
<p>b) Every public company which has paid up capital of 100 crore or more or deposits or borrowings exceeding 50 crore need to comply with the requirement of having Nomination and Remuneration committee under section 178 (1) of Companies Act 2013. The Company does not have any Nomination and Remuneration committee.</p>	
<p>c) As per Sec 177 (1) of Companies Act,2013 read with Rule 6 and 7 of Companies (Meeting and Power of Board) Rules, 2014 deals with Audit Committee, as the Company do not have Independent Directors on its Board of Directors as required by Sec 177 of the</p>	



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<p>Companies Act,2013 consequent to which the Company could not comply with the statutory requirement in this regard.</p>	<p>Remuneration Committee.</p> <p>Further, Ms. Tripti Sinha has been appointed as Nominee Director on the Board of Directors of the Company w.e.f. 24th July, 2018. Accordingly, the requirement of Woman Director has also been complied with.</p>
<p>d) Section 204 (1) of Companies Act 2013 read with Rule 9 of Companies Rules, 2014 mandates Secretarial Audit for every Listed Company. Although the company has appointed Secretarial auditor for Secretarial audit but the Secretarial audit report has not been submitted.</p>	<p>The Company has appointed Secretarial Auditor for the financial year 2016-17, in its Board Meeting held on 1st December, 2017. It is to mention here that there is no time limit prescribed under the Companies Act, 2013 for appointment of Secretarial Auditor. There is only requirement of annexing Secretarial Audit Report with Board Report under Section 204 of the Companies Act, 2013. In view of the above, there is no non-compliance of the provisions of the Companies Act, 2013.</p>
<p><b>ANNEXURE TO AUDITOR'S REPORT</b></p>	
<p><b>PARA NO. I-</b> In respect of its fixed assets:</p> <p>a. The Company has maintained records of fixed assets. However, <i>voucher no. supplier Name, quantitative and situation wise details are not maintained in the fixed asset register.</i></p> <p>b. b) The management has explained that physical verification of fixed assets is a perpetual process undertaken at divisional and sub-divisional level. <i>As the relevant records for the physical verification were not produced before us for our review, we are not in a position to comment thereon</i></p> <p>c. c) The company possesses land received from MPSEB wherein records were not handed over, for re-organization of erstwhile MPSEB due to non-traceability; <i>hence we are not in a position to comment thereon.</i></p>	<p>(a) The fixed assets register maintained at H.O. on the basis of information available in the SAP system. As due to limitation of the system and voluminous number of component in a asset, the quantitative details are not available in the fixed assets register maintained at H.O. However, detail quantitative details of assets are maintained at respective division and sub division offices.</p> <p>(b) Due to time constraint information from field offices were not received at the time of audit. However, the same shall be taken care of in future.</p> <p>(c) The auditor statement represents the factual position and doesn't require any comment.</p>
<p><b>PARA NO. II -</b> In respect of its inventories:</p>	



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<p>a) As per information and explanation given to us, physical verification of inventory is a perpetual process undertaken at stores</p> <p>b) <i>The relevant records for the physical verification were not produced before 'us for our review, hence we are not in a position to comment thereon</i></p> <p>c) As per information and explanation given to us, the company is maintaining proper records of inventory and discrepancies, if any, found during the course of physical verification has been properly dealt with by the management.</p>	<p>(a) The auditor statement represents the factual position and doesn't require any comment.</p> <p>(b) The detail records of physical verification are maintained at store offices. Due to time constraint all physical verification report were not received at the time of audit. However, the same shall be taken care of in future.</p> <p>(c) The auditor statement represents the factual position and doesn't require any comment.</p>
<p><b>PARA NO. VII - In respect of statutory dues:</b></p> <p>a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date of becoming payable.</p> <p>b) Dues of CSPDCL for Custom Duty, Wealth Tax, Service Tax and Cess, which have not being deposited on account of dispute are as under:</p> <p>i. In respect of Income Tax Act, 1961</p>	<p>(a) The auditor's comment represents the factual position and does not require any comment.</p> <p>(b) (i) The status of the cases has already been mentioned in the auditors' comments and is self explanatory and does not require any comment.</p>



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Sl. No.	Assessment Year	Gross disputed Tax Liability in Crores	Unpaid Tax Liability in Crores	Authority before which case is pending	Further necessary disclosure has already been made in the notes to account of the company during the reporting financial year.
1	2003-04	277.38	144.81	Pending before Hon'ble High Court of Chhattisgarh & Appellate Tribunal (ITAT), Mumbai	
2	2006-07	373.36	246.60	Income Tax Appellate Tribunal (ITAT), Mumbai has passed order in favour of CSEB. However, jurisdictional Assessing Officer has wrongly interpreted the above factual and legal position and also the orders of CIT (Appeal) and ITAT, and has assessed the income at Rs. 840.75 Crore & served a demand notice of Rs. 269.60 crore in the matter. The appeal filed against above demand notice	



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				before CIT (Appeal) has been dismissed. The matter is pending before Appellate Tribunal.
	2008-09	92.19	-	The matter is pending before CIT (A) / ITAT.
	2009-10	266.49	-	

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

b. The company through the online system of Income Tax Department has retrieved that an amount of Rs. 4.71 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of Rs. 2.47 Crore against delay in short deduction/ short payment and the late fees including interest amounting to Rs.0.78 Crore The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

(b) As per 26AS there was a total tax liability of Rs7.67 Crores , the company has during the FY 2016-17 provided for Rs2.47 crore account of interest on payment u/s 201, late filing u/s 234E and Interest u/s 220(2) further the company has disclosed for the balance amount of Rs 5.21 crore as contingent liability in the notes to accounts and is in the process of obtaining necessary information from the decentralized offices for rectification of errors on account of short payment and short deduction of tax and interest there on if required and shall provide for in the accounts if required after due appraisal on case to case basis.



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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

### ii. In respect of Value Added Tax

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

(ii) The status of the cases has already been mentioned in the auditor comments and is self explanatory and does not require any comment. Further necessary disclosure in this regard has been made in notes to account of the company.



# CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

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			Rs. 1.03 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company is in the process of filing appeal before Vanijya Kar Tribunal.	
3.	2012-13	86.65	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs.12.99 lacs on 08-08-2017 & filed an appeal before first appellate authority i.e. Dy Commissioner (Appeal).	
<p><b>PARA NO. (X)-</b>            During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, such frauds has been noticed or reported.</p> <p>The company has filed various cases in High Court of Bilaspur against Pankaj Kumar Kela &amp; Ano. Regarding payment to contractor has been made with forged Signature of Executive Engineers of various Division of CSPDCL. The following cases are pending before the court for disposal.</p>				<p>PARA No. (X)- The status of the cases has already been mentioned in the auditor comments and is self explanatory and does not require any comment. Further necessary disclosure in this regard has already been made in the notes to accounts of the company</p>
Case No.	Financial Involvement	Brief Description of the case		





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WP (Cr) No. 38/201 6	Rs. 149.79 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jagdalpur, EE Bijapur, & EE Kondagaon Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 289/20 16	Rs. 38.67 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Bilaspur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 22/201 6	Rs. 4.08 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Korba Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition



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WP (Cr) No. 23/201 6	Rs. 107.91 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Champa Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 154/20 16	Rs. 66.19 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jashpur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)

DATE: 22.06.2019

  
(SHAILENDRA KUMAR SHUKLA)  
CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)



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## ANNEXURE "C" TO THE DIRECTORS' REPORT MANAGEMENT REPLY

TO

### COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG)

<u>PARTICULARS</u>	<u>REPLY OF THE MANAGEMENT</u>
<u>PARTICULARS</u>	<u>REPLY OF MANAGEMENT</u>
<b><u>A. COMMENTS ON PROFITABILITY</u></b>	
<b><u>STATEMENT OF PROFIT &amp; LOSS</u></b>	
<b><u>EXPENSES</u></b>	
<p><b>Other Expenses (Note 27) - ₹ 322.59 crore</b>            As per the State Electricity Board Transfer Scheme Rules, 2010 (31 March 2010) (Transfer Scheme), the Government of Chhattisgarh (GoCG) notified (29 October 2010) the opening Balance Sheets of its subsidiary Companies of erstwhile Chhattisgarh State Electricity Board (CSEB) on the basis of provisional Balance Sheet of erstwhile CSEB. Figures of these Balance Sheets were subject to changes based on audit by the Comptroller and Auditor General of India (CAG). After finalisation of audit of erstwhile CSEB, GoCG notified (17 July 2017) the final opening Balance Sheets of above-mentioned Companies.            Accordingly, the opening balances including equity of all the three successor Companies were changed significantly on the basis of final notification and the Company has to account for income of ₹ 4.55 crore in its accounts for 2016-17 towards amount to be recovered from Chhattisgarh State Power Holding Company on account of excess expenditure reimbursed in earlier years. However, the company has not accounted for the same in its financial statements.            This has resulted in understatement of Income and Current Assets by ₹ 4.55 crore and overstatement of Loss to the same extent.</p>	<p>The adjustment regarding the change in the equity ratio has been incorporated in the accounts of the company for FY 2017-18.</p>
<b><u>B. COMMENTS ON FINANCIAL POSITION</u></b>	
<b><u>BALANCE SHEET</u></b>	
<b><u>Current ASSETS</u></b>	
<p>(a) Inventories (Note No. 11) Rs. 184.51 crore.            2. The above has been understated by Rs 2.47 crore due to excess provision of ₹ 9.50 crore against</p>	<p>The audit has pointed the factual position the provision has been made excess by Rs 2.47</p>



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<p>shortage of material pending for investigation valuing ₹ 7.03 crore during the year 2016-17. This has resulted in understatement of inventories and consequent overstatement of loss to the extent of ₹ 2.47 crore.</p>	<p>crore and necessary correction entry has been made in the accounts of FY 2017-18.</p>
<p><b>Financial assets</b> <b>Cash and cash equivalents (Note.13) ₹214.41 crore</b> 3. The above includes ₹ 18.27 lakh pertaining to cash recoverable from employees of the Company for misappropriation/ embezzlement of cheques collected from consumers against Monthly electricity bills. This has resulted in overstatement of Cash and cash equivalents and Understatement of receivable from employees by ₹18.27 lakh.</p> <p>Further, embezzlement/ misappropriation case has not been disclosed in the notes to accounts.</p>	<p>The Audit has not specified the details of office where the embezzlement of cheques has occurred or name or details of the person involved. More over as per information gathered from various RAO's during the course of preparation of accounts no such embezzlement has been reported. Further a letter has also been sent to AG office Raipur, requesting them to provide on the details so that necessary entries if required may be passed in FY 2017-18.</p>
<p>4. The above includes ₹ 40.62 crore being the amount of cheques recorded on receipt side of the Company's cash books towards payment of monthly energy bills by consumers but these cheques were not credited to Company's Bank accounts for periods exceeding three months to four years and not written back as trade receivables.</p> <p>This has resulted in overstatement of Cash and cash equivalents and understatement of Trade receivables by ₹ 40.62 crore.</p> <p>Further, Statutory Auditor also failed to report unreconciled cash balances.</p>	<p>The Audit has not provided the details of dishonored cheques amounting to ₹ 40.62 crore therefore it would not be possible to comment on the matter. Further in the BRS of some of the Banks at RAO Raipur-I&amp;II, Jangir-Champa and Ambikapur are in the process and has not been reconciled to date. The same has been reported by the statutory auditor in his report. It is also to be mentioned that it would be incorrect to say that all the cheques that are shown in the reconciliation statement which are more than 3 months old had expired and could not be realized, as there may be various reasons for which the same could not be realized inspite of the fact the amount has been credited to the account of the company. More over the company have requested the AG offices vide letter no. 1732 date 29.05.2019 to provide the details so that appropriate accounting treatment could be done in the books of the company.</p>
<p><b>Equity and Liabilities</b> <b>Current liabilities</b> <b>Financial Liabilities</b> <b>Other financial liabilities (Note 17)</b></p>	



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<p><b>Inter Company Payable Account</b>  <b>Chhattisgarh State Power Generation Company Limited - 'Nil'</b></p> <p>5. An amount of ₹ 5.13 crore, payable to CSPGCL against supply of power transformers" has been wrongly included under Trade payables. This has resulted in understatement of Current liabilities - Other financial liabilities and overstatement of Trade payables to the extent of ₹ 5.13 crore.</p>	<p>There is only change in classification of Liability and no impact on the Profit and Loss of the company. Reclassification as suggested by the audit has been made in the accounts of FY 2017-18.</p>
<p><b>C. Comments on Disclosure</b></p> <p><b>Notes to Financial Statements</b></p> <p>6. The disclosure regarding guarantee provided by the State Government for repayment liability and interest payment liability for loans availed by the Company has been given in Note 12 of the financial statements. However, fact that the above mentioned guarantees was provided by State Government in lieu of reimbursement of company's claim against supply of free electricity to the consumers of agricultural pumps under Krishak Jeewan Jyoti Yojna and to the Below Poverty line (BPL) consumers of the State, was not disclosed.</p>	<p>CSPDCL claims reimbursement from the state governments largely on account of free supply to agriculture consumers up to 5HP and Below Poverty Line (BPL) consumers. The Claim is actually the reimbursement of free supply to agriculture consumers up to 5 HP and BPL consumers (having single light point) made by CSPDCL as per the Scheme approved by the state government. CSPDCL bills this claim to state government on monthly basis and the majority of the amount is received regularly within the year and balance if any at the end of the first quarter of the subsequent year. However as suggested by audit the receivable from state government is being shown separately in the financial of FY 2017-18.</p> <p>Further disclosure regarding amount receivable from state government towards 5 HP agriculture Pump consumer and BPL consumer as well as amount borrowed from PFC, REC and UBI on government guarantee against the receivable has been disclosed in the Note No.12 of notes to accounts.</p>
<p>7. The disclosure in respect of revenue grants from Government as required by paragraph 39 of Ind AS 20 was not disclosed in the financial statements.</p>	<p>The revenue grant of Rs.700.00 Crores received by the company from the state government is as per the budget allocation made by the State Government to provide relief to the consumer and as no specific</p>



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	<p>condition is attached to it for fulfillment no disclosure has been made. Further the company also receives fund form the State Government for supply made the BPL and Agricultural Consumer which is booked as income from operation and the share of government is booked as debtor's receivable. Further disclosure regarding capital grant has been made in Note No.2.16 of notes to accounts in the reporting financial year.</p>
<p><b>Significant Accounting Policies</b> 8. The change in accounting policy regarding accounting treatment of assets created under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGCVY) has not been disclosed in the notes to accounts in violation of requirement of Ind AS - 8 (Accounting policies, Changes in Accounting Estimates and Errors)</p>	<p>Audit has stated the factual statement. The account of FY 2016-17 has been prepared in accordance with the new accounting standard Ind AS. The schedule of assets i.e. Property, Plant and Equipment (PPE) for the FY 2016-17 does not contains assets pertaining to assets formed under the RGGVY scheme, however as the report of FY 2016-17 contains comparative figures of FY 2015-16 in which assets formed under RGGVY were shown separately, the disclosure of the same was required to be made.</p>
<p><b>Revenue Recognition (Accounting Policy No 2.4)</b> 9. The above accounting policy do not include policy on recognition of revenue from deposit works in violation of paragraph 35 of Ind AS 18.</p>	<p>Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. However as desired a distinguish policy for recognition of revenue from deposit work has been framed and incorporated in the financial year FY 2017-18.</p>
<p><b>D. Comments on Independent Auditor's Report</b> 10. As per requirement of the Section 143 (5) of the Companies Act, 2013, the Statutory Auditors are required to enclose with their report, a report on Directions/Sub-directions issued by the Comptroller and Auditor General of India. However, they failed to enclose sub- directions with their Report.</p>	<p>The Statutory Auditor has submitted the report on directions/ sub directions required U/s 143(5) of Companies Act, 2013</p>



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<p><b>E. Other Comments</b> <b>Statement of Changes Equity</b> 11. The statement of charges in equity was not signed by the competent authority which has resulted in non-compliance of provisions of Section 134 of the Companies Act, 2013 read with paragraph 10 of Ind AS-1.</p>	<p>The signature of the authorized person in the statement of equity has been omitted due to over site. The same shall be taken care while preparation and printing of accounts in FY 2017-18.</p>
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SHAIENDRA KUMAR SHUKLA)

CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)

PLACE: RAIPUR (C. G.)

