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## INDEPENDENTAUDITOR'SREPORT
## TO THE MEMBERSOF
## CHHATTISGARHSTATEPOWERTRANSMISSIONCOMPANYLIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

### QUALIFIED OPINION

We have audited the standalone Ind AS financial statements of Chhattisgarh State Power Transmission Company Limited ("the Company") which comprise the Balance sheet as at 31st March 2023, and the statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity for the year ended on that date and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the standalone Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, except for the ***effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view*** in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015(as amended), of the state of affairs of the Company as at 31st March, 2023 and **its Profit** (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**BASIS FOR QUALIFIED OPINION**

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

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

a. **Deposit Work**

The company carries out Capital Work for its own project as well as for other parties; known as deposit works. The company prepares an initial estimate of cost and outside parties are required to submit requisite amount with the company for execution of work. This amount is parked in a liability account namely L110702 and L110705 in SAP ERP system. After the completion of work, the same is netted off with respective asset or refunded back to company as the case may be. The amount outstanding in aforesaid codes as at 31st March, 2023 amounts to Rs. 47,034.71 lacs. However, the company has not provided party wise / estimate wise reconciliation or ageing of the aforesaid amount. During the course of our Audit, we have identified that out of total balance of deposit works of Rs. 7,911.93Lacs related to deposit work was transferred during the year to CWIP and balance of Rs. 47,034.71Lacs is not yet identified. This balance may be on account of amount to be refunded to parties or the work has not been started against those receipts. The company has not provided us adequate information so as to enable us to bifurcate the liability in the aforesaid two categories. In the absence of party wise reconciliation of deposit works liability, we are unable to comment upon the accuracy of deposit work liability of Rs. 47,034,.71 Lacs and its classification thereon in current and non- current liability.

Further, we have also observed that there have been no significant movement in deposit work account codes during last 4 years the details of which is tabulated below.

| Year | Deposit Work Liability | Capital WIP |
|---|---|---|
| 2022-23 | 47,034.71 | 55,274.71 |
| 2021-22 | 47,304.53 | 58,921.20 |
| 2020-21 | 45,961.27 | 49,492.56 |
| 2019-20 | 42,139.03 | 52,441.07 |

b. **Capital WIP**

i) During the course of audit it was found that there is Capital Work in Progress is Rs.55,274.71 Lakhs outstanding during the year. An amount of Rs. 4,015.22 Lakhs is capitalized to respective assets from CWIP during the year. We are unable to comment on the CWIP as the presentation in financial statement is not as per the Format prescribed in schedule III of the companies act further there is various GL code in which amount is outstandingsince very long period.

ii) Based on the samples checked by us, the company has received the Completion certificates of Work in Progress after the Asset has been put to use. There is a difference between date of Put to use as per SAP & date as mentioned in Completion Certificate. No proper explanation has been provided to us by the management as to why there is such difference in both dates therefore we are unable to comment on the same. Instances are as under:

| Asset No. | Date of Put to Use as per SAP | Date of Completion Certificate |
|---|---|---|
| 217150-0 | 21.03.2020 | 04.05.2022 |
| 1066371-0 | 31.03.2018 | 21.09.2022 |

iii) Further, following differences has been observed in Capital WIP Capitalized as per Completion Certificate & as per SAP:

| Asset No. | Amount as per Certificate | Amount as per SAP | Difference |
|---|---|---|---|
| 217242-0 | 14,14,05,869.90 | 14,47,44,819.90 | -33,38,950.00 |
| 217243-0 | 17,62,40,405.21 | 17,64,60,101.71 | -2,19,696.50 |
| | | **Total** | **-35,58,646.50** |

No proper explanation has been provided to us by the management as to why there is such difference in amounts, therefore we are unable to comment on the same

c. According to clause 4.32 of Chhattisgarh State Electricity Supply Code, 2011; the company has to refund the excess of deposited amount over the actual expenditure within a period of 90 days from the date of completion of work to the consumers from whom the deposit has been received. In case of delay in refund the company is liable to pay interest at the rate of 1 % per month or part thereof on amount refundable. ***The amount of interest payable shall have a bearing on profits of the company which, in the absence of party wise listing could not be quantified now.***

d. The company has outstanding trade payables of Rs.13,360.44/- Lakhs. The management has not provided detailed listing and status of these amounts in the format provided in Schedule III of the companies Act. Therefore we are unable to comment on the same

e. As per section 16 of the MSMED Act, 2006 the buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI in case he does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. During the course of audit the management has not provided the Classification of Suppliers under the MSME norms therefore we are unable to comment on the liability of interest that is payable on delay payment to MSME Suppliers.

f. **Cash In Imprest**

The company has disclosed Cash in Imprest under Cash & Cash Equivalent (**Note No.12**) at Rs. 449 Lacs which consist of Two Ledgers A100320(Temp Advance –Div)& A100312 (Cash Clearing A/c).A100312 (Balance as at 31st March 2023 : 4,45,00,843.77/-)is a new Account opened during the year where the Temporary Advances given to various Divisional Offices / Field Offices for meeting the expenses is parked prior to booking of Expenses, which is subject to submission of Bills & Vouchers by the Divisional Offices to their Respective RAOs, thus it is a clearing account, Further in our opinion the above mentioned Ledger code should be Zero at the end of the financial year as the advance given by head office and advance received by it RAO should be reconciled and netted therefore there is no question of arising cash in transit in the Books of Account.Further no detailed list of advances given under ledger Code A100320 and A100312 is provided to us.

g. **Grant received under Power System Development Fund Scheme**

The company has received Government Grant under Power System Development Fund ("PSDF") Scheme amounting to Rs. 830 Lacs during the year for ADMS, Renovation and Upgradation and OPG project. The Company books such Grant under **Other Equity (Note No. 14).** As on the date of Balance Sheet the balance on said account is Rs. 6,677.54 Lacs. As per the provisions of Ind As 20:Accounting for Government Grants and Disclosure of Government Assistance, Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.Since the grant is received for the purpose of construction or renovation of Fixed Assets, the same should be netted off with cost of Capital WIP or renovation expenditure or as the case may be. **Therefore, Other Equity & Capital WIP are overstated to that extent**.

