

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

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

In terms of our report attached.

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

For and on behalf of the Board of Directors


Amit Pandey
Partner
Membership No. 402377


M.Q. Abdul Haque
Managing Director
DIN-08369533


H. Narware
Director
DIN- 07741128


Sandeep Modi
Chief Financial Officer

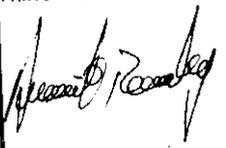

Arun Mishra
Company Secretary
M.No. ACS55153

Place: 15 OCT 2019
Date:

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

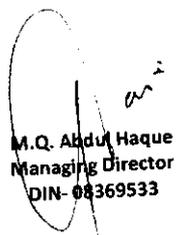
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	22	14,37,255.30	12,61,932.15
II Other Income	23	43,424.54	21,643.98
III Total Revenue (I + II)		14,80,679.84	12,83,576.13
IV EXPENSES			
(a) Cost of power purchase	24	12,53,107.38	11,16,532.72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

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


Amit Pandey
Partner
Membership No. 402377

Place : 15 OCT 2019
Date :

For and on behalf of the Board of Directors


M.Q. Abdul Haque
Managing Director
DIN- 08369533


H. Narware
Director
DIN- 07741128


Sandeep Modi
Chief Financial Officer


Agun Mishra
Company Secretary
M.No. ACS55153

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

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

Change in liability arising from financing activities

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

In terms of our report attached.

For Pandey & Co.

Chartered Accountants

FR.NO.-000357C



Amit Pandey

Partner

Membership No. 402377

For and on behalf of the Board of Directors



M.Q. Abdul Haque
Managing Director
DIN- 08369533



H. Narware
Director
DIN- 07741128



Sandeep Modi
Chief Financial Officer



Arun Mishra
Company Secretary
M.No. ACS55153

Place: **15 OCT 2019**

Date:

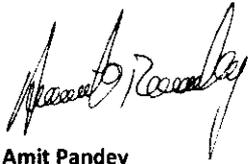
Chhattisgarh State Power Distribution Company Limited
Statement of changes in equity for the year ended 31st March, 2018
All amounts are in ₹ (in Lacs) unless otherwise stated

a. Equity share capital

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

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



Amit Pandey
Partner
Membership No. 402377

Place :
Date :

15 OCT 2019

For and on behalf of the Board of Directors



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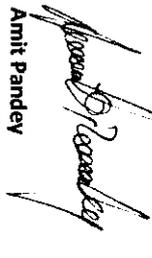
Arun Mishra
Company Secretary
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Chhattisgarh State Power Distribution Company Limited
Statement of changes in equity for the year ended 31st March, 2018
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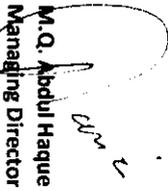
b. Other Equity

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

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Amit Pandey
 Partner
 Membership No. 402377

For and on behalf of the Board of Directors


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 Company Secretary
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Place :
 Date : **15 OCT 2019**

1 Background

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

2 Significant Accounting Policies

2.1 Statement of Compliance

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

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

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

2.2 Basis of accounting and preparation of financial statements

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

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

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

2.3 Use of estimates

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

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

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

2.4 Revenue Recognition

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

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

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

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

2.5 Interest Income

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

2.6 Employee Benefits

2.6.1 Short Term Employee Benefits

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

2.6.2 Post-employment benefits: Defined contribution/ benefit plans

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

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

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

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

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

2.6.3 Earned Leave Encashment

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

2.6.4 Other Long Term Employee Benefits

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

2.7 Borrowing Cost

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

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

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

2.8 Taxation

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

Current tax:

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

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

Deferred tax:

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

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

2.9 Property plant and equipment

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

Freehold land and Assets held for sale are not depreciated.