DATE: 22.06.2019

# CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

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

## SECRETARIAL AUDIT REPORT

FINANCIAL YEAR 2016-17



SECRETARIAL AUDITOR  
**S G KANKANI & ASSOCIATES**

COMPANY SECRETARIES

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

☎ - 0771-4053769,

☎ - 75666-81980





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

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR 2016-17**

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

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

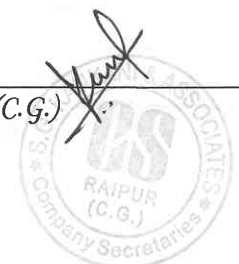
We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Chhattisgarh State Power Distribution Company Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder. We also report that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 in compliance of the provisions of:

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

We have also examined compliance with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 & Secretarial Standards issued by the Institute of Company Secretaries of India.





# S.G. KANKANI & ASSOCIATES

## COMPANY SECRETARIES

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

- a) There was no Independent Directors on the Board of Directors of the Company during the financial year 2016-17 as required under section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.
- b) There was no Woman Director on the Board of Directors of the Company during the financial year 2016-17 as required under section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.
- c) The Company has not constituted Nomination & Remuneration Committee during the financial year 2016-17 as required under Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
- d) The constitution of the Audit Committee is not in compliance with the provisions of the Companies Act, 2013 during the financial year 2016-17.
- e) The Company has not constituted Corporate Social Responsibility (CSR) Committee during the financial year 2016-17 as required under Section 135 of the Companies Act, 2013.
- f) The Financial Statements for the F.Y. 2015-16 of the Company have not been placed before the members of the Company within the time limit prescribed under the Companies Act, 2013.
- g) The Company have not yet filed Cost Audit Report with the Central Government for the Financial Year 2014-15 & 2015-16.
- h) There was some delay in compliance of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

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CSPDCL- SECRETARIAL AUDIT REPORT - FY 2016-17

69, 1<sup>ST</sup> FLOOR, MAHALAXMI CLOTH MARKET, PANDRI, RAIPUR - 492 004 (C.G.)

☎ - 0771 - 4053769, 75666-81980 (M) ✉ - sgkankani.cs@gmail.com





# S.G. KANKANI & ASSOCIATES

## COMPANY SECRETARIES

to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company. Keeping in view the above, a request has been made to the Govt. of C.G. for appointment of Independent Directors & Woman Director.

After appointment of Independent Directors, the Company shall constitute/re-constitute Audit Committee, Nomination & Remuneration Committee & CSR Committee. Further, Ms. Tripti Sinha has been appointed as Nominee Director on the Board of Directors of the Company w.e.f. 24th July, 2018. Accordingly, the requirement of Woman Director has also been complied with.

Further, regarding point no. (f), we have been informed that the Annual General Meeting of the Company for the Financial Year 2015-16 was held on 27th December, 2016 i.e. within the extended time limit granted by the ROC. However, due to delay in preparation, finalization and audit of financial statement of the Company, the Financial Statements for the financial year 2015-16 could not be placed before the members of the Company at the above AGM. Subsequently, the above Financial Statements for the F.Y. 2015-16 along with the comments of CAG were duly adopted by the members of the Company at their Annual General Meeting held on 1st December, 2017.

Further, regarding point no. (g), we have been informed that the Company has filed the Cost Audit Report for the Financial Year 2014-15 on 12.09.2018 and the filing of the Cost Audit for the Financial Year 2015-16 and onwards is under process.

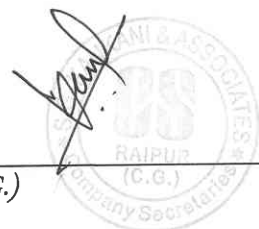
We further report that there were no actions/events in pursuance of:

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

requiring compliance thereof by the Company during the Financial Year.

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

We further report that the Board of Directors of the Company is duly constituted except appointment of Independent Directors & Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.





# S.G. KANKANI & ASSOCIATES

## COMPANY SECRETARIES

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

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

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

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

PLACE: RAIPUR (C.G.)

DATE: 22.06.2019

FOR, S.G. KANKANI & ASSOCIATES  
COMPANY SECRETARIES

  
(KAMLESH OJHA)

PARTNER

ACS NO.: 39476

CP NO. : 14660





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

ANNEXURE-A

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

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the financial laws, like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory audit and other designated professionals.
- 4) Where ever required we have obtained the representations about the compliance of laws, rules and regulation and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

PLACE: RAIPUR (C.G.)

DATE: 22.06.2019

FOR, S.G. KANKANI & ASSOCIATES  
COMPANY SECRETARIES

  
(KAMLESH JHA)

PARTNER

ACS NO.: 39476

CP NO. : 14660





# CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking) (A Successor Company of C.S.E.B.)

Regd. Office Address:- Vidhut Sewa Bhawan, 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

## **ANNEXURE "E" TO THE DIRECTORS' REPORT** **MANAGEMENT REPLY TO SECRETARIAL AUDITORS COMMENTS CONTAINED** **IN THEIR SECRETARIAL AUDIT REPORT**

S. NO.	PARTICULARS	REPLY OF THE MANAGEMENT
Para No. 5 Point (a)	There was no Independent Directors on the Board of Directors of the Company during the financial year 2016-17 as required under section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.	The Company is a Government of Chhattisgarh Undertaking and as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Before the Independent Directors and Woman Director were appointed, the Board of Directors of the Company, at its meeting held on 10th July, 2015, decided to change the constitution of the Company from public limited company to private limited company and made a request to the Govt. of CG for the consent in this regard. In response to the above request, CS Power Companies have received permission from the Energy Dept., Govt. of C.G. vide its Order no. 3059/F-21/09/2015/13/2/E.D. dated 25.10.2016 for conversion of CS Power Companies. However, keeping in view the amendments in the Companies Act with regard to provisions for the appointment of Independent Director & Woman Director and constitution of the Audit Committee and Nomination & Remuneration Committee, the Subsidiary Companies of CSPHCL have decided to retain the existing constitution of the Company i.e. "Public Limited". Accordingly, the Board of Directors of CSPDCL, in its meeting held on 16.10.2017, has decided to retain the constitution of the Company as Public Limited Company and to make a request to the Govt. of Chhattisgarh to appoint Independent Directors and Woman Director on the Board of Directors of the Company. Keeping in view the above, a request has
Para No. 5 Point (b)	There was no Woman Director on the Board of Directors of the Company during the financial year 2016-17 as required under section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.	
Para No. 5 Point (c)	The Company has not constituted Nomination & Remuneration Committee during the financial year 2016-17 as required under Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.	
Para No. 5 Point (d)	The constitution of the Audit Committee is not in compliance with the provisions of the Companies Act, 2013 during the financial year 2016-17.	
Para No. 5 Point (e)	The Company has not constituted Corporate Social Responsibility (CSR) Committee during the financial year 2016-17 as required under Section 135 of the Companies Act, 2013.	



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		<p>been made to the Govt. of C.G. for appointment of Independent Directors &amp; Woman Director.</p> <p>After appointment of Independent Directors, the Company shall constitute/re-constitute Audit Committee, Nomination &amp; Remuneration Committee &amp; CSR Committee. Further, Ms. Tripti Sinha has been appointed as Nominee Director on the Board of Directors of the Company w.e.f. 24th July, 2018. Accordingly, the requirement of Woman Director has also been complied with.</p>
Para No. 5 Point (f)	The Financial Statements for the F.Y. 2015-16 of the Company have not been placed before the members of the Company within the time limit prescribed under the Companies Act, 2013.	The Annual General Meeting of the Company for the Financial Year 2015-16 was held on 27th December, 2016 i.e. within the extended time limit granted by the ROC. However, due to delay in preparation, finalization and audit of financial statement of the Company, the Financial Statements for the financial year 2015-16 could not be placed before the members of the Company at the above AGM Subsequently, the above Financial Statements for the F.Y. 2015-16 along with the comments of CAG were duly adopted by the members of the Company at their Annual General Meeting held on 1st December, 2017.
Para No. 5 Point (g)	The Company have not yet filed Cost Audit Report with the Central Government for the Financial Year 2014-15 & 2015-16.	The Company has filed the Cost Audit Report for the Financial Year 2014-15 on 12.09.2018 and the filing of the Cost Audit for the Financial Year 2015-16 is under process.
Para No. 5 Point (h)	There was some delay in compliance of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.	Necessary measures being taken on sustained basis.
Para No. 13	The existing systems and processes in the Company for monitoring and ensuring compliance with applicable laws, rules,	Necessary measures being taken on sustained basis.



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regulations and guidelines should be further strengthened considering the size and operations of the Company.	
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)

DATE: 22.06.2019

(SHAIENDRA KUMAR SHUKLA)

CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)





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### ANNEXURE 'F'

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

#### I. REGISTRATION & OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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



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### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY –

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

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

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. (Govt. Co.)	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub – total (A) (1):</b>	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-



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



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

## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	M/s Chhattisgarh State Power Holding Company Ltd.	2263103172	100	-	2263103172	100	-	0%
2.	Shri Aman Kumar Singh (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	-	-	-	-	-	-
3.	Shri Sandeep Modi	10	-	-	10	-	-	-



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	(For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)							
4.	Shri Shivraj Singh IAS (Retd.) (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	-	-	10	-	-	-
5.	Shri G.C. Mukherjee (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	-	-	10	-	-	-
6.	Shri Ankit Anand, IAS (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	-	-	10	-	-	-
7.	Shri Amit Agrawal, IAS (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	-	-	-	-	-	-
8.	Shri N. Bajendra Kumar, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	-	-	-	10	-	-	-
9.	Shri Amitabh Jain, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	-	-	-	10	-	-	-
<b>TOTAL</b>		<b>2263103232</b>	<b>100%</b>	<b>-</b>	<b>2263103232</b>	<b>100%</b>	<b>-</b>	<b>0%</b>



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## C) Change in Promoters' Shareholding:

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

## D) Shareholding Pattern of top ten Shareholders:

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

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



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### E) Shareholding of Directors and Key Managerial Personnel:

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



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year -				
i) Principal Amount	5,218,626,809.87	1,863,488,499.96	-	7,082,115,309.83
ii) Interest due but not paid		165,682,720.38	-	165,682,720.38
iii) Interest accrued but not due	731,444,174.22		-	731,444,174.22
Total (i+ii+iii)	5,950,070,984.09	2,029,171,220.34	-	7,979,242,204.42
Change in Indebtedness during the financial year				
* Addition	3,528,095,277	47,609,965	-	3,575,705,242
* Reduction	602,001,123	1,086,105,866	-	1,688,106,989
Net Change	2,926,094,154	(1,038,495,901)	-	1,887,598,253
Indebtedness at the end of the financial year -				
i) Principal Amount	7,996,461,762.87	863,488,499.96	-	8,859,950,262.83
ii) Interest due but not paid		56,759,672	-	56,759,672
iii) Interest accrued but not due	879,703,375.22		-	879,703,375.22
Total (i+ii+iii)	8,876,165,138.09	920,248,171.96	-	9,796,413,310.05





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### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

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

SN.	Particulars of Remuneration	Name	Total Amount
		Shri Ankit Anand, Managing Director	
1	Gross salary	1,175,020	1,175,020
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit - others, specify...	-	-
5	Others (Reimbursement of medical & other	-	-
	<b>Total (A)</b>	<b>1,175,020</b>	<b>1,175,020</b>
	<b>Ceiling as per the Act</b>	-	-

#### B. Remuneration to other directors -

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



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

SN	Particulars of Remuneration	Key Managerial Personnel	
		SANDEEP MODI CFO	Total
1	Gross salary	2,724,282	2,724,282
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>2,724,282</b>	<b>2,724,282</b>



## CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking) (A Successor Company of C.S.E.B.)

Regd. Office Address:- Vidyut Sewa Bhawan, 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

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(SHAIENDRA KUMAR SHUKLA)

CHAIRMAN

DIN: 00106531

ADD: E - 2/12, OFFICERS COLONY,  
DEVENDRA NAGAR, RAIPUR (C.G.)

PLACE: RAIPUR (C. G.)

DATE: 22.06.2019



## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF CSPDCL

### Report on the Ind AS Financial Statements

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 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS Financial Statements').