Year wise details of Such Grant are as follows :

| Year | Amount of Grant Released | Amount of Grant Utilised | Amount of Grant Unutilised |
|---|---|---|---|
| 2019-20 | 8,65,00,000 | 2,50,78,344 | 6,14,21,656 |
| 2020-21 | 12,26,54,000 | 9,98,85,656 | 7,29,60,000 |
| 2021-22 | 37,56,00,000 | 23,16,00,000 | 14,40,00,000 |
| 2022-23 | 8,30,00,000 | 31,11,90,000 | - |
| **Total** | **66,77,54,000** | **66,77,54,000** | - |

h. **SLDC Development Reserve**

The Company disclosed SLDC Development Reserve under **Note No. 14** Other Equity amounting to Rs. 1,785.32 Lacs. The company has credited this reserve by Rs. 41.00 Lacs during current year (Refer Statement of Change in Equity). However, Company has treated such amounts as income during previous years and this year changed the treatment and directly credits the other equity, thus company has changed its Accounting Policy which should be applied retrospectively. However the company has neither made any adjustment to opening balance of affected component of equity as required by Ind AS 8 :Accounting Policies, Changes in Accounting Estimates and Errors. ***Thus in our opinion company has violated provisions of Ind AS 8.***

i. **Trade Payables**

The Company has Trade Payables amounting to Rs. 13,360.44Lacs(**Note no. 18**). The Trade Payables includes following GL Codes which are pending for clearing since 01st April, 2022for which no reconciliation has been provided to us:

| Acct.No | G/L account text | Amount |
|---|---|---|
| L115052 | GR/IR A/C w/out PO | 20,23,298.20 |
| | **Total** | **20,23,298.20** |

j. **Transmission Charges**

The company has booked Transmission charges under Revenue from Operations (**Note No. 20**) as following:

| Particulars | Amount (In Lacs) |
|---|---|
| **Transmission Charges Billed to CSPDCL** | |
| LTOA | 91,681.20 |
| MTOA | 8888.43 |
| **Transmission Charges Billed to Others** | |
| MTOA | - |
| STOA | 553.77 |
| **Total** | **1,01,123.41** |

However as per the CSERC Regulations the transmission charges is fixed at Rs. 1,01,223 Lacs. As per explanation provided by the company the difference is due to the amount refunded to a Party relating to previous year.**Therefore, the company has under-booked the revenue by Rs. 100.41 Lacs.**

k. During the Course of audit,it came to our notice that no provision ofObsolete Inventoryhas beenmade in the Financial Statements of the year. As informed by the management that the same is not required as there is no deviation in stock audit report. No stock audit report has been presented before us for our verification therefore we are unable to comment on this.

## I. Merger with Chhattisgarh State Power Holding Company Limited

i) As per **Para 3 Rule 7B(2)(ii)** of aforesaid notification The assets, properties whether moveable or immovable (including land parcels, residential and commercial buildings along with fixtures and vehicles), real and personal, goodwill, copyright, intellectual property, cash balances, capital, investments, reserve funds, receivables special reserve stocks, shares, dividends, bonds, debentures, securities and other instruments of whatever nature of the Holding Company, whether or not recorded in the books of the Holding Company as on the Determined date shall be transferred to the Transmission Company. **However, the company has not provided us any information or explanation regarding transfer of such Assets of Holding Company in name of Transmission Company.**

ii) As per **Para 3 Rule 7B(2)(ii)** of aforesaid notification as on the Determined date, the immovable properties /assets of the Holding Company which are either in possession or joint possession of the Generation the Distribution Company (along with other Successor Companies) and/or are being used by the Generation Company and/or Distribution Company, as the case may be, for the purpose of conducting their respective business operations or for the purpose of accommodation of their respective employees, shall be continued to be used by Generation Company and/or Distribution Company. If required, as per the decision of Empowered Committee, the Transmission Company shall enter into agreements in the nature of lease or right to use in favour of the Generation Company and/ or the Distribution Company to facilitate their use of the immovable property on the terms and conditions as may be mutually agreed Company and/ or the Generation.**However, the company has not provided us any information or explanation regarding the same so we are unable to comment on the said.**

iii) As per point (v) of Para4of aforesaid Notification the consolidated opening balance sheet of transmission company shall be finalized and notified by the State Government within the duration determined, **however we have not been provided with any such consolidated opening balance sheet.**

iv) As per Para 5 of aforesaid notification, the authorized capital of the company shall be increased to Rs. 1,23,00,00,00,000.00 comprising of 12,30,00,00,000 Number of Equity Shares of Rs. 10 each, however as per website of MCA the authorized capital is still Rs. 20,00,00,00,000.00 further no record has been produced before us showing that the company has tried to comply the above mentioned norms as per the business combination arrangement.

v) As per website of MCA, the status of Holding company is still **Active.** As per the explanations and information provided to us the company has not filed Form INC-28 due to technical reasons due to which the merger is not recorded in MCA Portal

vi) During the course of audit, it was found that Disclosure related to contingent liability of the Chhattisgarh state power holding company(CSPHCL) is disclosed in the financial statement as the CSPHCL Company is merged into Chhattisgarh state Power Transmission Company but the details for the same is not produced before us for our verification.

**m.** The Company has not prepared the Ageing of Capital WIP & Ageing of Trade payable as required by the Schedule III Division II of the Companies Act, 2013. **Therefore, the presentation of Financial Statements is deficient tosuch extent.**

**n.** As perSchedule III Division II of the Companies Act, 2013 the company is required to disclose the break-up of various heads of expenses included in the line item 'CSR expenditure'. The notes to accounts relating to CSR expenditure should also contain the following:

**a.** Gross amount required to be spent by the company during the year.

**b.** Amount spent during the year on:

**i.** Construction/acquisition of any asset

**ii.** On purposes other than (i) above The above disclosure, to the extent relevant, may also be made in the notes to the cash flow statement, where applicable.

**iii.** Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures.

**iv.** Where a provision is made in accordance with paragraph above the same should be presented as per the requirements of Schedule III to the Act. Further, movements in the provision during the year should be shown separately.

However, the company has not disclosed the CSR Expenditure in manner prescribed under Schedule III of Companies Act, 2013. **Therefore, the presentation of Financial Statements is deficient to such extent.**

**Key Audit Matter**

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

**Emphasis of Matter**

a) TDS and GST returns are subject to reconciliation with books of accounts. Any liability arising out of subsequent reconciliation is not determinable at the moment.

b) Contingent Liability reported under Note No.33 have not been verified from source documents due to their non-availability.

c) The management has not provided us stock ageing report of the inventory items. In the absence of stock ageing report, we are unable to quantify if any provision for slow/ non-moving inventory is desired.

d) Balances of loan from state government, inter-company accounts, loans & advances including government and others and current liabilities including sundry creditors, employee advances, contractor advances are subject to confirmation and reconciliation.

e) During Current year, the company has received from Government of Chhattisgarh against the dues of Distribution Company Rs. 1,16,55,00,000/- comprising Rs. 77,70,00,000/- as Principal & Rs. 38,85,00,000/- as Interest. However, the company has netted off Rs. 38,85,00,000 against Interest on Term Loan.