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

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

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

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

Estimated useful lives of the assets are as follows:

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

2.9.1 Capital Work-in-Progress

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

2.9.2 Impairment of tangible assets:

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

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

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

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

2.10 Inventories

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

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

2.11 Provisions and contingencies

2.11.1 Provisions

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

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

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

2.11.2 Contingencies

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

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

2.12 Financial Instruments

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

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

2.12.1 Financial Assets

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

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

2.12.2 Financial assets at amortised cost

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

2.12.3 Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

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

2.12.6 Financial liabilities and equity instruments

2.12.7 Classification as debt or equity

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

2.12.8 Equity Instruments

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

2.12.9 Financial liabilities

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

2.12.10 Offsetting of financial instruments

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

2.13 Cash and cash equivalents

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

2.14 Cash Flow Statement

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

2.15 Earnings per equity share

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

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

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

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

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

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

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

2.17 Expenditure on Project Identification Survey and Feasibility Studies:

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

2.18 Standards issued but not yet effective

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

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

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April, 2018.
The Company is evaluating the requirements of the amendment and its effects on the financial statements.

3 Critical accounting estimates and judgements

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

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

The areas involving critical estimates are:

Estimation of current tax and deferred tax expense

Estimation of values of contingent liabilities

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

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

Note 4 - Property, plant and equipment

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
I. Gross Block														
Balance as at 1st April, 2017	169.16	74.15	2,179.40	4,486.08	1,909.44	1,810.95	185.61	3,86,190.26	1,75,969.21	242.22	412.83	270.65	4,682.63	5,78,583
Additions and transfers			729.72	1,287.96	33.98	17.19		56,038.16	27,128.85	1.40	4.22		0.79	85,242
Deletions and transfers														
Balance as on 31st March, 2018	169.16	74.15	2,909.12	5,774.04	1,943.42	1,828.14	185.61	4,42,228.42	2,03,098.06	243.62	417.05	270.65	4,683.42	6,63,825
II. Accumulated depreciation														
Balance as at 1st April, 2017	39.95		515.51	571.69	750.40	267.58	120.38	1,40,363.26	59,362.00	147.18	260.03	228.42	4,110.24	2,06,737
Depreciation / amortisation expense for the year	3.96		78.38	161.30	64.57	60.78	8.75	18,242.58	8,010.34	7.12	12.91	1.11	75.80	26,728
Balance as on 31st March, 2018	43.91		593.89	732.99	814.97	328.36	129.13	1,58,605.84	67,372.34	154.30	272.94	229.53	4,186.04	2,33,464
Net block (I-II)														
Balance as on 31st March, 2018	125.25	74.15	2,315.23	5,041.05	1,128.45	1,499.78	56.48	2,83,622.58	1,35,725.72	89.32	144.11	41.12	497.38	4,30,361
Balance as on 31st March, 2017	129.21	74.15	1,663.89	3,914.39	1,159.04	1,543.37	65.23	2,45,827.00	1,16,607.21	95.04	152.80	42.23	572.39	3,71,846

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
I. Gross Block														
Balance as at 1st April, 2016	169.16	101.16	1,841.65	3,301.54	1,799.68	1,806.61	175.13	3,45,492.39	1,55,534.23	228.63	414.33	254.04	4,681.50	5,15,900
Additions and transfers		(27.01)	337.75	1,184.54	109.76	4.34	10.48	40,687.87	20,334.98	13.59	(1.50)	16.61	1.13	62,683
Deletions and transfers														
Balance as on 31st March, 2017	169.16	74.15	2,179.40	4,486.08	1,909.44	1,810.95	185.61	3,86,190.26	1,75,969.21	242.22	412.83	270.65	4,682.63	5,78,583
II. Accumulated depreciation and amortisation														
Balance as at 1st April, 2016	35.98		450.49	452.16	688.62	207.73	112.17	1,23,530.16	51,646.99	140.30	247.25	228.09	3,807.38	1,81,547
Depreciation / amortisation expense for the year	3.97		65.02	119.53	61.78	59.85	8.21	16,833.10	7,715.01	6.88	12.78	0.33	302.86	25,189
Balance as at 31st March, 2017	39.95		515.51	571.69	750.40	267.58	120.38	1,40,363.26	59,362.00	147.18	260.03	228.42	4,110.24	2,06,737
Net block (I-II)														
Balance as on 31st March, 2017	129.21	74.15	1,663.89	3,914.39	1,159.04	1,543.37	65.23	2,45,827.00	1,16,607.21	95.04	152.80	42.23	572.39	3,71,846
Balance as on 31st March, 2016	133.18	101.16	1,391.16	2,859.38	1,111.06	1,538.88	62.96	2,21,962.23	1,03,987.24	88.33	167.08	25.95	874.12	3,34,351