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

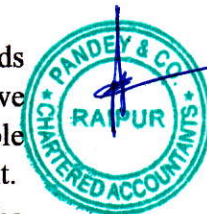
This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making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

### Auditor's Responsibility

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

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

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





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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Basis for Qualified Opinion**

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

#### **(a) Impairment of Assets**

- The Company has stated in Para of 'Significant Accounting Policies' that the impairment loss is charged to Statement of Profit and loss in the year in which an asset is identified as impaired as per Ind As 36. The company has formed a committee to assess the imparement loss incurred if any, the committee is in the process of collecting information from the various field offices, for which various asset wise formats have been circulated to the field office for providing information. However in the absence of techno economic assessment, we are unable to comment on the effect of the same on the Financial Statements of the Company.
- The CWIP of Rs. 20516609281/- as at 31st March, 2017 include additions in CWIP which may not been capitalized and need to be impaired. Management should recognize those additions and account for the impairment loss, if any. However, we are unable to obtain sufficient and appropriate information regarding the same to determine impairment loss as required by Ind AS 36.

#### **(b) Cash System of Accounting For Surcharge**

Company has adopted Cash System of accounting for delay payment surcharge from Indian Railways during the financial year 2016-17, which in our opinion is not in accordance with the accrual concept; the same should be recognized to curb the uncertainty.





**(c) Bank Reconciliation**

Bank balances as per Financial Statement of the Company as at 31.03.2017 are reconciled with balances at banks except for the following Regional Accounting Offices (RAOs);

- AMBIKAPUR RAO,
- JANJGIR-CHAMPA RAO,
- RAIPUR-I RAO and
- RAIPUR-II RAO.

The company is in the process of reconciling bank balances in books of accounts with that in the banks. However the bank balances in line with their books have been provided in Annexure-1 attached herewith this report.

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

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

**(e) Deemed Deposits under Companies Act, 2013**

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

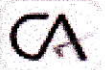
**(f) Internal Audit**

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

**(g) Investment**

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





**(h) Government Grant and consumer contribution for PPE**

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

**(i) Issued and paid up capital**

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

**(j) Cash Flow Statement**

Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. Cash Flow Statement as prepared by the company has wrong classification of the financial and operating activities. Items in Cash Flow Statement are disclosed by taking net effect of increase or decrease in those items, which should be separately disclosed by the company as required by the Ind AS 7 “Statement of Cash Flows”. TDS, TCS and Profit or Loss on sale of Fixed Assets is not separately recorded in preparation of Cash Flow Statement.

**(k) Assets held for sale**

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





**Other Matters**

- (a) The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31 March 2016 and 31 March 2015 dated 02 March 2017 and 23 Dec 2015 respectively expressed a modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.  
Our opinion is not modified in respect of above matter.
- (b) Every public company which has paid up capital of 100 crore or more or turnover of 300 crore or more need to comply with the requirement of having at least of one woman director under section 149(1) of companies Act 2013. The Company does not have any woman director confirming the requirements under section 149(1) of Companies Act, 2013.
- (c) Section 204 (1) of Companies Act 2013 read with Rule 9 of Companies Rules, 2014 mandates Secretarial Audit for every Listed Company. Although the company has appointed Secretarial auditor for Secretarial audit but the Secretarial audit report has not been submitted.
- (d) Every public company which has paid up capital of 100 crore or more or deposits or borrowings exceeding 50 crore need to comply with the requirement of having Nomination and Remuneration committee under section 178 (1) of companies Act 2013. The Company does not have any Nomination and Remuneration committee.
- (e) As per Sec 177 (1) of Companies Act, 2013 read with Rule 6 and 7 of Companies (Meeting and Power of Board) Rules, 2014 deals with Audit Committee, as the Company do not have Independent Directors on its Board of Directors as required by Sec 177 of the Companies Act, 2013 consequent to which the Company could not comply with the statutory requirement in this regard.

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







### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the comment under **Basis for Qualified Opinion above**, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2017, and its profit or loss (financial performance including other comprehensive income), and its cash flows and the changes in equity for the year ended on that date.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2017;
- (b) In the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirement**

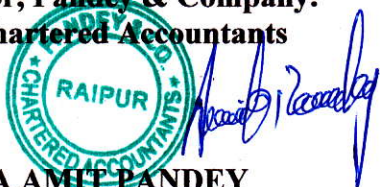
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered 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 2 on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, except for the effects/possible effects of the matters described in the basis for Qualified Opinion paragraph in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.





- (d) In our opinion, the aforesaid Ind AS financial statement does not comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanation given to us:
- (i) The Company has disclosed the impact of pending litigations as at 31 March, 2017 on its financial position in its financial statements.
- (ii) The Company has made provisions as at 31 March, 2017, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2017.
- (iv) The Company has not provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

**For, Pandey & Company.**  
**Chartered Accountants**



**CA AMIT PANDEY**

**(Partner)**

**Membership No.402377**

**Firm No. 000357C**

**Place: RAIPUR**

**Date: 01-SEP-2018**



## Annexure A to the Auditors' Report

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The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, 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 asset 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 for 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.
  - The relevant records for the physical verification were not produced before us for our review, hence we are not in a position to comment thereon.*
  - As per information and explanation given to us, the company is maintaining proper records of inventory and discrepancies, if any, found during the course of physical verification has been properly dealt with by the management.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee, and security and has not made any investment referred under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from Directors, Promoters their relatives and Inter Corporate deposits which are covered under Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.





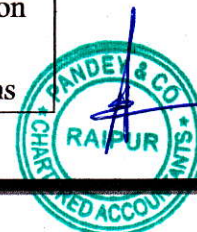
(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of section 148 of the Act, and are of the opinion that the cost audit records and report thereon have not been provided before us.

(vii) In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2017 for a period of more than six months from the date of becoming payable.
- b) Dues of CSPDCL for Custom Duty, Wealth Tax, Service Tax and Cess, which have not being deposited on account of dispute are as under:

i. In respect of Income Tax Act, 1961

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





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

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

ii. In respect of Value Added Tax

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





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

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

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

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

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

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





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

(xi) The Company is a State Government Company and accordingly the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable. Hence, paragraph 3 (xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations 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.





# Pandey & Co.

Chartered Accountants

Phone: +91 - 512 - 2312753, 2372914

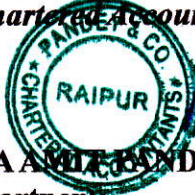
Telefax: +91 - 512 - 2532162

Email: [pandeycompany@gmail.com](mailto:pandeycompany@gmail.com)

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

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

For, Pandey & Company  
Chartered Accountants



*[Handwritten Signature]*

CA ANIL K. PANDEY  
(Partner)

Membership No. 402377

Firm No. 000357C

Place: RAIPUR

Date: 01-SEP-2018





## Annexure B to the Auditors' Report

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### **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 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, except as stated below, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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





**Pandey & Co.**  
Chartered Accountants

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

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

*Internal financial control for the conversion of capital work in progress into fixed assets has not been correctly reflected in the Accounting software, this has resulted in difference in the capitalization figures as disclosed in the financial statements and figures as shown in the Books of accounts maintained in the Accounting software.*

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

**For, Pandey & Comapny**  
**(Chartered Accountants)**



**CA AMIT PANDEY**  
**(Partner)**

**Membership No.402377**

**Firm No. 000357C**

**Place: RAIPUR**

**Date: 01-SEP-2018**

**CSPDCL  
Bank Balances:**

**ANNEXURE-1**

Sl. No.	Bus Area	Bank Account Number	Bank name	SAP code	Bank Balance as at 31.03.2016 (Amount in Rs.)	Balance as per CLBL as at 31.03.2016 (Amount in Rs.)	Bank Balance as at 31.03.2017 (Amount in Rs.)	Balance as per CLBL as at 31.03.2017 (Amount in Rs.)
1	31	554601010050393	Union bank of India	A100403	5,000.00	-1648324.33	272675	42577401.87
2	31	554601010050434	Union bank of India	A100435	29,65,588.25	1,18,381.00	7579414.06	182819
3	31	10905974664	State bank of India	A100401	1,53,005.52	-3,29,42,441.13	11834.33	-126766847.1
4	31	10905974675	State bank of India	A100410	50,59,738.02	11,66,59,812.98	4257250.52	116549943
5	31	77016339137	Chhattisgarh Rajya Gramin bank	A100404	9,98,299.00	-40,75,426.00	2469755	-16690673
6	31	1321686394	Central Bank of India	A100425	36,367.99	39,409.99	36367.99	39409.99
9	33	10102785159	State Bank of India	A100410	45,38,205.78	-46,25,10,140.49	2194278.28	-467039773.5
10	33	10102785160	State Bank of India	A100401	949	86,56,25,140.77	5467.64	803497078.7
11	33	619701010050117	Union Bank of India	A100435	1,70,17,379.00	-1,48,00,310.59	17244552	-14039308.59
12	33	619701010050112	Union Bank of India	A100403	5,72,42,609.00	-6,64,29,431.08	5270270	-128378277.8
13	33	77015042079	Chhattisgarh Rajya Gramin Bank	A100404	97,86,935.00	-1,04,90,799.00	12225151.67	1549578.67
14	33	58002100044864	Punjab National Bank	A100422	2,23,90,027.72	-39,70,57,649.05	10000	-432259081.5
15	33	Account Number Not Available	State bank of India	A100400	-	-1,03,335.00	0	0
16	35	31997768444	State bank of India	A100410	121778961		62699.25	86233545.66
17	35	31997767961	State bank of India	A100401	5,02,95,530.97	-1,00,02,46,758.36	10000	-1024670223
18	35	554701010050409	Union bank of India	A100435	2,97,08,139.74	4,29,20,991.80	6218978.24	21333085.8
19	35	554701010050455	Union bank of India	A100403	4,47,70,292.52	-5,10,63,432.41	100000	-255497405.8
20	37	10563772176	State bank of India	A100410	8,03,20,680.25	-43,89,772.19	10000	-4536425.57
21	37	496701010110341	Union bank of India	A100435	1,42,72,525.50	92,88,114.50	21594192.34	18707222.34
22	37	62305000604	ICICI Bank	A100412	76,16,098.00		2000	0
23	37	10563772165, 30166690230	State bank of India	A100401	21,000.00	-7,80,76,357.30	25848.02	-69639940.15
24	37	1654002100011460	Punjab national Bank	A100422	2,17,16,220.20	-9,41,45,933.60	532138	-129393722.8
25	37	496701010110316	Union bank of India	A100403	3,53,00,881.00	24,70,81,078.00	10000	188924523
26	37	77011355224	Chhattisgarh Rajya Gramin bank	A100404	7,36,888.00	-17,04,883.00	5000	-10739411
27	37	18605004832	ICICI Bank	A100438	36,68,664.00	6,02,299.40	29938842.85	38910962.83
28	45	10456193113	State bank of India	A100410	6,06,12,388.33	14,99,979.33	1132798.83	409543.83
29	45	2225002101000223, 222500210	Punjab national Bank	A100422	4,82,15,471.00	5,06,46,208.33	965.94	17012679.44
30	45	77013400345	Chhattisgarh Rajya Gramin bank	A100404	-	-10,99,274.00	1,86,53,460.75	6096709
31	45	327101010240924	Union bank of India	A100435	72,20,615.50	70,35,355.50	5989191.98	4672398.98



32	51	10822706347	State bank of India	A100410	3,95,01,202.41	-12,59,09,565.49	766786.91	-125838741.5
33	51	10822706358	State bank of India	A100401	9,370.12	-14,00,18,163.71	10000.97	-142886475.2
34	51	619401010050419	Union bank of India	A100435	71,99,456.00	10,44,998.00	14648139	1468146
35	51	619401010050310	Union bank of India	A100403	12,96,13,527.00	11,40,61,274.90	100000	160100208.4
36	51	10105006494	ICICI Bank	A100438	-	1,22,40,476.69	444334490	44433490.03
37	51	Account Number Not Available	ICICI Bank	A100412	-	25,196.00	21118777	0
38	51	Account Number Not Available	Punjab National Bank	A100422	-	-53,79,784.45	23547.99	-5379784.45
39	53	31729435275	State bank of India	A100410	-	-3,56,99,858.67	962349.75	26309868.41
40	53	6194010050417	Union Bank of India	A100435	69,05,619.00	54,69,523.00	13494325	3658546.34
41	53	16105006606	ICICI Bank	A100412	-	-	6516	14978968
42	53	31734745789	State bank of India	A100401	22,78,320.83	26,99,42,778.35	10000	822450034.2
43	53	619401010050311	Union bank of India	A100403	3,39,21,876.14	11,44,14,662.85	182360	59419409
44	53	77014174175	Chhattisgarh Rajya Gramin bank	A100404	5,13,71,363.00	3,98,73,312.50	4466561	-52061628.5
45	54	10564172349	State Bank of India	A100410	3,08,85,583.21	-7,58,05,508.57	1170205.96	-72278895.57
46	54	549401010050446	Union Bank of India	A100435	75,96,520.50	79,49,621.00	3185089.39	4173367
47	54	62405000714	ICICI Bank	A100412	65,08,597.00	-	6284331	0
48	54	10564172350	State Bank of India	A100401	39,043.07	-2,37,24,334.58	25764.24	-23926251.27
49	54	594901010050420	Union Bank of India	A100403	-	11,34,19,797.90	7769474	112095560.1
50	54	77013275379	Chhattisgarh Rajya Gramin Bank	A100404	1,44,49,713.00	89,23,066.00	3444371	-10009297



**ANNEXURE-2**

1. 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 2" on the directions and sub-directions issued by the Comptroller and Auditor General of India.