*Our opinion is not qualified in respect of above matters.*

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information The other information comprises the information included in the Board's Report includingAnnexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do notexpress any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the Ind ASFinancial Statements**

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

a) The company has not complied with the appointment of company secretary u/s 203(1)(ii) of the Companies Act 2013 and its rule, as the company secretary can be maximum of two companies at same time but here, the company secretary has been appointed for five companies at same time, in our view, this is not the real intent of the legislature, the same need to be looked into by the management.

b) Following accounting codes are subject to reconciliation:
   (i) L010190 -Initial Uploading FI.
   (ii) L010191-Initial Uploading FI.
   (iii) L112035- Royalty Pay-Cont
   (iv) L112036- Royalty Pay-Cont

c) There are certain accounts in the trial balance of the company which are having balance but no transactions are being recorded in those accounts due to technical reasons or the accounts have been blocked for entry. Such accounts need to be reconciled and its impact should be taken in the financial statements. We have also observed adverse balances in certain accounts which according to management are due to technical limitations in SAP software. These issues should be resolved at the earliest by the company.

d) There is no system in SAP to identify MSME Vendors and therefore details of paymentsdue to MSME and non MSME Vendors could not be identified and reported under Note No 18 of Financial Statements.

*Our opinion is not qualified in respect of above matters.*

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, **except for the effects/possible effects of the matters described in the Basis for QualifiedOpinion paragraph** in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements does not comply to the extent as mentioned in our Reportwith the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

e) As the Company is an government company Section 164(2) of the companies act the said clause is not applicable.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March, 2023 on its financial position in its financial statements. (Note no. 30.2 to Financial Statements)

ii. The Company has made provisions as at 31st March, 2023, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. The Company has not transferred any amount to the Investor Education and Protection Fund during the year ended 31 March, 2023.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any Dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **"Annexure C"** on the directions and sub-directions issued by Comptroller and Auditor General of India.

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

**(SANKALP SOHANEY)**
**PARTNER**
**M.NO. 434993**
**UDIN : 23434993BGWDAD8872**

**DATE : 30.09.2023**
**PLACE : RAIPUR (C.G.)**

## ANNEXURE "A" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **CHHATTISGARH STATE POWER TRANSMISSION COMPANY LIMITED** ("the Company") as of 31 March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

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

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

**OPINION**

***In our opinion, the Company have an adequate internal financial controls system over financial reporting subject to Qualified opinion and such internal financial controlsin our opinion were operating effectively as at 31 March, 2023, subject to Qualified opinion based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.***

**The major observations of Qualified opinion are as under:**

a. The Company uses ERP Software SAP for recording daily transactions. Despite of using ERP Software, certain reports such as FAR, WIP Listings and even Financial Statements are prepared in MS- Excel. As informed to us by the management of the company, the fixed asset module of ERP Software is under development and pending its configuration, various reports related to Fixed Assets are prepared outside ERP Software manually. In view of above we are unable to comment on operating effectiveness of Fixed Asset Module of Accounting Software.

b. Accounting under proper heads of Account was not correctly done at initial stages in SAP software. This has resulted in difference between the opening balances as per SAP software and opening balances as per financial statements. Further as per information and explanation provided, the differences that arose at the first time adoption of Accounting Software "SAP" have been adjusted through Capital Work-in-progress by passing the adjustment entries in accounting software.

c. The current year closing figures as reported in the Balance Sheet are derived from theTrial Balance of SAP after passing such adjustment entries.

d. Bank Reconciliation of various bank accounts as mentioned in 'Basis for Qualified Opinion"has not been done resulting in differences with Bank balance as per Bank.

e. The Company has more than 50 TAN for TDS compliance, it is very much tedious process to have an internal control for proper deduction, filling, payments and issuing TDS Certification on timely manner, we suggest to maintain the same on at least on Regional Office Level or HO Level.

f. The company should take efforts for obtaining confirmations and should reconcile the inter company balances on priority basis.

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

**(SANKALP SOHANEY)**
**PARTNER**
**M.NO. 434993**
**UDIN : 23434993BGWDAD8872**

**DATE : 30.09.2023**
**PLACE : RAIPUR (C.G.)**

# ANNEXURE "B" TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2023, we report that:

(i) **In respect oftheCompany'sProperty, Plant and Equipmentand IntangibleAssets:**

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

The Company does not have any intangible assets.

(b) The management has informed that physical verification of fixed assets is a perpetual process undertaken at divisional and sub-divisional level. *As the relevant records of the physical verification were not produced before us for our review, we are not in a position to comment thereon.*

(c) The company possesses land received from MPSEB wherein records were not handed over, for re-organization of erstwhile MPSEB due to non-traceability; *hence we are not in a position to comment thereon.*

(d) The company hasnotrevaluedanyofitsProperty,PlantandEquipment(includingright- of-useassets)andintangibleassetsduringtheyear.

(e) No proceedings have been initiated during the yearor are pending againsttheCompany asatMarch31,2023forholdingtheBenamiTransactions(Prohibition)Act, 1988 (as amended in 2016)and rulesmade thereunder.

(ii) **In respect of its inventories:**

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

As per information and explanation given to us, the company is maintaining proper records of inventory and discrepancies, if any, found during the course of physical verification has been properly dealt with by the management.

**(b)** TheCompany has been sanctionedworkingcapitallimitsinexcessof₹5crore, in aggregate frombanksorfinancial institutionson the basisofsecurity ofcurrentassets.**However no Quarterly Statements are produced before us for verification thus we are unable to comment upon the same.**

(iii) The company has not made any investments or provided any Loans or Advances in the nature of Loans or has given any guarantee to, companies, firms, Limited Liability Partnerships, during the year, hence, reporting under clause 3(iii) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee, or security and has not made any investment referred under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from Directors, Promoters or their relatives and Inter Corporate deposits which are covered under Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

(vi) The company falls within the threshold limit specified for Maintenance of cost records as per section 148(1) of the Companies Act, 2013. However, as informed to us the relevantcost audit records are under preparation for the Financial Year2022-23. We have not been providedwith any such CostRecords.

**(vii) <u>In respect of statutory dues:</u>**

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities.According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues wereoutstanding as at 31st March, 2023 for a period of more than six months from the date of becoming payable.

# BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G

b. Dues of CSPTCL which have not been deposited on account of dispute are as under:

| Name of the Statute | Nature of the Dues | Amount | Period to which it relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Entry Tax Act, 1976 | Entry Tax | 155.62 | F.Y. 2011-12 | Appellate Tribunal Raipur | |
| Entry Tax Act, 1976 | Entry Tax | 12.87 | F.Y. 2013-14 | Appellate Tribunal Raipur | |
| Entry Tax Act, 1976 | Entry Tax | 39.4 | F.Y. 2014-15 | Appellate Tribunal Raipur | |
| Income Tax Act, 1961 | Income Tax (Cases related to erstwhile CSEB) | 4193.99 (15.12% being amount allocable to CSPTCL in Equity Ratio | A.Y. 2002-03 | ITAT, Mumbai & CG High Court | |
| Income Tax Act, 1961 | Income Tax (Cases related to erstwhile CSEB) | 5645.20 (15.12% being amount allocable to CSPTCL in Equity Ratio) | A.Y. 2006-07 | ITAT, Mumbai | |
| Income Tax Act, 1961 | Income Tax (Cases related to erstwhile CSEB) | 1392.85 (15.12% being amount allocable to CSPTCL in Equity Ratio) | A.Y. 2008-09 | CIT(A), Raipur | |

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the IncomeTax Act,1961 (43 of1961).

(ix) (a) The Company has not defaulted in repayment of any loans or other borrowings from any lender or in the Payment of Interest thereon to any lender. Hence reporting under clause 3 (ix) (a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution nor government or any government authority.

(c) The company has taken term loans during the year and has applied the same for its intended purpose of borrowing.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, primafacie not been used during the year for long-term purposes by the Company.

HEAD OFFICE 2ND FLOOR, C-34.1 TAGORE NAGAR, RAIPUR (C.G.) 492001 TEL NO.: 0771-4099889, 2227242, 09826606500
BHILAI BRANCH: 227, 1st Floor, Chouhan Estate, Great Eastern Road. Bhilai - 490 006 Tel: 0788-3250444,094252 35007

(e) The Company is not having any Subsidiary and hence, reporting under clause 3(ix)(e) of the Order is not applicable for the year.

(f) The Company is not having any Subsidiary, joint venture or associate company and Hence reporting on clause 3(ix)(f) of the Order is not applicable for the year.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle blower complaints have been received by theCompanyduringtheyear.

(xii) The company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section188 of the Companies Act, 2013with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required bythe applicable accounting standards.

(xiv) The company fall within the threshold limits required for complying with Internal Audit as per provisions of Section 138 of the Companies Act. However, as explained by the management the Internal Audit is still in progress &therefore no reportsfor F.Y. 2022-23 has been produced before us.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Director persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause3 (xvi) (a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditor of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected date so frealization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any materiall uncertain ty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due with in a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due with in a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. However, the company has not provided us any calculation or workings with respect to amount of CSR Expenditure needs to be incurred by the company therefore we are not able to comment upon the same.

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

**(SANKALP SOHANEY)**
**PARTNER**
**M.NO. 434993**
**UDIN : 23434993BGWDAD8872**

**DATE : 30.09.2023**
**PLACE : RAIPUR (C.G.)**

# ANNEXURE "C" TO THE AUDITOR'S REPORT

Referred to in Paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of CSPTCL on the Ind AS Financial Statements for the year ended 31 March, 2023

**Revised Directions under section 143(5) of the Companies Act, 2013 for the year 2021-22**

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

## Sector specific sub-directions under Section 143(5) of the companies Act, 2013 for FY 2022-23

| Sl. No. | Directions | Remarks/Comment |
|---|---|---|
| 1 | Adequacy of steps to prevent encroachment of idle land owned by company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided. | As explained by the management to prevent encroachment of land under possession of CSPTCL, the area is protected by providing area fencing by Barbed wire or by constructing boundary wall around it. Field authorities regularly visit various companies premises to ensure that there is no encroachment. In case any such activity is observed, the same is removed with the aid of local Revenue officials. |
| 2 | Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be awaited. | The company being a state government company acquires the land for new projects as per the prescribed procedure of Revenue/Forest and MOEF department. The company makes its sincere effort to locate the site preferably on revenue land. If at all suitable revenue land is not available, then alternative land is examined in Forest Private land. The land Acquisition for forest land is done as per the guidelines issued by the Ministry of Environment & Forest. Similarly, private land acquisition is carried out through revenue officials as per their prescribed procedure and there is complete transparency in processing of these acquisitions.<br><br>However, as informed to us, The company has not acquired any land during the period under audit(Company has received the land on the merger of Chhattisgarh state power holding company). |
| 3 | Is the system of evacuation of power commensurate with power available for transmission with generating company? If not loss, if any, claimed by the generating company may be commented | As informed the existing system is commensurate with power available for transmission with the generating company. |

| | | |
|---|---|---|
| 4 | How much transmission loss in excess of prescribed loss has been incurred during the year and whether the same has been properly accounted for in the books of accounts? | As informed to us, CSERC has set a target transmission loss of 3.22% vide its tariff order, however the company has incurred actual transmission loss of 3.17% which is within the prescribed limits.<br>Further, as per the directives of CSERC, the transmission loss is recovered from the open access customers, hence accounting effect of the transmission losses in the books of the company is 'Nil'. |
| 5 | Whether the asset constructed and completed on behalf of other agencies and handed over to them, has been properly accounted for in the financial statements. | As per the stated policy and the methodology consistently adopted by the company, any amount received from the consumer against the erection of capital assets are initially accounted as "Deposit Work" (Under liability). Post completion of such assets the amount of "Deposit Work" is adjusted against the assets. Deposit work done for other agencies are not handed over to them and shown under PPE at Nominal Value. ***Further also refer the Ponit No.a of the independent auditors report*** |
| 6 | Whether the company has effective system for recovery of revenue as per contractual terms and the revenue if properly accounted for in the books of accounts in compliance with applicable Accounting Standard? | Being a state government owned company and regulated by CSERC, the company accounts its revenues as per the tariff rate prescribed by the regulators and as per accounting standard prescribed except unusual delay in recovery of revenues from CSPDCL. In absence of related information, Revenue related to penalty charges on delays in contract and O&M charges are not commented upon for. |
| 7 | The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned | As informed to us there are no abandoned projects in current year. |

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

**(SANKALP SOHANEY)**
**PARTNER**
**M.NO. 434993**
**UDIN : 23434993BGWDAD8872**

**DATE : 30.09.2023**
**PLACE : RAIPUR (C.G.)**

# BEGANI & BEGANI

CHARTERED ACCOUNTANTS

GSTIN : 22AAEFB9798G1Z6,PAN: AAEFB9798G

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Chhattisgarh State Power Transmission Company** Limited for the **yearended 31st March, 2023** in accordance with the directions/sub-directions& Specific Sector Directions issued by Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with the directions/sub-directions issued to us.