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

Note 5 - Other Intangible Assests

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



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

Note 6 - Investment

Particular	As at 31st March, 2018		As at 31st March, 2017	
	QTY	Amounts Current	QTY	Amounts Non 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	6	60.00
Total Unquoted Investments	6	60.00	6	60.00

(Handwritten signature)

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

Note No. 7 - Loans

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



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

Note No. 8 - Other financial assets

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



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

Note No. 9 - Non Current Tax Assets

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

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

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

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

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

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

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Advance to Suppliers & Contractors	-	8,933.66	8,933.66	-	4,130.88	4,130.88
Prepaid Expenses	5.06	7.17	12.23	-	-	-
Govt credit	43.87	-	43.87	7.54	-	7.54
Other advances	48.93	8,940.83	8,989.76	7.54	4,130.88	4,138.42



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

Note No. 11 - Inventories

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

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

Note No. 12 - Trade receivables

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

Amount outstanding as at 31st March, 2018 includes 1818.13 Crores (31st March 2017 includes Rs. 1955 Crs) receivable from Govt. of Chhattisgarh towards 5HP agricultural consumers and BPL Consumers. Against above receivables, Govt. of Chhattisgarh has provided guarantee for the loans borrowed from Power Finance Corporation amounting to Rs. 595 Crs, Rural Electrification Corporation amounting to Rs. 595 Crs and Union Bank of India Rs. 500 Crs (Additionally Cash Credit limit from Union Bank of India was increased from 250 Crs to Rs. 515 Crs). The guarantee is provided by the State government in lieu of reimbursement of Company's claim against supply of free electricity to the consumers of agricultural pumps under Krishak Jeewan Yojna and to the Below Poverty Line (BPL) consumers of the State.