**Directions under section 143(5) of the Companies Act 2013 for the year 2016-17**

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



Chhattisgarh State Power Distribution Company Limited  
Balance Sheet as at 31st March, 2017  
All amounts are in INR unless otherwise stated

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	4	37,18,45,95,365	33,43,52,74,728	36,48,24,77,358
	(b) Capital Work in Progress		20,51,66,09,281	19,71,47,57,145	17,17,16,36,497
	(c) Other Intangible assets	5	1,18,30,000	2,95,75,000	4,73,20,000
	(d) Financial Assets				
	(i) Investments	6	60,00,000	60,00,000	60,00,000
	(ii) Loans	7	37,91,479	1,31,97,729	54,88,878
	(iii) Others financial asset	8	1,33,36,47,568	1,32,20,80,736	1,28,37,15,017
	(iv) Deferred tax assets (net)	9a	-	-	-
	(e) Non Current Tax Assets	9	2,81,74,90,304	2,79,81,51,707	2,69,22,58,255
	(f) Other non-current assets	10	41,30,88,202	72,73,43,859	68,95,88,658
	<b>Total Non - Current Assets</b>		<b>62,28,70,52,199</b>	<b>58,04,63,80,904</b>	<b>58,37,84,84,662</b>
2	<b>Current assets</b>				
	(a) Inventories	11	1,84,51,36,364	96,80,53,276	1,10,61,48,693
	(b) Financial Assets				
	(i) Trade receivables	12	45,99,54,24,259	23,08,08,73,965	17,95,65,70,727
	(ii) Cash and cash equivalents	13	2,14,41,14,915	4,62,60,85,880	1,21,93,94,772
	(iii) Bank balances other than (ii) above	13	5,67,21,046	7,08,21,046	48,08,21,046
	(iii) Loans	7	96,17,911	14,84,563	1,34,87,551
	(iv) Others financial asset	8	3,29,57,85,262	6,77,15,62,436	2,38,81,87,832
	(c) Current Tax Assets (Net)				
	(d) Other current assets	10	7,54,062	6,90,45,724	6,94,83,256
	<b>Total Current Assets</b>		<b>53,34,75,53,819</b>	<b>35,58,79,26,892</b>	<b>23,23,40,93,878</b>
	<b>Total Assets</b>		<b>1,15,63,46,06,018</b>	<b>93,63,43,07,795</b>	<b>81,61,25,78,540</b>
B	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity Share capital	14	22,63,10,32,320	22,63,10,32,320	22,63,10,32,320
	(b) Other Equity	15	(45,90,13,14,968)	(41,29,54,17,573)	(42,67,08,59,651)
	<b>Total equity</b>		<b>(23,27,02,82,648)</b>	<b>(18,66,43,85,253)</b>	<b>(20,03,98,27,331)</b>
	<b>Liabilities</b>				
2	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	16	27,02,28,45,610	7,56,89,66,198	13,88,62,28,860
	(ii) Other financial liabilities	17	-	-	-
	(b) Provisions	18	39,13,69,17,170	35,52,73,29,321	27,24,18,75,252
	(c) Other non-current liabilities	19	4,88,40,43,947	1,53,80,88,166	1,60,27,41,664
	<b>Total Non - Current Liabilities</b>		<b>71,04,38,06,728</b>	<b>44,63,43,83,684</b>	<b>42,73,08,45,775</b>
3	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	20	3,72,84,04,169	3,37,38,79,451	2,33,47,26,020
	(ii) Trade payables	21	26,30,54,83,983	27,96,38,69,887	29,81,82,03,923
	(iii) Other financial liabilities	17	24,17,95,97,935	23,83,28,19,587	18,81,33,72,672
	(b) Provisions	18	4,14,65,58,456	3,57,65,89,453	2,28,09,85,423
	(c) Other current liabilities	19	9,50,10,37,396	8,91,71,50,985	5,67,42,72,057
	<b>Total Current Liabilities</b>		<b>67,86,10,81,938</b>	<b>67,66,43,09,364</b>	<b>58,92,15,60,095</b>
	<b>Total Equity and Liabilities</b>		<b>1,15,63,46,06,018</b>	<b>93,63,43,07,795</b>	<b>81,61,25,78,540</b>
	See accompanying notes to the financial statements				

In terms of our report attached.

For Pandey & Co.

Chartered Accountants




Amit Pandey

Partner

Membership No. 402377

For and on behalf of the Board of Directors



Managing Director



Director



Chief Financial Officer



Company Secretary

Place :  
Date : 01 SEP 2018

**Chhattisgarh State Power Distribution Company Limited**  
**Statement of Profit and Loss for the period ended 31st March, 2017**  
All amounts are in INR unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I Revenue from operations	22	1,26,19,32,11,481	1,01,49,26,02,760
II Other Income	23	2,16,44,00,042	1,05,19,00,297
<b>III Total Revenue (I + II)</b>		<b>1,28,35,76,11,524</b>	<b>1,02,54,45,03,057</b>
<b>IV EXPENSES</b>			
(a) Cost of power purchase	24	1,11,65,32,72,838	86,46,59,68,453
(b) Employee benefit expense	25	12,31,75,53,353	13,53,85,19,389
(c) Finance costs	26	2,84,17,55,911	2,98,12,88,681
(d) Depreciation and amortisation expense	4	2,53,66,79,082	2,48,24,87,088
(e) Other expenses	27	3,22,59,29,604	2,59,57,10,399
<b>Total Expenses (IV)</b>		<b>1,32,57,51,90,787</b>	<b>1,08,06,39,74,009</b>
<b>V Profit before exceptional items and tax</b>		<b>(4,21,75,79,263)</b>	<b>(5,51,94,70,951)</b>
Exceptional items	28	-	5,75,83,83,844
<b>Profit before tax</b>		<b>(4,21,75,79,263)</b>	<b>23,89,12,893</b>
<b>VI Tax Expense</b>			
(1) Current tax			
(2) Deferred tax			
<b>Total tax expense (VI)</b>		<b>(4,21,75,79,263)</b>	<b>23,89,12,893</b>
<b>VII Profit after tax</b>			
<b>VIII Profit/(loss) for the period (VI + VII)</b>		<b>(4,21,75,79,263)</b>	<b>23,89,12,893</b>
<b>IX Other comprehensive income</b>		<b>(3,66,37,00,000)</b>	<b>(5,40,92,00,000)</b>
A (i) Items that will not be recycled to profit or loss		-	-
(a) Remeasurements of the defined benefit liabilities / (asset)		(3,66,37,00,000)	(5,40,92,00,000)
B (i) Items that may be reclassified to profit or loss			
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>X Total comprehensive income for the period</b>		<b>(7,88,12,79,263)</b>	<b>(5,17,02,87,107)</b>
<b>XI Earnings per equity share:</b>			
(1) Basic	29	(3.48)	(2.28)
(2) Diluted	29	(3.48)	(2.22)

In terms of our report attached.

**For Pandey & Co.**

Chartered Accountants

  
**Amit Pandey**  
Partner

Membership No. 402377

For and on behalf of the Board of Directors

  
Managing Director

  
Director

  
Chief Financial Officer

  
Company Secretary

Place :  
Date : **01 SEP 2018**



**Chhattisgarh State Power Distribution Company Limited**  
**Cash Flow Statement as on March 31, 2017**  
**All amounts are in INR unless otherwise stated**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	<b>(7,88,12,79,263)</b>	<b>(5,17,02,87,107)</b>
Depreciation and Amortisation expenses	2,53,66,79,082	2,48,24,74,803
Interest Income	(7,02,12,107)	(1,98,35,421)
Interest Expenses	2,84,17,55,911	2,98,12,88,681
	<b>(2,57,30,56,378)</b>	<b>27,36,40,955</b>
Increase / (Decrease) in Trade Payables	(1,65,83,85,905)	(1,85,43,34,035)
Increase / (Decrease) in Borrowings	35,45,24,718	1,03,91,53,431
Increase / (Decrease) in Other Current Financial Liabilities	34,67,78,347	5,01,94,46,915
Increase / (Decrease) in Long term Provisions	3,60,95,87,849	8,28,54,54,069
Increase / (Decrease) in Other Current Liabilities	58,38,86,411	3,24,28,78,928
Increase / (Decrease) in Other Non-Current Liabilities	3,34,59,55,782	(6,46,53,498)
Increase / (Decrease) in Short Term Provisions	56,99,69,003	1,29,56,04,030
(Increase) / Decrease in Loans - Current	(81,33,348)	1,20,02,988
(Increase) / Decrease in Loans - Non Current	94,06,250	(77,08,851)
(Increase) / Decrease in Trade receivables	(22,91,45,50,294)	(5,12,43,03,243)
(Increase) / Decrease in Inventories	(87,70,83,087)	13,80,95,417
(Increase) / Decrease in Other Current Assets	6,82,91,662	4,37,532
(Increase) / Decrease in Other Current Financial Assets	3,47,57,77,174	(4,38,33,74,604)
(Increase) / Decrease in Other Non Current Financial Assets	(1,15,66,832)	(3,83,65,719)
(Increase) / Decrease in Other Non Current Tax Assets	(1,93,38,598)	(10,58,93,452)
(Increase) / Decrease in Other Non Current Assets	31,42,55,657	(3,77,55,201)
	<b>(15,38,36,81,588)</b>	<b>7,69,03,25,661</b>
	-	-
	<b>(15,38,36,81,588)</b>	<b>7,69,03,25,661</b>
Movement in Property, Plant and Equipments	(6,26,82,54,719)	58,24,72,828
Net (Increase) / Decrease in Capital WIP	(80,18,52,136)	(2,54,31,20,648)
Interest Income	7,02,12,107	1,98,35,421
Net (Increase) / Decrease in Fixed Deposits	1,41,00,000	41,00,00,000
	<b>(6,98,57,94,748)</b>	<b>(1,53,08,12,400)</b>
Increase / (Decrease) in Other Long term Borrowings	19,45,38,79,413	(6,31,72,62,662)
Increase/(Decrease) in Consumer contribution towards cost of capital asset	3,90,80,06,869	2,86,69,64,189
Increase/(Decrease) in RGVY grant towards cost of capital asset	-	(5,02,24,35,000)
Increase/(Decrease) in Grant received under Uday Yojna	-	8,70,12,00,000
Increase/(Decrease) in Share Application money	(63,26,25,000)	-
Interest Paid	(2,84,17,55,911)	(2,98,12,88,681)
	<b>19,88,75,05,371</b>	<b>(2,75,28,22,154)</b>
	(2,48,19,70,965)	3,40,66,91,107
Cash and cash equivalents at the beginning of the year	4,62,60,85,880	1,21,93,94,772
	<b>2,14,41,14,915</b>	<b>4,62,60,85,880</b>

In terms of our report attached.

For Pandey & Co.  
Chartered Accountants


  
Amit Pandey  
Partner  
Membership No. 402377

For and on behalf of the Board of Directors

  
Managing Director

  
Chief Financial Officer

  
Director

  
Company Secretary

Place :  
Date :

**01 SEP 2018**

**Chhattisgarh State Power Distribution Company Limited**  
**Statement of changes in equity for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**a. Equity share capital**

**Issued and Paid up Capital at 1st April, 2015**  
Less: Treasury Shares if any  
**Balance at 1st April, 2015**  
Changes in equity share capital during the year  
**Balance at 31st March, 2016**  
Changes in equity share capital during the year  
**Balance at 31st March, 2017**

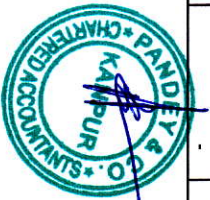
<b>No. of Shares</b>	<b>Amount (Rs.)</b>
22,63,10,323	2,26,31,03,232
22,63,10,323	2,26,31,03,232
<b>22,63,10,323</b>	<b>2,26,31,03,232</b>
<b>22,63,10,323</b>	<b>2,26,31,03,232</b>



**Chhattisgarh State Power Distribution Company Limited**  
**Statement of changes in equity for the year ended 31st March, 2017**  
 All amounts are in INR unless otherwise stated

**b. Other Equity**

	Share application money pending allotment	Reserves and Surplus					Items of other comprehensive income		Total
		Grant under RGGVY against cost of Capital Assets	Capital Reserve - GOCG Grant under UDAY Yojna	GOCG contribution towards capital assets	Retained earnings	Debt instrument through other comprehensive income	Remeasurements of the defined benefit plans		
<b>Balance at 1st April, 2015</b>	<b>63,26,25,000</b>	<b>5,02,24,35,000</b>	-	<b>7,65,82,24,089</b>	<b>(55,98,41,43,740)</b>			<b>(42,67,08,59,651)</b>	
Profit/(Loss) for the year					23,89,12,893			23,89,12,893	
Other comprehensive income for the year, net of income tax							(5,40,92,00,000)	(5,40,92,00,000)	
<b>Total comprehensive income for the year</b>					<b>23,89,12,893</b>		<b>(5,40,92,00,000)</b>	<b>(5,17,02,87,107)</b>	
Grant received during the year			8,70,12,00,000	2,86,69,64,189				11,56,81,64,189	
Grant money utilised during the year		(5,02,24,35,000)						(5,02,24,35,000)	
<b>Balance at 31st March, 2016</b>	<b>63,26,25,000</b>		<b>8,70,12,00,000</b>	<b>10,52,51,88,278</b>	<b>(55,74,52,30,851)</b>		<b>(5,40,92,00,000)</b>	<b>(41,29,54,17,573)</b>	
Profit/(Loss) for the year					(4,21,75,79,263)			(4,21,75,79,263)	
Other comprehensive income for the year, net of income tax							(3,66,37,00,000)	(3,66,37,00,000)	
<b>Total comprehensive income for the year</b>					<b>(4,21,75,79,263)</b>		<b>(3,66,37,00,000)</b>	<b>(7,88,12,79,263)</b>	
Grant received during the year				3,90,80,06,869				3,90,80,06,869	
Changes in share application money	(63,26,25,000)							(63,26,25,000)	
Amounts transferred to initial amount of hedged item									
<b>Balance at 31st March, 2017</b>	<b>-</b>		<b>8,70,12,00,000</b>	<b>14,43,31,95,147</b>	<b>(59,96,28,10,115)</b>		<b>(9,07,29,00,000)</b>	<b>(45,90,13,14,968)</b>	



## 1 Background

Chhattisgarh State Power Distribution Company limited (the Company) is a state government company incorporated under the Companies Act, 1956 with the main object of distribution and supply of electricity.

## 2 Significant Accounting Policies

### 2.1 Statement of Compliance

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

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

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

### 2.2 Basis of accounting and preparation of financial statements

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

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

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

### 2.3 Use of estimates

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

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

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

### 2.4 Revenue Recognition

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

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

### 2.5 Interest Income

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

### 2.6 Employee Benefits

#### 2.6.1 Short Term Employee Benefits

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



### 2.6.2 Post-employment benefits: Defined contribution/ benefit plans

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

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

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

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

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

### 2.6.3 Earned Leave Encashment

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

### 2.6.4 Other Long Term Employee Benefits

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

### 2.7 Borrowing Cost

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

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

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

### 2.8 Taxation

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

#### Current tax:

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

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

#### Deferred tax:

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

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

### 2.9 Property plant and equipment

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

Freehold land and Assets held for sale are not depreciated.