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

**(SANKALP SOHANEY)**
**PARTNER**
**M.NO. 434993**
**UDIN : 23434993BGWDAD8872**

**DATE : 30.09.2023**
**PLACE : RAIPUR (C.G.)**

Chhattisgarh State Power Transmission Company Limited
Balance Sheet As at 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

| | | Particulars | Note | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|---|
| A | | **ASSETS** | | | |
| | 1 | **Non-current assets** | | | |
| | | (a) Property, Plant and Equipment | 4 | 3,23,866.38 | 3,11,071.79 |
| | | (b) Capital Work in Progress | 4A | 55,274.71 | 58,921.20 |
| | | (c) Financial Assets | | | |
| | | (i) Investments | 10 | | |
| | | (ii) Trade receivables | | | |
| | | (i) Loans | 5 | - | 7.14 |
| | | (ii) Others financial asset | 6 | 299.38 | 299.38 |
| | | (d) Non Current Tax Assets (Net) | 7 | 14,247.27 | 14,707.59 |
| | | (e) Deferred Tax Assets (Net) | 7A | 21,878.24 | 26,739.75 |
| | | (f) Other non-current assets | 8 | 1,27,481.02 | 39,524.45 |
| | | **Total Non - Current Assets** | | 5,43,047.00 | 4,51,271.30 |
| | 2 | **Current assets** | | | |
| | | (a) Inventories | 9 | 7,312.82 | 5,730.61 |
| | | (b) Financial Assets | | | |
| | | (i) Investments | 10 | - | - |
| | | (ii) Trade receivables | 11 | 10,716.38 | 70,153.48 |
| | | (iii) Cash and cash equivalents | 12 | 594.89 | 4,661.38 |
| | | (iv) Bank balances other than (iii) above | 12 | 1,513.63 | 766.98 |
| | | (v) Loans | 5 | 144.49 | 132.89 |
| | | (vi) Others financial assest | 6 | 10,024.66 | 10,040.46 |
| | | (c) Other current assets | 8 | 3.04 | 9.31 |
| | | **Total Current Assets** | | 30,309.91 | 91,495.11 |
| | | **Total Assets** | | 5,73,356.91 | 5,42,767.41 |
| B | | **EQUITY AND LIABILITIES** | | | |
| | 1 | **Equity** | | | |
| | | (a) Equity Share capital | 13 | 93,954.09 | 90,470.82 |
| | | (b) Other Equity | 14 | 73,773.06 | 64,998.37 |
| | | **Total equity** | | 1,67,727.15 | 1,55,469.19 |
| | | **Liabilities** | | | |
| | 2 | **Non-current liabilities** | | | |
| | | (a) Financial Liabilities | | | |
| | | (i) Borrowings | 15 | 1,30,635.95 | 1,36,078.77 |
| | | (ii) Other financial liabilities | 16 | - | - |
| | | (b) Provisions | 17 | 1,62,217.80 | 1,44,538.44 |
| | | (c) Deferred tax liabilities (Net) | | | |
| | | (c) Other non-current liabilities | 19 | 47,034.71 | 47,304.53 |
| | | **Total Non - Current Liabilities** | | 3,39,888.46 | 3,27,921.74 |
| | 3 | **Current liabilities** | | | |
| | | (a) Financial Liabilities | | | |
| | | (i) Borrowings | 16A | 24,540.90 | 20,959.64 |
| | | (ii) Trade payables | 18 | 13,360.44 | 13,435.32 |
| | | (iii) Other financial liabilities | 16 | 10,671.41 | 9,845.59 |
| | | (c) Provisions | 17 | 14,636.76 | 12,592.30 |
| | | (d) Other current liabilities | 19 | 2,531.78 | 2,542.64 |
| | | **Total Current Liabilities** | | 65,741.30 | 59,375.48 |
| | | (f) Liabilities associated with assets held for sale | | | |
| | | **Total Equity and Liabilities** | | 5,73,356.91 | 5,42,767.41 |
| | | **See accompanying notes to the financial statements** | | | |

In terms of our report attached.
For BEGANI & BEGANI
FRN. No. - 010779 C
Chartered Accountants

SANKALP SOHANEY
Partner
Membership No. - 434993

UDIN: 23434993BGWQAD8872
Place : Raipur
Date : 25 SEP 2023

30 SEP 2023

BEGANI & BEGANI 010779C CA RAIPUR (C.G.) Chartered Accountants

C.G. State Power Transmission Company ★ RAIPUR (C.G.)

For and on behalf of the Board of Directors
Chhattisgarh State Power Transmission Company Limited

(Ujjwala Baghel)
Managing Director
DIN - 08738889

(Ankit Anand)
Chairman
DIN-07415193

(Mahendra Singh Chauhan)
Chief Financial Officer
PAN - ACCPC4774H

(Arun Mishra)
Company Secretary
M No. ACS : 55153

Chhattisgarh State Power Transmission Company Limited
Statement of Profit and Loss for the period ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