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

Note No. 13 - Cash and cash equivalents

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

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

Note No. 14 - Equity share capital

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



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

Note No. 15 - Other equity

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

Nature and purpose of the reserve

Retained Earnings

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

Other Comprehensive Income

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

GOCG contribution towards capital assets

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

Capital Reserve - GOCG Grant under UDAY Yojna

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

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

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

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

Note No. 16 - Non Current Borrowings

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

Nature of Security	Terms of Repayment																																																																																
<p>1.(A)(1) Against Term Loan from Power Finance Corporation:</p> <p>Term Loan from Power Finance Corporation amounting to Rs. 400.01 (PY Rs. 224.74 cr.) (including current maturities) are secured by first charge in favour of PFC by way of hypothecation on the newly financed assets under the project and part of existing assets.</p>	<p>The repayment will be made annually in equal quarterly installments together with interest on the outstanding balance commencing after the expiry of moratorium period. There will be moratorium on repayment of principal and interest on loan for the sanction period of execution which shall in no case exceeds 3 years (R-APDRP Part A, Part B and Scada projects). The tenure of loan is for 10 years including moratorium period and at ROI of 9% pa and 12% pa for R-APDRP part B counter funding and 13% pa for Upgradation of Server Loan (STL). Sanctioned The Company has drawn the first phase and second phase of its sanctioned limit and assets acquired under project are still under implementation stage.</p>																																																																																
<p>1.(A)(2) Against Term loan from Rural Electrification Corporation:</p> <p>Term loan from rural electrification corporation amounting to Rs. 825.03 cr. (PY Rs. 574.90 cr.) (including current maturities) are secured by way of Mortgage / Hypothecation of future assets so created out of loan amt sanctioned for the project subject value being 110% of the loan amount so sanctioned.</p>	<p>The loan will be repayable in 13 year including moratorium period of 3 year in quarterly installments starting from April'13 for Atal Jyoti and February 2015 for STN.</p>																																																																																
<p>1.(B): Working capital term loans</p> <p>Against the receivables from Govt. of Chhattisgarh towards SHP agricultural consumers and BPL Consumers, Govt. of Chhattisgarh has provided guarantee for the loans borrowed from Power Finance Corporation amounting to Rs. 595 Crs. Rural Electrification Corporation amounting to Rs. 595 Crs and Union Bank of India Rs. 500 Crs. The guarantee is provided by the State government in lieu of reimbursement of Company's claim against supply of free electricity to the consumers of agricultural pumps under Krishak Jeevan Jyoti Yojna and to the Below Poverty Line (BPL) consumers of the State.</p>	<p>Following is the repayment schedule for the term loans :-</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">UBI</th> <th colspan="2">REC</th> <th colspan="2">PFC</th> <th colspan="2">Total</th> </tr> <tr> <th>Interest</th> <th>Repayment</th> <th>Interest</th> <th>Repayment</th> <th>Interest</th> <th>Repayment</th> <th>Interest</th> <th>Repayment</th> </tr> </thead> <tbody> <tr> <td>2016-17</td> <td>20.51</td> <td>0</td> <td>20.22</td> <td>0</td> <td>13.37</td> <td>0</td> <td>54.5</td> <td>0</td> </tr> <tr> <td>2017-18</td> <td>44.81</td> <td>61.3</td> <td>66.99</td> <td>37.19</td> <td>60.2</td> <td>37.19</td> <td>106</td> <td>136.88</td> </tr> <tr> <td>2018-19</td> <td>32.55</td> <td>125</td> <td>51.47</td> <td>148.73</td> <td>48.24</td> <td>148.75</td> <td>133.26</td> <td>422.5</td> </tr> <tr> <td>2019-20</td> <td>23.57</td> <td>125</td> <td>36.31</td> <td>148.73</td> <td>33.91</td> <td>148.75</td> <td>97.89</td> <td>422.5</td> </tr> <tr> <td>2020-21</td> <td>12.46</td> <td>125</td> <td>20.98</td> <td>148.73</td> <td>17.79</td> <td>148.75</td> <td>51.23</td> <td>422.5</td> </tr> <tr> <td>2021-22</td> <td>2.08</td> <td>62.5</td> <td>5.73</td> <td>111.56</td> <td>3.33</td> <td>111.56</td> <td>11.14</td> <td>285.62</td> </tr> <tr> <td>Total</td> <td>137.38</td> <td>500</td> <td>195.7</td> <td>595</td> <td>175.94</td> <td>595</td> <td>509.02</td> <td>1690</td> </tr> </tbody> </table>	Particulars	UBI		REC		PFC		Total		Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	2016-17	20.51	0	20.22	0	13.37	0	54.5	0	2017-18	44.81	61.3	66.99	37.19	60.2	37.19	106	136.88	2018-19	32.55	125	51.47	148.73	48.24	148.75	133.26	422.5	2019-20	23.57	125	36.31	148.73	33.91	148.75	97.89	422.5	2020-21	12.46	125	20.98	148.73	17.79	148.75	51.23	422.5	2021-22	2.08	62.5	5.73	111.56	3.33	111.56	11.14	285.62	Total	137.38	500	195.7	595	175.94	595	509.02	1690
Particulars	UBI		REC		PFC		Total																																																																										
	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment																																																																									
2016-17	20.51	0	20.22	0	13.37	0	54.5	0																																																																									
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Total	137.38	500	195.7	595	175.94	595	509.02	1690																																																																									
<p>C. State Government Loan (including APDRP Loan)</p>	<p>The unsecured loan from Govt of Chhattisgarh is repayable in equated annual installment of Rs.29 cr. The applicable ROI is 8.9% p.a. Further, the repayment was to be made through adjustment of the amount receivable from budget allocation of state government. However, since FY 2016-17 no adjustment of Loan Outstanding is being made by state government, the loan has been reinstated as Long term loan borrowing in FY 2017-18)</p>																																																																																
<p>2(1) Bonds</p> <p>8.72% CSPDCL Bonds:</p> <p>During FY2014-15 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 8.72% amounting to Rs.257.50 cr through private placement with Green Shoe Option.</p>	<p>The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.</p>																																																																																
<p>10.36% CSPDCL Bonds</p> <p>During FY2015-16 CSPDCL has issued State Government, Unsecured, Redeemable Regular Return, Non Convertible Taxable bearing coupon rate 10.36% amounting to Rs.242.50 cr through private placement with Green Shoe Option.</p>	<p>The tenure of the bonds is 20 years and shall be redeemed as under: 1. At par 5% of the Amount mobilized and retained in the bond issue at end of 6th,7th,8th,9th,10th,11th,12th,13th,14th,15th year from deemed date of allotment. 2. At par 10% of the Amount mobilized and retained in the bond issue at end of 16th,17th,18th,19th,20th year from deemed date of allotment.</p>																																																																																