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

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

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

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

Estimated useful lives of the assets are as follows:

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

### 2.9.1 Capital Work-in-Progress

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

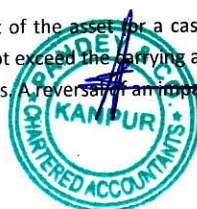
### 2.9.2 Impairment of tangible assets

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

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

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

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



## 2.10 Inventories

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

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

## 2.11 Provisions and contingencies

### 2.11.1 Provisions

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

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

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

### 2.11.2 Contingencies

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

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

## 2.12 Financial Instruments

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

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

### 2.12.1 Financial Assets

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

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

### 2.12.2 Financial assets at amortised cost

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

### 2.12.3 Financial assets at fair value through other comprehensive income

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

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



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

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

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

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

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

#### 2.12.6 Financial liabilities and equity instruments

##### 2.12.7 Classification as debt or equity

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

##### 2.12.8 Equity Instruments

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

##### 2.12.9 Financial liabilities

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

##### 2.12.10 Offsetting of financial instruments

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

#### 2.13 Cash and cash equivalents

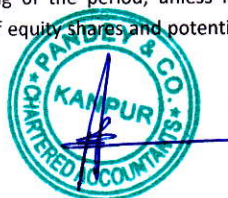
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash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

#### 2.14 Cash Flow Statement

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

#### 2.15 Earnings per equity share

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





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

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

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

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

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

## 2.17 Expenditure on Project identification Survey and Feasibility Studies:

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

## 2.18 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1st April, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to 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, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

## 3 Critical accounting estimates and judgements

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

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

The areas involving critical estimates are:

Estimation of current tax and deferred tax expense

Estimation of values of contingent liabilities

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



Chhattisgarh State Power Distribution Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
All amounts are in INR unless otherwise stated

Note 4 - Property, plant and equipment

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Asset Transfer under RGVY scheme	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Amortization of capital grant for the year
<b>I. Gross block</b>																
Balance as at 1st April, 2016	1,69,16,318	1,01,15,706	18,41,65,412	33,01,54,167	17,99,68,291	18,06,60,979	1,75,12,726	34,54,92,39,318	15,56,34,22,631	-	2,28,62,550	4,14,33,287	2,54,04,143	46,81,49,667	51,59,00,05,395	
Additions and transfers	(0)	-	3,37,74,233	11,84,53,592	1,09,76,134	4,33,434	10,48,556	4,06,97,86,992	2,03,34,98,494	-	13,59,389	4,76,717	16,61,100	1,13,797	6,27,15,82,439	
Deletions and transfers	-	(27,00,355)	-	-	-	-	-	-	-	-	-	(6,27,365)	-	-	(33,27,720)	
Balance as on 31st March, 2017	1,69,16,318	74,15,351	21,79,39,644	44,86,07,760	19,09,44,435	18,10,94,413	1,85,61,282	38,61,90,26,311	17,59,69,21,125	-	2,42,21,939	4,12,82,639	2,70,65,243	46,82,63,664	57,85,82,60,114	
<b>II. Accumulated depreciation and</b>																
Balance as at 1st April, 2016	35,97,687	-	4,50,49,000	4,52,15,674	6,88,62,257	2,07,72,851	1,12,17,362	12,35,30,15,512	5,16,46,98,937	-	1,40,30,472	2,47,24,566	2,28,08,518	38,07,37,826	18,15,47,30,667	
Depreciation / amortisation expense for the year	3,96,570	-	65,02,082	1,19,54,063	61,78,106	59,85,448	8,20,501	1,68,33,10,509	77,15,00,992	-	6,87,681	12,78,554	33,653	3,02,85,918	2,51,89,34,082	(95,31,90,125)
Balance as on 31st March, 2017	39,94,257	-	5,15,51,082	5,71,69,737	7,50,40,363	2,67,58,299	1,20,37,863	14,03,63,26,026	5,93,61,99,929	-	1,47,18,153	2,60,03,120	2,28,42,171	41,10,23,744	20,67,36,64,749	
<b>Net block (I-ii)</b>																
Balance as on 31st March, 2017	1,29,22,061	74,15,351	16,63,88,563	39,14,38,022	11,59,04,062	15,43,36,114	65,23,419	24,58,27,00,284	11,66,07,21,197	-	95,03,786	1,52,79,519	42,23,072	5,72,39,920	37,18,45,95,365	
Balance as on 31st March, 2016	1,33,18,631	1,01,15,706	13,91,16,412	28,49,38,493	11,11,06,034	15,98,88,128	62,95,564	22,19,67,25,801	10,59,87,23,694	-	88,32,078	1,67,08,770	25,95,625	8,74,12,041	33,43,52,74,728	

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Asset Transfer under RGVY scheme	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Amortization of capital grant for the year
<b>I. Gross Block</b>																
Balance as at 1st April, 2015	1,69,16,318	1,01,15,706	15,90,74,654	23,99,57,030	17,85,54,450	17,91,29,869	1,69,93,371	31,79,58,04,252	13,99,75,98,342	5,02,24,35,000	2,20,60,371	4,05,77,257	2,54,04,143	46,78,57,459	52,17,24,78,222	
Additions and transfers	0	-	2,50,90,757	9,01,97,137	14,13,841	15,31,110	5,19,354	2,75,34,35,067	1,56,58,24,299	-	8,02,179	8,56,030	-	2,92,407	4,43,99,62,172	
Deletions and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 31st March, 2016	1,69,16,318	1,01,15,706	18,41,65,412	33,01,54,167	17,99,68,291	18,06,60,979	1,75,12,726	34,54,92,39,318	15,56,34,22,631	-	2,28,62,550	4,14,33,287	2,54,04,143	46,81,49,667	51,59,00,05,395	
<b>II. Accumulated depreciation and</b>																
Balance as at 1st April, 2015	32,01,117	-	3,94,83,001	3,58,91,031	6,28,95,329	1,48,00,732	1,04,42,262	10,65,83,85,776	4,46,07,73,862	-	1,38,43,556	2,35,52,408	2,28,02,520	34,38,29,270	15,69,00,00,864	
Depreciation / amortisation expense for the year	3,96,570	-	55,65,999	93,24,643	59,66,928	59,72,119	7,75,100	1,69,46,29,742	70,39,23,075	-	1,86,916	11,72,158	5,998	3,68,08,555	2,46,47,29,803	(76,80,09,650)
Balance as at 31st March, 2016	35,97,687	-	4,50,49,000	4,52,15,674	6,88,62,257	2,07,72,851	1,12,17,362	12,35,30,15,512	5,16,46,98,937	-	1,40,30,472	2,47,24,566	2,28,08,518	38,07,37,826	18,15,47,30,667	
<b>Net block (I-ii)</b>																
Balance as on 31st March, 2016	1,33,18,631	1,01,15,706	11,95,91,654	28,49,38,493	11,11,06,034	16,43,29,137	65,51,109	21,13,74,18,476	9,53,68,24,480	5,02,24,35,000	87,16,815	1,70,24,849	26,01,623	12,39,28,189	36,48,24,77,358	



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note 5 - Other Intangible Assests**

Description of Assets	Computer Software	Total
<b>Intangible Assets</b>		
<b>Cost</b>		
Balance as at 1st April, 2016	11,83,00,000	11,83,00,000
Additions		-
Balance as at 31st March, 2017	11,83,00,000	11,83,00,000
<b>II. Accumulated amortisation and impairment for the year</b>		
Balance as at 1st April, 2016	8,87,25,000	8,87,25,000
Amortisation expense for the year	1,77,45,000	1,77,45,000
Balance as at 31st March, 2017	10,64,70,000	10,64,70,000
<b>Net block (I-II)</b>		
Balance as on 31st March 2017	1,18,30,000	1,18,30,000
Balance as on 31st March 2016	2,95,75,000	2,95,75,000

Description of Assets	Other Intangible	Total
<b>Intangible Assets</b>		
<b>Cost</b>		
Balance as at 1st April, 2015	11,83,00,000	11,83,00,000
Additions	-	-
Balance as at 31st March, 2016	11,83,00,000	11,83,00,000
<b>II. Accumulated depreciation and impairment for the year</b>		
Balance as at 1st April, 2015	7,09,80,000	7,09,80,000
Amortisation expense for the year	1,77,45,000	1,77,45,000
Balance as at 31st March, 2016	8,87,25,000	8,87,25,000
<b>Net block (I-II)</b>		
Balance as on 31st March 2016	2,95,75,000	2,95,75,000
Balance as on 31st March 2015	4,73,20,000	4,73,20,000



**Chhattisgarh State Power Holding Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
 All amounts are in INR unless otherwise stated

**Note 6 - Investment**

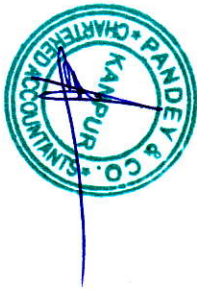
Particular	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	QTY	Amounts* Current	QTY	Amounts* Current	QTY	Amounts* Current
Investments Carried at amortised cost						
<i>Unquoted Investments (all fully paid)</i>						
Investments in debentures or bonds						
Nuclear Power Corporation of India Limited	6	60,00,000	6	60,00,000	6	60,00,000
<b>Total Unquoted Investments</b>	<b>6</b>	<b>60,00,000</b>	<b>6</b>	<b>60,00,000</b>	<b>6</b>	<b>60,00,000</b>



Chhattisgarh State Power Distribution Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
All amounts are in INR unless otherwise stated

Note No. 7 - Loans

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
<b>A. Financial assets classified at amortised cost</b>									
<b>Loans to employees</b>									
- Secured, considered good									
- Unsecured, considered good	96,17,911	37,91,479	1,34,09,390	14,84,563	1,31,97,729	1,46,82,292	1,34,87,551	54,88,878	1,89,76,429
- Doubtful									
Less : Allowance for bad and doubtful loans									
<b>TOTAL</b>	96,17,911	37,91,479	1,34,09,390	14,84,563	1,31,97,729	1,46,82,292	1,34,87,551	54,88,878	1,89,76,429
<b>GRAND TOTAL</b>	96,17,911	37,91,479	1,34,09,390	14,84,563	1,31,97,729	1,46,82,292	1,34,87,551	54,88,878	1,89,76,429



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 8 - Other financial assets**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Financial assets at amortised cost :</b>						
Security Deposits		36,76,47,545		35,60,80,713	-	27,39,49,524
Revenue Subsidy/Grants Receivable		96,60,00,023		96,60,00,023	-	1,00,97,65,493
Interest Accrued on deposits	26,65,973	-	8,12,676	-	74,88,071	-
Unbilled revenue	-	-	-	-	86,94,50,356	-
Receivable from CSPRCL	-	-	16,90,89,089	-	16,90,89,089	-
Receivable from CSPGCL	1,11,93,632	-	-	-	-	-
Receivable from CSPHCL	2,58,45,58,244	-	6,44,45,78,729	-	1,17,93,19,037	-
Others	69,73,67,413	-	15,70,81,942	-	16,28,41,280	-
<b>TOTAL</b>	<b>3,29,57,85,262</b>	<b>1,33,36,47,568</b>	<b>6,77,15,62,436</b>	<b>1,32,20,80,736</b>	<b>2,38,81,87,832</b>	<b>1,28,37,15,017</b>



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 9 - Non Current Tax Assets**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Income taxes (net of provisions)	2,81,74,90,304	2,79,81,51,707	2,69,22,58,255
<b>Total</b>	<b>2,81,74,90,304</b>	<b>2,79,81,51,707</b>	<b>2,69,22,58,255</b>

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

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred Tax Assets</b>	23,01,52,83,881	20,54,92,71,846	18,74,23,31,982
<b>Deferred Tax Liabilities</b>	1,70,82,04,562	1,67,80,26,501	1,45,83,61,386
<b>Net Deferred Tax Assets (Net)*</b>	-	-	-
*However, deferred tax asset recognized only to the extent of deferred tax liability pursuant to accounting policy			
<b>Unrecognized Deferred tax assets</b>	<b>21,30,70,79,319</b>	<b>18,87,12,45,345</b>	<b>17,28,39,70,596</b>

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred Tax Assets</b>			
Disallowances u/s 40a of the Income Tax Act,1961	64,85,544	57,44,571	51,11,135
Disallowance u/s 37 of the Income Tax Act, 1961	56,90,110	72,01,121	9,28,521
Disallowances u/s 40 A (7) of the Income Tax Act,1961	10,67,78,58,315	9,38,81,05,980	7,89,46,78,080
Disallowances u/s 43B of the Income Tax Act,1961	1,39,40,37,713	1,39,40,37,713	1,00,88,513
Unabsorbed Depreciation under Income Tax Act	3,54,43,38,037	3,78,46,91,037	3,79,88,28,596
Carry Forward Business Loss Under Income Tax Act	7,38,68,74,162	5,96,94,91,424	7,03,26,97,137
	23,01,52,83,881	20,54,92,71,846	18,74,23,31,982
<b>Deferred Tax Liabilities</b>			
Depreciation	1,70,82,04,562	1,67,80,26,501	1,45,83,61,386
	1,70,82,04,562	1,67,80,26,501	1,45,83,61,386



Chhattisgarh State Power Distribution Company Limited  
 Notes to the financial statements for the year ended 31st March, 2017  
 All amounts are in INR unless otherwise stated

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

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Capital advances	-	41,30,88,202	41,30,88,202	-	72,73,43,859	72,73,43,859	-	68,95,88,658	68,95,88,658
Advance to Suppliers & Contractors	-	-	-	-	-	-	1,12,360	-	1,12,360
Prepaid Expenses	7,54,062	-	7,54,062	6,90,45,724	-	6,90,45,724	6,93,70,896	-	6,93,70,896
Cenvat credit	-	-	-	-	-	-	-	-	-
Other advances	7,54,062	41,30,88,202	41,38,42,264	6,90,45,724	72,73,43,859	79,63,89,583	6,94,83,256	68,95,88,658	75,90,71,914





**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 11 - Inventories**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(a) Raw materials</b>			
Coal & Fuel			
Stores & Spares	1,81,14,51,390	92,65,71,374	1,06,97,54,433
Scrap & Unservicable Materials	5,83,95,924	4,14,81,902	3,63,94,260
<b>(b) Material Short/(Excess) pending investigation</b>			
(1) Cost	7,03,27,903	7,52,17,618	5,49,17,941
(2) Less: Provision	(9,50,38,854)	(7,52,17,618)	(5,49,17,941)
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>1,84,51,36,363.55</b>	<b>96,80,53,276.29</b>	<b>1,10,61,48,693.09</b>



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 12 - Trade receivables**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Trade receivables						
Secured, considered good	45,99,54,24,259		23,08,08,73,965		17,95,65,70,727	
Unsecured, considered good	3,92,24,08,113		3,89,84,17,713		3,89,84,17,713	
Doubtful	(3,92,24,08,113)		(3,89,84,17,713)		(3,89,84,17,713)	
Less: Allowance for Credit Losses						
<b>TOTAL</b>	<b>45,99,54,24,259</b>		<b>23,08,08,73,965</b>		<b>17,95,65,70,727</b>	

Amount outstanding as at 31st March 2017 includes Rs. 1955 Crs receivable from Govt. of Chhattisgarh towards SHP agricultural consumers and BPL Consumers. Against above receivables, Govt. of Chhattisgarh has provided guarantee for the loans borrowed from Power Finance Corporation amounting to Rs. 595 Crs, Rural Electrification Corporation amounting to Rs. 595 Crs and Union Bank of India Rs. 500 Crs (Additionally Cash Credit limit from Union Bank of India was increased from 250 Crs to Rs. 515 Crs).