| | Particulars | Note No. | As at 31 March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| I | Revenue from operations | 20 | 1,15,320.04 | 1,13,245.55 |
| II | Other Income | 21 | 1,982.68 | 1,687.42 |
| III | **Total Revenue (I + II)** | | **1,17,302.72** | **1,14,932.97** |
| IV | **EXPENSES** | | | |
| | *(a)* Employee benefit expense | 22 | 34,108.77 | 30,579.55 |
| | *(b)* Finance costs | 23 | 9,875.02 | 14,558.22 |
| | *(c)* Depreciation and amortisation expense | 4 | 27,856.49 | 27,465.92 |
| | *(d)* Other expenses | 24 | 14,381.24 | 11,760.42 |
| | **Total Expenses (IV)** | | **86,221.52** | **84,364.12** |
| V | **Profit before exceptional items and tax** | | **31,081.20** | **30,568.85** |
| | Exceptional Items | 25 | - | 14,991.70 |
| | **Profit before tax** | | **31,081.20** | **15,577.15** |
| VI | **Tax Expense** | | | |
| | *(1)* Current tax | 26 | 1,986.91 | 913.96 |
| | *(2)* Deferred tax | 26 | 7,222.63 | 4,588.64 |
| | *(3)* MAT Credit entitlement | 26 | 4,550.09 | (913.96) |
| | **Total tax expense (VI)** | | **13,759.62** | **4,588.64** |
| VII | **Profit after tax** | | **17,321.57** | **10,988.51** |
| VIII | **Profit/(loss) for the period** | | **17,321.57** | **10,988.51** |
| IX | **Other comprehensive income** | | **(12,866.75)** | **(6,914.74)** |
| | A (i) Items that will not be recycled to profit or loss | | | - |
| | (a) **Remeasurements of the defined benefit liabilities / (asset)** | | **(19,777.96)** | **(10,380.00)** |
| | Loss on Remeasurement of Gratuity plan | | (18,117.90) | (10,127.00) |
| | Loss on Remeasurement of Leave Encashment plan | | (1,660.06) | (253.00) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 26 | (6,911.21) | **(3,465.26)** |
| | B (i) Items that may be reclassified to profit or loss | | | |
| | (ii) Income tax on items that may be reclassified to profit or loss | | - | - |
| X | **Total comprehensive income for the period** | | **4,454.82** | **4,073.77** |
| XI | **Earnings per equity share:** | | | |
| | *(1)* Basic | 27 | 0.47 | 0.45 |
| | *(2)* Diluted | 27 | 0.47 | 0.45 |

In terms of our report attached.
**For BEGANI & BEGANI**
**FRN. No. - 010779 C**
**Chartered Accountants**

**SANKALP SOHANEY**
Partner
Membership No. - 434993

30 SEP 2023

UDIN: 23434993BGWDAD8872
Place : Raipur
Date : 25 SEP 2023

**For and on behalf of the Board of Directors**
**Chhattisgarh State Power Transmission Company Limited**

**(Ujjwala Baghel)**
**Managing Director**
**DIN - 08738889**

**(Ankit Anand)**
**Chairman**
**DIN-07415193**

**(Mahendra Singh Chauhan)**
**Chief Financial Officer**
**PAN - ACCPC4774H**

**(Arun Mishra)**
**Company Secretary**
**M No. ACS : 55153**

BEGANI & BEGANI FRN 010779C RAIPUR (C.G.) Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Cash Flow Statement as on 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

| Particulars | As at 31 March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax for the year | 31,081.20 | 15,577.15 |
| Adjustments for: | | |
| Depreciation and Amortisation expenses | 27,856.49 | 27,465.92 |
| Interest Income | (209.35) | (38.25) |
| Profit on sale of mutual fund | - | (17.64) |
| Interest Expenses | 8,700.56 | 13,968.77 |
| **Operating Profit before working capital changes** | 67,428.90 | 56,955.96 |
| **Movements in working capital:** | | |
| Increase / (Decrease) in Trade Payables | (74.88) | 1,838.00 |
| Increase / (Decrease) in Short term borrowings | 3,581.27 | 11,418.16 |
| Increase / (Decrease) in Other Current Financial Liabilities | 825.82 | (2,272.26) |
| Increase / (Decrease) in Other Non Current Financial Liabil | - | - |
| Increase / (Decrease) in Long term Provisions | (2,098.60) | 4,267.91 |
| Increase / (Decrease) in Other Current Liabilities | (10.86) | 203.70 |
| Increase / (Decrease) in Other Non Current Liabilities | (269.82) | 1,343.26 |
| Increase / (Decrease) in Short Term Provisions | 2,044.47 | (1,884.17) |
| (Increase) / Decrease in Loans - Current | 4,849.91 | 193.79 |
| (Increase) / Decrease in Loans - Non Current | 7.14 | (6.23) |
| (Increase) / Decrease in Trade receivables | 39,437.10 | (16,543.44) |
| (Increase) / Decrease in Inventories | (1,582.20) | (965.51) |
| (Increase) / Decrease in Other Current Assets | 8.27 | 2.49 |
| (Increase) / Decrease in Other Current Financial Assets | 15.80 | (1,991.29) |
| (Increase) / Decrease in Other Non Current Financial Asset | - | - |
| (Increase) / Decrease in Other Non Current Assets | (64,012.98) | (29,804.45) |
| Cash generated from operations | 50,147.32 | 22,755.86 |
| Income taxes paid | 6,848.41 | 1,123.38 |
| **Net cash generated by operating activities** | 43,298.91 | 21,632.48 |
| **Cash flows from investing activities** | | |
| Surplus on redemption of Mutual fund | - | 17.64 |
| Interest Income | 209.35 | 38.25 |
| Net movement of fixed assets | (40,651.28) | (13,491.28) |
| Net (Increase) / Decrease in Capital WIP | 3,646.49 | (9,428.65) |
| Net (Increase) / Decrease in Short term investment | - | 3,003.70 |
| Net (Increase) / Decrease in Fixed Deposits | (746.64) | 9.74 |
| **Net cash (used in)/generated by investing activities** | (37,542.08) | (19,850.60) |
| **Cash flows from financing activities** | | |
| Increase / (Decrease) in Other Long term Borrowings | (5,442.82) | 12,553.66 |
| Increase/(Decrease) in Capital Reserve | 3,448.87 | - |
| Increase/(Decrease) in Share Capital | - | - |
| Increase/(Decrease) in SLDC Development fund | 40.99 | - |
| Increase/(Decrease) in Share Application money | - | - |
| Increase/(Decrease) in Grant received | 830.00 | 3,823.00 |
| Interest Paid | (8,700.56) | (13,968.77) |
| | - | |
| **Net cash used in financing activities** | (9,823.52) | 2,407.89 |
| **Net increase in cash and cash equivalents** | (4,066.69) | 4,189.77 |
| Cash and cash equivalents at the beginning of the year | 4,661.38 | 471.61 |
| **Cash and cash equivalents at the end of the year** | 594.89 | 4,661.38 |

In terms of our report attached
For BEGANI & BEGANI
FRN. No. - 010779 C
Chartered Accountants

SANKALP SOHANEY
Partner
Membership No. - 434993

30 SEP 2023

VDIN:2343993 BGWDAD 88 72

Place : Raipur
Date : 25 SEP 2023

BEGANI & BEGANI Chartered Accountants RAIPUR (C.G.)