Chhattisgarh State Power Distribution Company Limited

Notes to the financial statements for the year ended 31st March, 2018

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

Note No. 17 - Other Financial Liabilities

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
a) Other financial liabilities carried at amortised cost:				
Deposits & Retentions from Contractors & Suppliers	56,079.74		16,187.83	
Security Deposits from Consumers	1,84,681.66		1,60,680.68	
Employee related liabilities	1,179.94		1,179.07	
Current maturities of loan from Power Finance Corporation Limited	28,134.45		13,948.63	
Current maturities of loan from Rural Electric Corporation	21,156.63		8,537.53	
Current maturities of loan from Union Bank of India	12,500.00		6,250.00	
Current maturities of loan from Government of Chhattisgarh	8,642.44		8,634.89	
Interest accrued but not due on borrowings	1,276.70		11,857.20	
Interest accrued and due on borrowings	13,271.99		423.14	
Interest Payable On Consumer's Deposits	-		331.38	
Electricity duty payable	4,698.91		4,727.16	
Electricity cess payable	945.15		867.20	
Other payables	7,985.17		6,447.59	
Other	544.60		376.92	
Inter Company Payable Account				
Chhattisgarh State Power Holding Company Limited	10,158.16		1,346.02	
Chhattisgarh State Power Transmission Company Limited	1,073.46		-	
Total other financial liabilities	3,52,329.00	-	2,41,795.24	-

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

All amounts are in ₹ (in Lacs) unless

Note No. 18 - Provisions

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



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

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

Note No. 19 - Other Liabilities

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



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

Note No. 20 - Current Borrowings

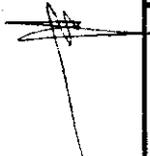
Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Secured Borrowings		
(a) Working Capital Demand Loans		
(i) Loan from Rural Electrification Corporation Limited	15,000	
(b) Loans repayable on demand		
Cash Credit Limit		
(i) From State Bank of India, Raipur	24,686	16,456
(ii) From Union Bank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



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

Note No. 21 - Trade payables

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



Chhattisgarh State Power Distribution Company Limited

Notes to the financial statements for the year ended 31st March, 2018

All amounts are in ₹ (in Lacs) unless

Note no -22 Revenue from Operations

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

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



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

Note no -23 Other Income

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



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

Note no -24 Cost of power purchase

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



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

Note no -25 Employee Benefits Expense

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



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

Note no -26 Finance Cost

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



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

Note no -27 Other Expenses

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

Note no -28 Exceptional Items

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

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



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

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

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

Note 30: Restructuring of Chhattisgarh State Electricity Board:

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

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

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

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

Note 30.1: Opening Balances transferred pursuant to transfer scheme:

The Government of Chhattisgarh vide notification no. 1816/F-21/13/13-2/2014 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 :-

		Provisional No. 2020/ F-21/13/09/13/2/ED dt. 29th October 2010	Revised No. 1816/ F-21/13/13-2/ 2014 dated 17.07.2017	Difference
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	CV/IP	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	52.29	63.49	-10.2
N	Security Deposits from Consumers	-463.22	-472.89	9.67
O	Other Current Liabilities	-1,034.33	-1,038.26	3.93
P	Subsidy Receivable from Government	240.48	240.48	0
	Total Assets (C to P)	2359.89	2228.14	131.75
	LIABILITIES			
A	Surplus + Equity Adjustment	1,822.23	1,780.96	41.27
B	Reserve and Reserve Funds	91.03	0	91.03
C	Sub Total: Shareholder Equity	1,913.26	1,780.96	132.30
D	Total Funds from State Gov.	214.94	214.94	0
E	Payment Due on Capital Liabilities	149.03	149.58	-0.55
F	Capital Liabilities	82.66	82.66	0
	Total Liabilities (C to F)	2,359.89	2,228.14	131.75

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

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

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

Note 30.3: Final Absorption of Personnel in Transferee Company

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

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

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

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

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

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

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

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

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

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

Sr. No.	Assessment Year	Gross Disputed Tax Liability in Crores	Unpaid Tax Liabilities in Crores	Authority before which appeal 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 :-

Sr. No.	Financial Year	Gross Tax Liability in Lacs	Retax
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.