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 13 - Cash and cash equivalents**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Current Cash and bank balances</b>			
<b>(i) Cash and cash equivalents</b>			
Cash in imprest	6,15,405	39,17,794	31,51,405
Cash in transit	11,84,85,928	91,52,919	79,30,55,920
Balances with Banks	2,02,50,13,581	4,61,29,72,365	42,31,44,644
Postage stamps	-	42,802	42,802
	2,14,41,14,915	4,62,60,85,880	1,21,93,94,772
<b>(ii) Other bank balances</b>			
Term deposits	5,67,21,046	7,08,21,046	48,08,21,046
	5,67,21,046	7,08,21,046	48,08,21,046
<b>Cash and cash equivalent as per balance sheet</b>	2,20,08,35,961	4,69,69,06,926	1,70,02,15,818
Bank overdrafts	-	-	-
	2,20,08,35,961	4,69,69,06,926	1,70,02,15,818
Cash and bank balances included in a disposal group held for sale	-	-	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>2,20,08,35,961</b>	<b>4,69,69,06,926</b>	<b>1,70,02,15,818</b>



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
 All amounts are in INR unless otherwise stated

**Note No. 14 - Equity share capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>						
Equity shares of Rs. 10 each	3,30,00,00,000	33,00,00,00,000	3,30,00,00,000	33,00,00,00,000	3,30,00,00,000	33,00,00,00,000
<b>Issued, Subscribed and Fully Paid:</b>						
Equity shares of Rs. 10 each	2,26,31,03,232	22,63,10,32,320	2,26,31,03,232	22,63,10,32,320	2,26,31,03,232	22,63,10,32,320
<b>Total</b>	<b>2,26,31,03,232</b>	<b>22,63,10,32,320</b>	<b>2,26,31,03,232</b>	<b>22,63,10,32,320</b>	<b>2,26,31,03,232</b>	<b>22,63,10,32,320</b>



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 15 - Other equity**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Reserve - GOCG Grant under UDAY Yojna	8,70,12,00,000	8,70,12,00,000	
GOCG contribution towards capital assets	14,43,31,95,147	10,52,51,88,278	7,65,82,24,089
Grant under RGGVY against cost of Capital Assets	-	-	5,02,24,35,000
Retained earnings	(59,96,28,10,115)	(55,74,52,30,851)	(55,98,41,43,740)
Other Comprehensive Income	(9,07,29,00,000)	(5,40,92,00,000)	-
Share application money pending allotment	-	63,26,25,000	63,26,25,000
<b>Total</b>	<b>(45,90,13,14,968)</b>	<b>(41,29,54,17,573)</b>	<b>(42,67,08,59,651)</b>

**Nature and purpose of the reserve**

**Retained Earnings**

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

**Other Comprehensive Income**

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

**GOCG contribution towards capital assets**

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

**Capital Reserve - GOCG Grant under UDAY Yojna**

The company received Rs. 870.12 cr under Ujjwal DISCOM Assurance Yojana (UDAY) of Central Government dated 05th November 2015 for financial turnaround of Power Distribution Companies. As per the scheme, State Government shall take over 75% of DISCOM debt as on 30 September 2015 over two years - 50% of DISCOM debt shall be taken over in 2015-16 and 25% in 2016-17. Accordingly, CSPDCL has parted away with following loan liability (being 50% of total debt) of which details are as under:

Name of Lender	Loan (as at 30.09.2015) (in Lakh)	Loan repaid under UDAY (50%) (in Lakh)
Power Finance Corporation	33,551.00	14,541.00
Rural Electrification Corporation	82,965.00	59,347.00
Chhattisgarh State Power Holding Company Limited	22,315.00	12,315.00
Debentures- SECL	780.00	780.00
LIC Housing Finance	12.00	12.00
Bonds CSPDCL	25,750.00	-
State Government Loan	8,634.00	-
Others	17.00	17.00
<b>Total</b>	<b>1,74,024.00</b>	<b>87,012.00</b>

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

**Share application money pending allotment**

The Government of Chhattisgarh vide notification no.2020/F-21/13/09/13/2/ED dt.29<sup>th</sup> October 2010 had notified the Provisional opening balance sheet as on 01st January 2009 of CSPDCL (also refer note no.18), wherein, Government had proposed an equity share capital of Rs. 1913.26 cr. Further, it has been stipulated that said equity shall be issued in favour of Chhattisgarh State Power Holding Co. Ltd.

Accordingly, Company had issued equity to the extent of Rs. 1850.00 cr at face value of Rs.10 per share to CSPHCL and withheld balance of Rs. 63.26 cr. as share application till final notification of opening balance.

Now, vide notification no. 1816/F-21/13/13-2/2014 Dt. 17.07.2017 final opening balance sheet of CSPDCL as on 01.01.2009 has been notified as per which balance of Share application money is no longer required.



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 16 - Non Current Borrowings**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Measured at amortised cost*</b>			
<b>A. Secured Borrowings:</b>			
(a) Term Loans			
(1) From Power Finance Corporation Limited	1,22,44,24,700	1,65,38,84,757	3,16,45,27,788
(2) From Rural Electrification Corporation	5,26,71,70,909	91,50,81,441	7,14,67,01,072
(b) Working Capital Term Loans			
(1) From Union Bank of India	4,37,50,00,000	-	-
(2) From Rural Electrification Corporation	5,57,81,25,000	-	-
(3) From Power Finance Corporation Limited	5,57,81,25,000	-	-
<b>Total Secured Borrowings (A)</b>	<b>22,02,28,45,609</b>	<b>2,56,89,66,198</b>	<b>10,31,12,28,860</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>			
(a) Term Loans			
(1) From Chhattisgarh State Power Holding Company Limited	-	-	1,00,00,00,000
(2) Bonds			
8.72% CSPDCL Bonds 2014-15	2,57,50,00,000	2,57,50,00,000	2,57,50,00,000
10.36% CSPDCL Bonds 2015-16	2,42,50,00,000	2,42,50,00,000	-
(3) Other loans	(0)	-	-
<b>Total Unsecured Borrowings (B)</b>	<b>5,00,00,00,002</b>	<b>5,00,00,00,000</b>	<b>3,57,50,00,000</b>
<b>Total Borrowings (A)+(B)</b>	<b>27,02,28,45,610</b>	<b>7,56,89,66,198</b>	<b>13,88,62,28,860</b>

**Nature of Security**

**A. Against Loan from Power Finance Corporation:**

Term Loan from Power Finance Corporation amounting to Rs. 224.74 cr. (PY Rs. 190.83 cr.) (including current maturities) are secured by first charge in favour of PFC by way of hypothecation on the newly financed assets under the project and part of existing asset.

**B. Against loan from Rural Electrification Corporation:**

Term loan from rural electrification corporation amounting to Rs. 574.90 cr. (PY Rs. 331.03 cr.) (including current maturities) are secured by way of Mortgage / Hypothecation of future assets so created out of loan amt sanctioned for the project subject value being 110% of the loan amount so sanctioned.

**C. Bonds**

**8.72% CSPDCL Bonds**

During FY2014-15 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 8.72% amounting to Rs. 257.50 cr through private placement with Green Shoe Option.

**10.36% CSPDCL Bonds**

During FY2015-16 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 10.36% amounting to Rs. 242.50 cr through private placement with Green Shoe Option.

**Terms of Repayment**

The repayment will be made annually in equal quarterly installments together with interest on the outstanding balance commencing after the expiry of moratorium period. There will be moratorium on repayment of principal and interest on loan for the sanction period of execution which shall in no case exceeds 3 years (R-APDRP Part A, Part B and Scada projects). The tenure of loan is for 10 years including moratorium period and at ROI of 9% pa and 12% pa for R-APDRP part B counter funding and 13% pa for Upgradation of Server Loan (STL). Sanctioned The Company has drawn the first phase and second phase of its sanctioned limit and assets acquired under project are still under implementation stage.

The loan will be repayable in 13 year including moratorium period of 3 year in quarterly installments starting from April'13 for Atal Jyoti and February 2015 for STL.

The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.

The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note No. 17 - Other Financial Liabilities**

Particulars*	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
<b>a) Other financial liabilities carried at amortised cost:</b>						
Deposits & Retentions from Contractors & Suppliers	1,61,87,81,742		3,14,97,89,850		1,71,96,11,012	
Security Deposits from Consumers	16,06,80,67,316		13,26,00,31,740		11,42,10,39,520	
Employee related liabilities	11,79,08,064		10,63,66,068		66,97,73,191	
Debentures	-		25,44,65,247		7,80,46,915	
Current maturities of loan from Power Finance Corporation Limited	1,39,48,63,021		2,39,51,95,366		17,15,97,479	
Current maturities of loan from Rural Electric Corporation	85,37,53,133		-		41,11,74,452	
Current maturities of loan from Union Bank of India	62,50,00,000		86,34,88,500		86,34,88,502	
Current maturities of loan from Government of Chhattisgarh	86,34,88,500		1,00,00,00,000		1,23,15,80,755	
Current maturities of loan from Chhattisgarh State Power Holding Company Limited	-		(0)		29,14,488	
Other loans	1,18,57,20,173		80,82,94,653		55,87,93,908	
Interest accrued but not due on borrowings	4,23,09,068		13,53,33,937		9,31,41,431	
Interest accrued and due on borrowings	3,31,37,546		49,32,76,866		48,68,20,898	
Interest Payable On Consumer's Deposits	47,27,15,972		37,40,71,808		34,27,11,189	
Electricity duty payable	8,67,20,681		47,78,16,337		25,93,69,214	
Electricity cess payable	64,47,59,073		32,87,02,799		29,15,52,026	
Other payables	3,76,91,684				2,57,71,276	
Other	-					
<b>Inter Company Payable Account</b>						
Chhattisgarh State Power Holding Company Limited	13,46,81,962		13,46,81,962		13,46,81,962	
Chhattisgarh State Power Transmission Company Limited	-		5,13,04,454		5,13,04,454	
Chhattisgarh State Power Generation Company Limited	-		-		-	
<b>Total other financial liabilities</b>	<b>24,17,95,97,935</b>		<b>23,83,28,19,587</b>		<b>18,81,33,72,672</b>	



Chhattisgarh State Power Distribution Company Limited

Notes to the financial statements for the year ended 31st March, 2017

All amounts are in INR unless otherwise stated

Note No. 18 - Provisions

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits						
(1) Pension & Gratuity	3,25,83,00,000	35,28,68,29,321	2,98,80,00,000	31,38,32,29,321	2,18,00,00,000	27,24,18,75,252
(2) Leave encashment	41,00,27,806	3,85,00,87,849	33,47,00,000	4,14,41,00,000	5,06,00,000	
(3) Ex Gratia	7,04,92,373		7,15,12,000		5,03,85,423	
(4) DA Arrears	29,50,559		5,05,52,980			
(5) Interim relief	40,47,87,718		13,18,24,473			
<b>Total Provisions</b>	<b>4,14,65,58,456</b>	<b>39,13,69,17,170</b>	<b>3,57,65,89,453</b>	<b>35,52,73,29,321</b>	<b>2,28,09,85,423</b>	<b>27,24,18,75,252</b>





**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

All amounts are in INR unless otherwise stated

Note No. 19 - Other Liabilities

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a. Deposit Works	5,81,33,45,629		5,44,82,26,556		4,00,95,79,201	
b. Statutory dues	2,89,82,616		1,08,68,789		5,12,86,458	
Taxes payable (other than income taxes)	18,82,10,541		20,87,16,501		26,60,00,353	
Employee Recoveries and Employer Contributions						
c. Others	2,89,48,64,864	4,88,40,43,947	2,87,88,84,284	1,53,80,88,166	98,19,69,857	1,60,27,41,664
Unspent Fund Under RGGVY Scheme						
Consumer contribution towards capital assets	57,56,33,746		37,04,54,855		36,54,36,188	
Others payables						
<b>TOTAL OTHER LIABILITIES</b>	<b>9,50,10,37,396</b>	<b>4,88,40,43,947</b>	<b>8,91,71,50,985</b>	<b>1,53,80,88,166</b>	<b>5,67,42,72,057</b>	<b>1,60,27,41,664</b>