For and on behalf of the Board of Directors
Chhattisgarh State Power Transmission Company Limited

(Ujjwala Baghel)
Managing Director
DIN - 08730880

(Ankit Anand)
Chairman
DIN 07415193

(Mahendra Singh Chauhan)
Chief Financial Officer
PAN - ACCPC4734H

(Arun Mishra)
Company Secretary
M.No. ACS : 55153

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
All amounts are in INR Lakhs unless otherwise stated

1 **Background**

Chhattisgarh State Power Transmission Company limited (the Company) domiciled in India, is a state government company incorporated under the Companies Act, 1956 with the main object of bulk transmission of electricity. The Company is wholly owned subsidiary of Chhattisgarh State Power Holding Company Limited engaged in transmission of power within the state of Chhattisgarh. The registered office of the company is situated at Vidyut Sewa Bhawan, Dangania, Raipur, Chhattisgarh.

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. The company has uniformly applied the accounting policies during the period presented.

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 econonmic 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. Supervision charges received from consumers against deposit work is recognized in profit and loss account only on final capitalization of work and not capitalized. 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. The company is engaged in transmission of power within the state of Chhattisgarh and revenue against such transmission services are recognised in the Financial Statement upto the closing date as billed/unbilled revenue in accordance with INS AS-115 " Revenue from Contract with Customer".

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.

BEGANI & BEGANI Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

## 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.

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C.G. State Power Transmission Company RAIPUR (C.G.)

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. Depreciation on assets are provided on Straight line method (SLM) method on the gross block at the rates rates notified by the Chhattisgarh State Electricity Regulatory Commission (CSERC) pursuant to Tariff Regulation 2015. Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal. Full cost of all small and low value items each costing Rs.5000/- or less under all class of assets is fully charged to revenue in the year in which the assets are put to use. No part of the cost of such items is included in the cost of fixed assets and accordingly no depreciation is charged thereon. Depreciation on additions/deletions of assets is provided on pro-rata basis from/up to the period for which the asset is available for use/disposal.

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

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

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. 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.

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With regard to useful life of asset, Sec 1(4)(d) of the Companies Act 2013 states that the provision of this act shall apply to "Companies engaged in the generation or supply of Electricity" except in so far as the said provision are inconsistent with the provision of Electricity Act 2003.

The company being governed by provision of the Electricity Act 2003 follows the rates of Depreciation as prescribed by CSERC vide its Regulations issued from time to time. As such company is not required to disclose the useful life of PPE.

### 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 fixed assets 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.

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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. Weighted average method for valuation of inventories has been followed by the company consistently since inception.

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 pending disposal of cases, provision is created against the net shortages.

The company is a power transmission utility and have to maintain inventories of spares and consumables for maintenance of its transmission network spread across the state. The end use of spares and consumables procured by the company for maintenance of its network is not determined at the time of procurement and therefore these spares are classified as regular inventory under current assets

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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

C.G. State Power Transmission Company
RAIPUR (C.G.)

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Chartered Accountants

**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.

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C.G. State Power Transmission Company RAIPUR (C.G.)

**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 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. Consumers' contributions, capital subsidies and grants related to specific property, plant and equipments are presented in the balance sheet by showing the contribution as a deduction from the gross value of the relevant asset.

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C.G. State Power Transmission Company
RAIPUR
(C.G.)

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 Property, Plant and Equipment acquired /constructed under the project, in the same manner as the revenue expenditure chargeable to capital works are to be allocated.

2.18 **Recent Indian Accounting Standards (Ind AS) :**

On 30th March, 2019, Ministry of Corporate Affairs ('MCA')has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement,presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. 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 defined benefit obligation
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.

BEGANI & BEGANI Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Statement of changes in equity for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

a. Equity share capital
(1) Current reporting period

| | Issued and Paid up Capital at 1st April, 2022 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Issued and Paid up Capital at 31th March, 2023 |
|---|---|---|---|---|---|
| No. of Shares | 9,047 | | 9,047 | 348 | 9,395 |
| Amount (Rs.) | 90,471 | - | 90,471 | 3,483 | 93,954 |

(2) Previous Reporting period

| | Issued and Paid up Capital at 1st April, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Issued and Paid up Capital at 31st March, 2022 |
|---|---|---|---|---|---|
| No. of Shares | 9,047 | | 9,047 | | 9,047 |
| Amount (Rs.) | 90,471 | - | 90,471 | - | 90,471 |

For BEGANI & BEGANI
FRN. No. - 010779 C

Chartered Accountants

BEGANI & BEGANI FRN. 010779C RAIPUR (C.G.) Chartered Accountants

SANKALP SOHANEY
Partner
Membership No. - 434993

30 SEP 2023

UDIN: 23434993BGWDAD8872
Place : Raipur
Date : 25 SEP 2023

For and on behalf of the Board of Directors
Chhattisgarh State Power Transmission Company Limited

(Ujjwala Baghel)
Managing Director
DIN - 08738889

(Ankit Anand)
Chairman
DIN-07415193

(Mahendra Singh Chauhan)
Chief Financial Officer
PAN - ACCPC4774H

(Arun Mishra)
Company Secretary
M No. ACS : 55153

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Statement of changes in equity for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

b. Other Equity

Current reporting period

| | Reserves and Surplus | | | | Items of other comprehensive income | | Total |
|---|---|---|---|---|---|---|---|
| | Grant Received under PSDF Scheme | Capital reserve | SLDC Development reserve | Retained earnings | Debt instrument through other comprehensive income | Remeasurements of the defined benefit plans | |
| Balance at 1st April, 2022 | 5,847.54 | 1,149.37 | 1,744.32 | 98,423.24 | | (42,166.10) | 64,998.37 |
| Profit/ Addition for the year | 830.00 | 86,987.53 | 41.00 | 17,321.57 | | (12,866.75) | 92,313.35 |
| Adjustments due to merger | | | | 3,485.06 | | | 3,485.06 |
| Changes in accounting policy or prior period errors | | | | | | | - |
| Total comprehensive income for the year | 830.00 | 86,987.53 | 41.00 | 20,806.63 | | (12,866.75) | 95,798.41 |
| Deduction for the year | - | | | | | | - |
| Balance at 31stMarch, 2023 | 6,677.54 | 88,136.90 | 1,785.32 | 1,19,229.87 | - | (55,032.85) | 1,60,796.79 |