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

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

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

S.No.	Name of Parties	Reference of Matter (Appeal No.)	Authority Before which case is pending	Nature of Dispute	Amount Involved (in Lacs)
1	M/s Vandana Global Ltd	265/2015	Commission	Backing Down Instructions	28.89
2	M/s Vandana Viway Ltd	247/2015	SC	Deduction from bill has been challenged	33.05
3	M/s Godavari Power & Ispat Ltd.	22944/2017	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and Godavari Power both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as Godavari Power's contention is that the POC is not at all payable. And the POC Charges already paid during FY 2009-10 be adjusted against CSS.	Amount could not be quantified
4	M/s S K S Ispat Ltd.	3038/2018	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and S K S Ltd. both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as SK S Ltd's contention is that the POC is not at all payable.	Amount could not be quantified
5	M/s Salasar Steel and Power Ltd	1598/2018	SC	APTEL has given order on 27.09.2017. As per this order CSS will be applicable at 50% of the normal rate and POC charges payable at normal rate. CSPDCL and Salasar Steel Ltd. both have challenged this order before Supre Court. CSPDCL's contention is that CSS is applicable 100% rate, where as Salasar's contention is that the POC is not at all payable.	Amount could not be quantified
6	M/s Rajaram Maize Products- Solar division	172/2018	APTEL	M/s Rajaram Maize Products- Solar division has preferred this Appeal against Commission's order dtd.03.03.2017 & 14.11.2017 where by Commission has disallowed about 71,85,400 Units injected by the Appellant for any adjustment. If order comes against CSPDCL, then either payment is to be made to Rajaram for these units at the rate decided by APTEL/Commission or adjustment is to be granted towards banking for consumption of the same at Starch Plant	Amount could not be quantified
7	M/s Sharda Energy & Minerals Ltd.	42/2018	Commission	Refund of CSS amount recovered by CSPDCL	172.77
8	CREDA, CSPDCL	30/2018, 17/2019 and 64/2018	Commission	RPO for period FY 2015-16, FY 2016-17 and FY 2017-18	Amount could not be quantify
9	D B Power	43/2017	CSERC	Rate of variable charges for supply of power.	Amount could not be quantify
10	M/s Balco	325/2017	Commission	Methodology for Computing Cross Subsidy Surcharge	Amount could not be quantify
11	M/s Real Power Pvt. Ltd.	Appeal No. 339/2016		Parallel Operation Charges	32.01
12	M/s Mormet Ispat & Energy Pvt Ltd	Petition No. 51/2016(M)		Revision of Power Purchase bill for July-14	62.70
13	M/s API Ispat Ltd	Appeal No. 321/2016		Cross Subsidy Charges	19.85
14	M/s Ind Synergy Ltd	Petition No. 38/2016 (D)		Billing Arrears	495.13

31.8 Outstanding Bank Guarantee issued in favour of Income Tax Department as at 31.03.2013 is Rs. 0.00(Crore (PY Rs. 21.12 Crore) and outstanding Letter of Credit issued against Power Purchase as on 31st March'18 is Rs. 91.34 Crore (PY Rs. 100.60 Crore).

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

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

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

31.12 Details of MSME Cases Filed by Various Other Firms

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

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

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

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

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

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

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

32. Financial Instruments

32.1 Capital management

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

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

The capital components of the Company are as given below:

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

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

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

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

32.2 Financial Instruments – Fair values and risk management

Categories of Financial Instruments:

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

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

32.3 Financial risk management objectives

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

32.3.1 Interest rate risk management

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

Interest rate sensitivity:

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

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

32.3.2 Credit risk management

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

Financial Assets	As at 31st March 2018 (Rs.)	As at 31st March 2017 (Rs.)
Trade Receivables	5,90,015.92	4,59,954.23
Loans	87.54	134.10
Other financial assets	5,807.22	40,896.56
Investments	60.00	60.00
Total	5,95,970.68	5,00,984.89

32.3.3 Liquidity risk management

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

Expected contractual maturity for Financial Liabilities

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



Note 33: Employee benefit Plan:

1 Defined Benefit Plan

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

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

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

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

Summary of Membership Data:

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

1.1 Risk associated with the Plan

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

1.2 Principal Actuarial Assumptions:

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

a) Discount Rate:

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

b) Salary Escalation Rate:

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

1.3 Principal Demographic assumptions:

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

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

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current Service Cost	119.80	92.29	18.13	17.33
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Interest Cost on Defined Benefit Obligation	494.43	486.59	31.18	29.84
Interest Income on Plan Assets	(212.28)	(205.34)	-	-
Amount recognised in statement of profit and loss	401.95	373.54	49.31	47.17
Actuarial gain / (loss) for the year on Defined Benefit Obligation	125.84	(368.21)	29.27	(5.78)
Actuarial gain / (loss) for the year on Asset	(3.40)	7.52	-	-
Amount recognised in other comprehensive income	122.44	(360.69)	29.27	(5.78)

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

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

1.6 Movement in fair value of the defined Benefit Obligation

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Opening defined benefit Obligation	6,754.54	6,082.39	426.01	373.06
Current Service cost	116.80	92.29	18.13	17.33
Past Service Cost including curtailment Gains/Losses				
Interest cost on defined benefit obligation	494.43	486.59	31.18	29.84
Actuarial (Gain)/Loss on arising from Experience Adjustment	24.29	119.21	(17.02)	(12.87)
Actuarial (Gain)/Loss on arising from change in Financial assumptions	(150.13)	249.30	(12.25)	18.65
Benefits paid	(310.25)	(274.94)		
Closing defined benefit Obligation	6,932.69	6,754.54	446.06	426.01

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

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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	
	31-03-2018	31-03-2017
Opening fair value of Plan assets	2,900.02	2,566.72
Actual return on Plan assets	208.88	212.36
Employer contribution	325.83	395.28
Benefits paid	(310.25)	(274.94)
Closing fair value of Plan assets	3,124.49	2,900.02

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

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

1.8 Movement in Net defined Benefit Obligation

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

1.9 Sensitivity Analysis of the Defined Benefit Obligation

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

Particulars	Amount in Rs. Crs		Amount in Rs. Crs	
	Gratuity and Pension		Leave	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Discount Rate				
Impact of increase in 50bps on DBO	(217.82)	(201.22)	(14.01)	(13.88)
Impact of decrease in 50bps on DBO	235.61	202.57	15.03	14.88
Salary Escalation Rate				
Impact of increase in 50bps on DBO	236.41	202.31	15.21	14.99
Impact of decrease in 50bps on DBO	(222.26)	(201.34)	(14.30)	(14.11)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 40 : Government grants

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

UDAY Yojana

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

Other revenue subsidy

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

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

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

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

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

SN.	Name of firm	Amount of penalty (rs. in lac)
1	M/s East India Udyog Ltd, 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/pars.P) Ltd, Raipur	661.83
5	M/s Shree Engineers, Korba	293.74
6	M/s Tecmag Trans. (P) Ltd, Raipur	251.51
7	M/s Arya Electricals, Raipur	566.01
	Total	2,735.67

The above vendors have contested for arbitration against the said claim of the company. The matter has been referred to an arbitration tribunal. The tribunal has issued an arbitration award in favour of transformer manufacturers. However, the said arbitration award has been challenged by the company in District Court of Raipur. The District Court has given award in favour of the company, in one of the two cases which is CSPDCL Vs. M/s Somani Electricals & Others. This has been however challenged by the vendor in the High Court of Bilaspur for which decision is pending till date. In other case filed by CSPDCL at District Court, Raipur against M/s East India Udyog Ltd, 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 Lak..	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jashpur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition

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

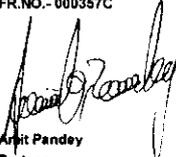
Note 42: The Commercial Tax Department, has raised the demand of on meter rent and sale of tender form for F.Y. 2008-09 to 2012-13. CSPDCL has appealed against the demand and decision passed by C.G. Commercial Tax Tribunal is in favour of CSPDCL for meter rent however against as per the decision VAT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

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

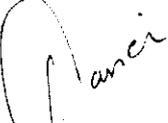
Note 44: Significant Events after the Reporting Period
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

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

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


Arjit Pandey
Partner
Membership No. 402377

For and on behalf of the Board of Directors


M.G. Abdul Haque
Managing Director
DIN: 08369533

Sandeep Modi
Chief Financial Officer


H. Narware
Director
DIN- 07741128

Anuj Mishra
Company Secretary
M.No. ACS55153

Place

Date. **15 OCT 2019**