**Chhattisgarh State Power Distribution Company Limited**

Notes to the financial statements for the year ended 31st March, 2017

All amounts are in INR unless otherwise stated

**Note No. 20 - Current Borrowings**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>A. Secured Borrowings</b>			
(a) Working Capital Demand Loans			
(i) From Bank of Baroda	-	-	25,97,21,099
(ii) From Oriental Bank of Commerce	-	-	17,33,81,158
(iii) From State Bank of India, Raipur	-	-	(25,433)
(b) Loans repayable on demand			
Cash Credit Limit			
(i) From State Bank of India, Raipur (Against Hypothecation of stocks and Fixed Assets of the Company)	1,64,56,11,351	-	-
(ii) From Union Bank of India (Against Hypothecation of Book Debts and Guarantee from State Government)	2,08,27,92,818	3,37,38,79,451	1,90,16,49,200
<b>Total Secured Borrowings</b>	<b>3,72,84,04,169</b>	<b>3,37,38,79,451</b>	<b>2,33,47,26,020</b>
<b>B. Unsecured Borrowings</b>			
<b>Total Unsecured Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Current Borrowings</b>	<b>3,72,84,04,169</b>	<b>3,37,38,79,451</b>	<b>2,33,47,26,020</b>



**Chhattisgarh State Power Distribution Company Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

**All amounts are in INR unless otherwise stated**

**Note No. 21 - Trade payables**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Trade payable for goods & services	26,30,54,83,983		27,96,38,69,887		29,81,82,03,923	
<b>Total trade payables*</b>	<b>26,30,54,83,983</b>	<b>-</b>	<b>27,96,38,69,887</b>	<b>-</b>	<b>29,81,82,03,923</b>	<b>-</b>



**Chhattisgarh State Power Distribution Company Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

**All amounts are in INR unless otherwise**

**Note no -22 Revenue from Operations**

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

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>(a) Revenue from rendering of services</b>		
Industrial Power : High Tension	54,60,42,66,362	48,49,88,04,200
Parallel Operation Charges from CPP	71,85,77,541	67,57,04,317
Low Tension Consumers including Industrial Medium & Low Voltage	51,62,77,70,625	40,92,09,47,214
Meter Rent/Service line rental	30,80,90,932	26,51,64,930
Interstate sale including UI charges	9,88,83,27,769	5,32,02,14,090
<b>(b) Other operating income</b>		
Delay Payment Charges	1,79,34,80,457	1,06,26,90,277
Wheeling Charges & Open Access	22,14,22,633	66,06,71,223
Reactive charges	3,12,75,162	1,59,06,509
Revenue Subsidy	7,00,00,00,000	4,07,25,00,000
<b>Total Revenue from Operations</b>	<b>1,26,19,32,11,481</b>	<b>1,01,49,26,02,760</b>



Chhattisgarh State Power Distribution Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
All amounts are in INR unless otherwise stated

Note no -23 Other Income

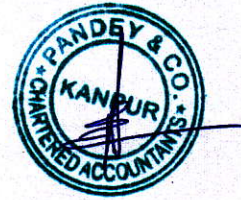
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest income on financial assets at amortised cost		
Bank deposits	7,02,12,107	1,98,35,421
Loans to employees	28,87,033	24,16,625
Deposits with Contractors and Suppliers	10,44,57,285	2,35,00,574
Rent income	-	38,400
Interest on Other Loans & Advances	60,02,85,000	-
Miscellaneous income	20,06,45,234	15,83,69,477
Net proceeds from sale of scrap	5,96,38,356	3,00,00,210
Amortization of capital grant	95,31,90,125	76,80,09,650
Rebate Claim on Power Purchase	17,30,84,903	4,97,29,941
<b>Total Other Income</b>	<b>2,16,44,00,042</b>	<b>1,05,19,00,297</b>



Chhattisgarh State Power Distribution Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
All amounts are in INR unless otherwise stated

Note no -24 Cost of power purchase

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power purchase	98,80,33,14,215	76,23,17,22,380
Transmission charges	12,84,99,58,623	10,23,42,46,073
<b>Total</b>	<b>1,11,65,32,72,838</b>	<b>86,46,59,68,453</b>



**Chhattisgarh State Power Distribution Company Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

**All amounts are in INR unless otherwise stated**

**Note no -25 Employee Benefits Expense**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, wages and bonus	7,70,95,03,445	7,42,82,88,576
Contribution to provident and other funds	16,54,65,699	14,91,44,952
Gratuity & Pension	4,52,08,55,777	1,60,26,00,000
Leave compensation	5,89,83,937	4,59,24,28,913
Other staff costs	10,15,91,634	8,84,43,678
Staff welfare expenses	9,11,20,043	9,62,03,677
Less: Employee benefit expense capitalised	(32,99,67,184)	(41,85,90,406)
<b>Total Employee Benefit Expense</b>	<b>12,31,75,53,353</b>	<b>13,53,85,19,389</b>



**Chhattisgarh State Power Distribution Company Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

**All amounts are in INR unless otherwise stated**

**Note no -26 Finance Cost**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Interest expense on borrowing		
Term loans	63,90,96,646	1,38,30,71,872
Working capital loans	81,45,52,527	34,91,92,633
State Government loans	4,97,96,800	7,68,50,477
Debentures	-	53,59,468
Bonds	47,48,92,018	26,46,53,735
Security Deposit from Consumers	99,86,91,674	94,55,57,856
Less: Amounts included in the cost of qualifying assets (if any)	(16,46,83,000)	(19,52,32,000)
(b) Expenses on Issue of Bonds/Debenture	-	11,80,05,116
(c) Bank charges	2,94,09,246	3,38,29,523
<b>Total finance costs</b>	<b>2,84,17,55,911</b>	<b>2,98,12,88,681</b>





**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR unless otherwise stated**

**Note no -27 Other Expenses**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Repairs and maintenance:		
(i) Plant & machinery	1,31,75,96,910	93,58,22,731
(ii) Buildings	11,58,93,569	9,94,64,204
(iii) Others	27,04,17,790	18,74,95,041
Power expense	30,28,92,389	23,95,69,875
Rent including lease rentals	42,17,828	51,40,850
Rates and taxes	5,55,66,829	2,83,36,727
Insurance charges	5,28,181	12,88,618
Vehicle Running, Hiring and Maintenance charges	19,85,44,027	21,55,64,955
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	9,00,000	7,50,000
(ii) For Taxation matters	1,80,000	2,50,000
Other expenses		
(i) Provision for shortages in inventory	(48,90,004)	2,02,99,677
(ii) Legal and other professional costs	5,58,96,187	8,34,22,417
(iii) Reimbursement of expenses to CSPHCL	13,03,08,217	12,76,42,042
(iv) Meter reading and other merchandising costs	59,94,48,501	50,61,99,025
(v) Other General Expenses	21,82,84,959	18,54,63,720
Less: Other expenses Capitalised	(3,98,55,778)	(4,09,99,484)
<b>Total Other Expenses</b>	<b>3,22,59,29,604</b>	<b>2,59,57,10,399</b>

**Note no -27A Exceptional Items**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Trading Surplus of Power from Jan 2009 to March 2010		6,54,12,61,014
<b>Total</b>	-	<b>6,54,12,61,014</b>
<b>Expense:</b>		
Reversal of Cross Subsidy Charges		78,28,77,170
<b>Total</b>	-	<b>78,28,77,170</b>
<b>Net Total</b>	-	<b>5,75,83,83,844</b>



Chhattisgarh State Power Distribution Company Limited  
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Note 29 Basic / diluted earnings per equity share (EPS) have been calculated as under:

Particulars	For the year ended 31st March,	For the year ended 31st March,
	2017 (Rs.)	2016 (Rs.)
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders	(7,88,12,79,263)	(5,17,02,87,107)
Weighted Average number of Ordinary Share Outstanding	2,26,31,03,232	2,26,31,03,232
Weighted Average number of Potential Equity shares on account of Share Application Money	-	6,32,62,500
Total Shares considered for:		
1. For Basic Earnings per Share of Rs. 10 each	2,26,31,03,232	2,26,31,03,232
2. For Diluted Earnings per Share of Rs 10 each	2,26,31,03,232	2,32,63,65,732
Earnings per Share		
<b>Basic</b>	(3.48)	(2.28)
<b>Diluted</b>	(3.48)	(2.22)



**Note 30: Restructuring of Chhattisgarh State Electricity Board:**

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

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

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

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

**Note 30.1: Opening Balances transferred pursuant to transfer scheme:**

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

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

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

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

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

**Note 30.3: Final Absorption of Personnel in Transferee Company**

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

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



**Chhattisgarh State Power Distribution Company Limited**

**Notes to the financial statements for the year ended 31st March, 2017**

**All amounts are in INR unless otherwise stated**

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

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

- i. Vide notification dated 2nd November 2004, Central Govt. has appointed 15th November 2000 as date of dissolution of erstwhile MPEB. Further, vide notification dated 4th November 2004, assets & liability of erstwhile MPEB has been finally allocated between successor SEBs i.e. MPSEB and CSEB.
- ii. On bifurcation of erstwhile state of Madhya Pradesh, MPEB had sustained tax loss of Rs. 1,422.46 Crore and Rs. 993.65 Crore in FY 1999-2000 and FY 2000-01 respectively, aggregating to Rs. 2,416.11 Crore As per section 65 of Madhya Pradesh Reorganization Act (MPRA), the Central Government has been empowered to make rules for bifurcation of these tax losses of MPEB between MPSEB and CSEB. However, no such rules have been made by the Central Government so far.
- iii. In the absence of such rules, for the purpose of this computation, CSEB has claimed its share of Rs. 554.98 Crore in the brought forward tax losses of MPEB in power consumption ratio of 77.03:22.97 (MPSEB:CSEB), as laid down by the Central Government in its Notification dated November 4th, 2004 for allocation of current assets and liabilities of MPEB. Board's tax liabilities may vary based on the outcome of Rules to be issued by Central Government u/s 65 of MPRA 2000. Accordingly, any liability arising on non-framing of said rules may have an adverse financial implication on the successor companies of erstwhile CSEB.
- iv. After the re-organization of the erstwhile MPEB and subsequent formation of successor boards i.e. MPSEB and CSEB, the matter regarding apportionment of pension and gratuity liabilities between the two boards has not been settled so far. The pension and gratuity liabilities were to be apportioned between MPSEB and CSEB in accordance with Schedule - VI of the M.P. Reorganization Act - 2000 and settled on yearly basis. In a meeting convened by Ministry of power, Government of India on 22.12.2008 at New Delhi, it was mutually agreed between MPSEB and CSEB that the pension liability shall be settled between MPSEB and CSEB under one time settlement. The actuary firm, M/s Thanawala Consultancy Services was appointed on mutual consent of MPSEB and CSPHCL for carrying out actuarial valuation for the purpose of calculating the one time settlement amount. The firm had submitted its draft report. However certain discrepancies were observed in the data furnished by MPSEB which were likely to impact the settlement amount to a considerable extent. This was brought to the notice of actuary firm and MPSEB and it was requested to verify and furnish the corrected data. MPSEB has not made available the correct data. As such the liability in this regard cannot be ascertained at present. However, total liability of CSEB on this account shall devolve on successor companies, i.e.
- v. Erstwhile MPEB has filed Income Tax Return for FY 1999-2000 and 2000-01 beyond the due date as prescribed in the Income Tax Act. The MPSEB had filed application for condonation of delay before CBDT. Accordingly, the delay in filing of return for AY 2000-01 has been condoned by CBDT, whereas no relief had been granted for AY 1999-2000. CSEB has also moved application for condonation of delay of return filed by MPSEB for these years and CBDT has taken same view in the application of MPSEB. CSPHCL has filed a writ petition against order of CBDT before Hon'ble High Court of Bilaspur, accordingly any adverse outcome of the case will have financial implication on the successor companies of erstwhile CSEB.

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

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

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

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

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

Sl. No.	Financial Year	Gross Tax Liability disputed in lacs	Remark
1	2010-11	63.79	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". The department has adjusted entry tax refund of Rs. 2.77 lacs against the said outstanding demand. Further, company has deposited Rs. 3.61 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company has paid 20% of Balance Demand i.e., Rs. 11.27 Lakh & filed an appeal before Vanija Kar Tribunal.
2	2011-12	76.49	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs. 1.03 lacs before filing appeal before the first appellate authority i.e. Additional Commissioner (Appeal). The first appellate authority has decided the case against the company and now company has paid 20% of Balance Demand i.e., Rs. 13.58 Lakh & filed an appeal before Vanija Kar Tribunal.
3	2012-13	86.65	The Commercial tax department is of the view that liability of VAT exists against Meter Rent considering it as "Transfer of Right to use any Goods". Further, company has deposited Rs.12.99 lacs on 08-08-2017 & filed an appeal before first appellate authority i.e. Dy Commissioner (Appeal).

**31.5** A Claim has been lodged on the company by an ex-employee (R P Nayak) against termination of service on proven criminal offence under IPC Act, 1998 and the case is pending before the Honorable High Court of Bilaspur.



31.6 M/s Shri Cement Private Limited filed an Appeal before Appellate Tribunal regarding interest on deposit amounting to Rs. 29.90 Lacs with regard to the methodology of interest calculation on deposit, where in, company calculated the same from the date when connection is given and the customer calculated the interest from the date on which deposit was made. The matter is in under consideration with the Tribunal.

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

S.No.	Name of Parties	Reference of Matter (Appeal No.)	Nature of Dispute	Amount involved (in Lacs)
1	M/s Vandana Global Ltd	265/2015	Backing Down Instructions	28.89
2	M/s Vandana Vidyut Ltd	247/2015	Deduction from bill has been challenged	33.05
3	M/s Real Power Pvt. Ltd.	Petition No. 51/2016(M)	Parallel Operation Charges	32.01
4	M/s Monnet Ispat & Energy Pvt Ltd	Appeal No. 339/2016	Revision of Power Purchase bill for July-14	62.70
5	M/s API Ispat Ltd	Appeal No. 321/2016	Cross Subsidy Charges	19.85
6	M/s Ind Synergy Ltd	Petition No. 38/2016 (D)	Billing Arrears	495.13

31.8 Outstanding Bank Guarantee issued in favour of Income Tax Department as at 31.03.2017 is Rs. 21.12 Crore (PY Rs. 21.12 Crore) and outstanding Letter of Credit issued against Power Purchase as on 31st March'17 is Rs.100.60 Crore (PY Rs. 130.80 Crore).

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

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

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

31.12 The company through the online system of Income Tax Department has retrieved that an amount of Rs. 4.62 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of Rs. 0.59 Crore against delay in short deduction/ short payment. The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

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

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



### 32. Financial instruments

#### 32.1 Capital management

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

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

The capital components of the Company are as given below:

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

Particulars	31-03-2017	31-03-2016	01-04-2015
Debt (i)	30,75,12,49,779	10,94,28,45,649	16,22,09,54,880
Cash and bank balances	2,20,08,35,961	4,69,69,06,926	1,70,02,15,818
Net debt	28,55,04,13,819	6,24,59,38,722	14,52,07,39,061
Total Equity (ii)	(23,27,02,82,648)	(18,66,43,85,253)	(20,03,98,27,331)
Net debt to equity ratio	(1.23)	(0.33)	(0.72)

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

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

#### 32.2 Financial instruments – Fair values and risk management

##### Categories of Financial Instruments:

Financial Assets	31 March 2017			31 March 2016			1st April 2015		
	FVTPL	FVTOCI	Amortised Cost/Cost	FVTPL	FVTOCI	Amortised Cost/Cost	FVTPL	FVTOCI	Amortised Cost/Cost
Investment			60,00,000			60,00,000			60,00,000
Trade receivables			45,99,54,24,259			23,08,08,73,965			17,95,65,70,727
Cash and cash equivalents			2,14,41,14,915			4,62,60,85,880			1,21,93,94,772
Other Bank balances			5,67,21,046			7,08,21,046			48,08,21,046
Loans			1,34,09,390			1,46,82,292			1,89,76,429
Other financial assets			4,62,94,32,831			7,92,45,54,084			3,50,28,13,761
<b>Total</b>	-	-	<b>52,84,51,02,440</b>	-	-	<b>35,72,30,17,268</b>	-	-	<b>23,18,45,76,735</b>
<b>Financial liabilities</b>									
Borrowings			30,75,12,49,779			10,94,28,45,649			16,22,09,54,880
Trade Payables			26,30,54,83,983			27,96,38,69,887			29,81,82,03,923
Other financial liabilities			24,17,95,97,935			23,83,28,19,587			18,81,33,72,672
<b>Total</b>	-	-	<b>81,23,63,31,697</b>	-	-	<b>62,73,95,35,123</b>	-	-	<b>64,85,25,31,475</b>

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

#### 32.3 Financial risk management objectives

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

##### 32.3.1 Interest rate risk management

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

##### Interest rate sensitivity:

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

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-17	50	15,37,56,249
31-Mar-16	50	5,47,14,228



### 32.3.2 Credit risk management

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

Financial Assets	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)	As at 1st April 2015 (Rs.)
Trade Receivables	45,99,54,24,259	23,08,08,73,965	17,95,65,70,727
Loans	1,34,09,390	1,46,82,292	1,89,76,429
Other financial assets	4,62,94,32,831	7,92,45,54,084	3,50,28,13,761
<b>Total</b>	<b>50,63,82,66,480</b>	<b>31,02,01,10,341</b>	<b>21,47,83,60,916</b>

### 32.3.3 Liquidity risk management

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

#### Expected contractual maturity for Financial Liabilities

	Upto 1 Year	1-5 years	5+ years	Total
<b>March 31, 2017</b>				
Borrowings	3,72,84,04,169	20,10,21,28,624	6,92,07,16,987	30,75,12,49,780
Trade Payables	26,30,54,83,983	-	-	26,30,54,83,983
Other financial liability	24,17,95,97,935	-	-	24,17,95,97,935
	<b>54,21,34,86,086</b>	<b>20,10,21,28,624</b>	<b>6,92,07,16,987</b>	<b>81,23,63,31,697</b>
<b>March 31, 2016</b>				
Borrowings	3,86,57,91,442	1,43,96,08,904	5,63,74,45,302	10,94,28,45,649
Trade Payables	27,96,38,69,887	-	-	27,96,38,69,887
Other financial liability	23,83,28,19,587	-	-	23,83,28,19,587
	<b>55,66,24,80,917</b>	<b>1,43,96,08,904</b>	<b>5,63,74,45,302</b>	<b>62,73,95,35,123</b>
<b>April 1, 2015</b>				
Borrowings	3,08,00,44,310	5,59,69,98,916	7,54,39,11,654	16,22,09,54,880
Trade Payables	29,81,82,03,923	-	-	29,81,82,03,923
Other financial liability	18,81,33,72,672	-	-	18,81,33,72,672
	<b>51,71,16,20,905</b>	<b>5,59,69,98,916</b>	<b>7,54,39,11,654</b>	<b>64,85,25,31,475</b>



Note 33: Employee benefit Plan

1 Defined Benefit Plan

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

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

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

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

Summary of Membership Data:

Sr No	Particulars	31-03-2017	31-03-2016
i	Gratuity		
	Number of employees Gratuity	9,725	9,939
	Total Monthly Salary	58.04	53.24
	Average Past Service (Years)	20.10	19.65
	Average Age (Years)	46.55	46.59
	Average remaining working life (Years) weighted average duration	15.45	15.41
ii	Pension		
	For Active Employees		
	Number of employees Pensioners	5,910	6,062
	Total Monthly Pension	45.21	41.73
	For Retired Employees		
	Number of Retired Employee	3,447	3,186
	Total Monthly Pension	12.41	10.72
	For Spouse		
Number of Spouse	3,337	3,209	
Total Monthly Pension	6.56	5.94	
iii	Leave		
	Leave balance considered on valuation date	20,04,376	20,20,551

1.1 Risk associated with the Plan

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

1.2 Principal Actuarial Assumptions:

Sr No	Particulars	31-03-2017	31-03-2016	01-04-2015
i	Discount rate (p.a.)	7.32%	8.00%	8.00%
ii	Salary Escalation rate (p.a.)	6.00%	6.00%	6.00%
iii	Pension Escalation rate (p.a.)	4.00%	4.00%	4.00%

a) Discount Rate:

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

b) Salary Escalation Rate:

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

1.3 Principal Demographic assumptions:

Sr No	Particulars	31-03-2017	31-03-2016	01-04-2015
1	Retirement age (Years)	62	62	62
2	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
3	Withdrawal rate			
	Upto 30 Years	0%	0%	0%
	From 31 to 44 Years	0%	0%	0%
	Above 44 years	0%	0%	0%

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

Particulars	Amount in Rs. Crs		Amount in Rs. Crs
	Gratuity and Pension		Leave
	31-03-2017	31-03-2016	31-03-2017
Current Service Cost	92.29	80.96	17.33
Past Service Cost including curtailment Gains/Losses	-	133.18	-
Interest Cost on Defined Benefit Obligation	486.59	411.49	29.84
Interest Income on Plan Assets	(205.34)	(190.86)	-
Amount recognised in statement of profit and loss	373.54	434.77	47.17
Actuarial gain / (loss) for the year on Defined Benefit Obligation	(368.21)	(536.96)	(5.78)
Actuarial gain / (loss) for the year on Asset	7.62	(3.96)	-
Amount recognised in other comprehensive income	(360.59)	(540.92)	(5.78)





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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2017	31-03-2016
Present value of defined benefit obligation	6,754.54	6,082.39
Fair value of plan assets	2,900.03	2,566.72
Unfunded Liability/provision in Balance Sheet	3,854.51	3,515.67
Bifurcation of the present value of defined benefit obligation at the end of the year		
Current	297.19	243.14
Non-current	6,457.35	5,839.25

1.6 Movement in fair value of the defined Benefit Obligation

Particulars	Amount in Rs. Crs		Amount in Rs. Crs
	Gratuity and Pension		Leave
	31-03-2017	31-03-2016	31-03-2017
Opening defined benefit Obligation	6,082.39	5,143.58	373.06
Current Service cost	92.29	80.96	17.33
Past Service Cost including curtailment Gains/Losses	-	133.18	-
Interest cost on defined benefit obligation	486.59	411.49	29.84
Actuarial (Gain)/Loss on arising from Experience Adjustment	119.21	536.96	(12.87)
Actuarial (Gain)/Loss on arising from change in Financial assumptions	249.00	-	18.65
Benefits paid	(274.94)	(223.78)	-
Closing defined benefit Obligation	6,754.54	6,082.39	426.01

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

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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2017	31-03-2016
Opening fair value of Plan assets	2,566.72	2,385.73
Actual return on Plan assets	212.96	186.90
Employer contribution	395.28	217.87
Benefits paid	(274.94)	(223.78)
Closing fair value of Plan assets	2,900.03	2,566.72

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

Particulars	Gratuity and Pension	
	31-03-2017	31-03-2016
	Funds Managed by Insurer	33.11%
High Quality Corporate Bonds	31.14%	31.14%
Government of India Securities	20.61%	20.61%
Central /State Government Guaranteed securities	10.65%	10.65%
Equity Shares of listed companies/Equity Mutual Fund	4.49%	4.49%
Closing fair value of Plan assets	100.00%	100.00%

1.8 Movement in Net defined Benefit Obligation

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2017	31-03-2016
Opening Net defined benefit Obligation	3,515.67	2,757.85
Total Service Cost	92.29	214.14
Net Interest cost (Income)	281.25	220.63
Actuarial (Gain)/Loss	360.59	540.92
Contribution paid to the fund	(395.28)	(217.87)
Closing Net defined benefit Obligation	3,854.51	3,515.67

1.9 Sensitivity Analysis of the Defined Benefit Obligation

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

Particulars	Amount in Rs. Crs		Amount in Rs. Crs
	Gratuity and Pension		Leave
	31-03-2017	31-03-2016	31-03-2017
<b>Discount Rate</b>			
Impact of increase in 50bps on DBO	(201.22)	(183.03)	(13.88)
Impact of decrease in 50bps on DBO	202.67	185.67	14.88
<b>Salary Escalation Rate</b>			
Impact of increase in 50bps on DBO	202.81	186.12	14.99
Impact of decrease in 50bps on DBO	(201.84)	(183.78)	(14.11)

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

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



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

Energy Purchased and Sold	Purchases		Sales	
	In MU	Rs in cr	In MU	Rs in cr
F.Y. 2016-17	29212.12	11165.32	21951.46	11683.73
F.Y. 2015-16	26488.00*	8,646.60	18,603.00	9541.57

\* including 2365.08 MU (PY – 75.30 MU) received through power banking.

**Note 35:** Estimated value of contracts remaining to be executed against capital commitments is Rs.580.32 crore as at end of the year.

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

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

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

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

A. List of Related Parties:		
Key management personnel:	Ankit Anand	Managing Director
	Sandeep Modi	Chief Financial Officer

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

Name of Related Party	Nature of relationship	Apr'15 to March'16 (In Rs.)	Apr'16 to March'17 (In Rs.)
Ankit Anand	Managing Director	11,60,783	11,75,020
Sandeep Modi	Chief Financial Officer	24,76,387	27,24,282

**Note 40: Details of Claims lodged by the Company not acknowledged as debt:**

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

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

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



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

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

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

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

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

**Note 41: Significant Events after the Reporting Period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.



**Chhattisgarh State Power Distribution Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

**Note 42 : Specified Bank Notes Disclosure (SBNs)**

In accordance with the MCA notification G.S.R 308(E) dated March 30,2017 details of specified bank Notes (SBN) and other Denomination Notes (ODN) held and transacted during the period from November 8,2016 to December 30,2016 is given below:

During the period referred above, since the company is engaged in electricity distribution business, it was allowed to receive SBNs as a legal tender from its customers towards payment of their electricity dues. The Company has designated collection centres which are permitted to receive cash from its customers. Cash collected at these centres is directly deposited into Company's Bank accounts.



**Note 43: Explanation of Transition to Ind AS and effect of Ind AS adoption**

**43.1 First-time adoption-mandatory exceptions, optional exemptions**

**a Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

**b Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

**c Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**d Deemed cost for PPE, investment property and intangible assets**

The Company has elected to restate retrospectively generally all its property, plant and equipment and intangible assets as per the Ind AS 16 on transition date (as at 1st April, 2015).

**43.2 Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015**

	As at 31 March 2016	As at 1 April 2015
<b>Total equity / shareholders' funds under previous GAAP</b>	<b>(1,77,250.50)</b>	<b>(1,87,997.36)</b>
<b>Ind AS Adjustments:-</b>		
Share application Money Pending allotment transferred to Other Equity*	6,326.25	6,326.25
Consumer contribution towards capital assets - taken to liabilities	(15,380.88)	(16,027.42)
<b>Other Adjustments:-</b>		
Interest on Security Deposits	(338.72)	-
Other staff costs adjustment	-	(1,963.01)
other miscellaneous expenses	-	(736.74)
<b>Total adjustment to equity</b>	<b>(9,393.35)</b>	<b>(12,400.92)</b>
<b>Total equity under Ind AS</b>	<b>(1,86,643.85)</b>	<b>(2,00,398.28)</b>

\* Under Previous GAAP, Share application Money Pending allotment was not part of the Shareholders fund

**43.3 Reconciliation of total comprehensive income for the year ended 31st March, 2016**

	As at 31 March 2016
<b>Profit as per previous GAAP *</b>	<b>(54,063.90)</b>
<b>Ind AS Adjustments:-</b>	
<b>Other AS Adjustments:-</b>	
Interest on Security Deposits	(338.72)
Actuarial gain / (loss) taken to other comprehensive income	54,092.00
Other staff costs adjustment	1,963.01
other miscellaneous expenses	736.74
<b>Total effect on transition to Ind AS</b>	<b>56,453.03</b>
<b>Profit for the year as per Ind AS</b>	<b>2,389.13</b>
Other comprehensive income for the year (net of tax)	(54,092.00)
<b>Total comprehensive income under Ind AS</b>	<b>(51,702.87)</b>

\* Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

**43.4 Reconciliation of cash flow between previous IGAAP and IndAS as on 31 March 2016**

	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per IndAS
Cash flow from/(used in) operating activities	76,903.26	-	76,903.26
Cash flow from/(used in) investing activities	(15,308.12)	-	(15,308.12)
Cash flow from/(used in) financing activities	(27,528.22)	-	(27,528.22)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>34,066.91</b>	<b>-</b>	<b>34,066.91</b>
Cash and cash equivalents at the beginning of the year	12,193.95	-	12,193.95
<b>Cash and cash equivalents at the end of the year</b>	<b>46,260.86</b>	<b>-</b>	<b>46,260.86</b>

**Note 44: Approval of financial statements**

The financial statements were approved for issue by the board of directors on 13.08.2018

In terms of our report attached.  
For Pandey & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Amit Pandey  
Partner  
Membership No. 902377

Managing Director

Director

Chief Financial Officer

Company Secretary

Place:  
Date: 01 SEP 2018