Previous reporting period

| | Reserves and Surplus | | | | Items of other comprehensive income | | Total |
|---|---|---|---|---|---|---|---|
| | Grant Received under PSDF Scheme | Capital reserve | SLDC Development reserve | Retained earnings | Debt instrument through other comprehensive income | Remeasurements of the defined benefit plans | |
| Balance at 1st April, 2021 | 2,024.54 | 1,149.37 | 1,744.32 | 87,434.73 | | (35,251.36) | 57,101.61 |
| Profit/ Addition for the year | 3,823.00 | - | | 10,988.51 | | (6,914.74) | 7,896.77 |
| Adjustments during the Year | | | | | | | - |
| Changes in accounting policy or prior period errors | | | | | | | |
| Total comprehensive income for the year | 3,823.00 | - | - | 10,988.51 | | (6,914.74) | 7,896.77 |
| Deduction for the year | - | | | | | | - |
| Balance at 31st March, 2022 | 5,847.54 | 1,149.37 | 1,744.32 | 98,423.24 | - | (42,166.10) | 64,998.37 |

For BEGANI & BEGANI
FRN. No. - 010779 C
Chartered Accountants

SANKALP SOHANEY
Partner
Membership No. - 434993
30 SEP 2023
UDIN: 23434993BGWDAD8872
Place : Raipur
Date : 25 SEP 2023

For and on behalf of the Board of Directors
Chhattisgarh State Power Transmission Company Limited

(Ujjwala Baghel)
Managing Director
DIN - 08738889

(Ankit Anand)
Chairman
DIN-07415193

(Mahendra Singh Chauhan)
Chief Financial Officer
PAN - ACCPC4774H

(Arun Mishra)
Company
M No. ACS : 55153

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March,2023
All amounts are in INR Lakhs unless otherwise stated

Note 4 - Property, plant and equipment

Previous Reporting period

| 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, 2021 | 28.94 | 33.17 | 3,654.42 | 1,715.34 | 613.59 | 939.59 | 100.00 | 2,06,127.55 | 1,30,513.36 | 274.08 | 264.31 | 113.04 | 848.85 | 3,45,226.24 |
| Additions | | | 93.71 | 385.30 | 107.84 | 171.59 | 20.17 | 1,243.93 | 11,406.16 | 18.89 | 34.28 | | 9.41 | 13,491.27 |
| Disposals | | | - | | - | | | | | | | | | |
| Balance as at 31st March 2022 | 28.94 | 33.17 | 3,748.14 | 2,100.64 | 721.43 | 1,111.18 | 120.17 | 2,07,371.48 | 1,41,919.52 | 292.97 | 298.59 | 113.04 | 858.26 | 3,58,717.51 |
| II. Accumulated depreciation for the year ended 31st March, 2022 | | | | | | | | | | | | | | |
| Balance as at 1st April, 2021 | 13.24 | - | 1,301.38 | 515.72 | 375.35 | 200.31 | 40.16 | 1,02,295.53 | 14,424.89 | 208.24 | 119.39 | 102.94 | 581.55 | 1,20,179.80 |
| Depreciation / amortisation expense for the year | 3.21 | | 106.85 | 62.67 | 16.64 | 32.44 | 4.64 | 10,475.48 | 16,741.73 | 4.14 | 11.73 | | 7.69 | 27,466.13 |
| Balance as at 31st March 2022 | 16.45 | - | 1,408.22 | 578.39 | 391.99 | 232.75 | 44.80 | 1,12,771.01 | 31,166.62 | 212.38 | 131.12 | 102.94 | 589.24 | 1,47,645.93 |
| Net block (I-II) | | | | | | | | | | | | | | |
| Balance as at 31st March,2022 | 12.49 | 33.17 | 2,339.91 | 1,522.24 | 329.45 | 878.42 | 75.37 | 94,600.44 | 1,10,751.90 | 80.59 | 167.47 | 10.10 | 269.02 | 2,11,071.58 |
| Balance as at 31st March, 2021 | 15.70 | 33.17 | 2,353.05 | 1,199.62 | 238.24 | 739.28 | 59.84 | 1,03,832.02 | 1,16,088.47 | 65.85 | 144.92 | 10.10 | 267.30 | 2,25,046.44 |

Current Reporting period

| Descriptionof 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, 2022 | 28.94 | 33.17 | 3,748.14 | 2,100.64 | 721.43 | 1,111.18 | 120.17 | 2,07,371.48 | 1,41,919.52 | 292.97 | 298.59 | 113.04 | 858.26 | 3,58,717.51 |
| Additions | | | 69.64 | 66.37 | 3.88 | 81.41 | 21.56 | 456.87 | 39,412.25 | 18.24 | 32.71 | - | 34.91 | 40,197.50 |
| Additions through business combination | | 22.20 | | 346.12 | 55.09 | 4.35 | | | 2.31 | 6.36 | 8.97 | 2.51 | 4.29 | 453.98 |
| Disposals | | | - | | - | | | - | - | | | | | - |
| Reclassified as held for sale | | | | | | | | | | | | | | - |
| Effect of foreign currency translation from functional currency to reporting currency | | | | | | | | | | | | | - | - |
| Borrowing cost capitalised | | | | | | | | | | | | | | |
| Others (describe) | | | | | | | | | | | | | | - |
| Balance as at 31st March,2023 | 28.94 | 55.37 | 3,817.78 | 2,513.13 | 780.41 | 1,196.94 | 141.73 | 2,07,828.35 | 1,81,334.08 | 317.57 | 340.27 | 115.58 | 897.57 | 3,99,368.79 |
| II. Accumulated depreciation for the year ended 31st March, 2023 | | | | | | | | | | | | | | |
| Balance as at 1st April, 2022 | 16.45 | - | 1,408.22 | 578.39 | 391.99 | 232.75 | 44.80 | 1,12,771.01 | 31,166.62 | 212.38 | 131.12 | 102.94 | 589.24 | 1,47,645.93 |
| Depreciation / amortisation expense for the year | 1.09 | | 111.01 | 71.12 | 19.98 | 19.69 | 5.57 | 10,127.24 | 17,452.02 | 3.54 | 13.00 | - | 10.98 | 27,890.12 |
| Acquisitions through business combinations | | | | 11.57 | 3.87 | 0.24 | | | 0.11 | 2.47 | 0.85 | 0.44 | 0.66 | 20.17 |
| Other Adjustments | | | | | | | | | | | | | | |
| Eliminated on reclassification as held for sale | | | | | | | | | | | | | - | - |
| Eliminated on Disposal of group undertakings | | | | | | | | | | | | | - | - |
| Revaluation or Impairment recognised through OCI increase / (decrease) | | | | | | | | | | | | | - | - |
| Effect of foreign currency translation from functional currency to reporting currency | | | | | | | | | | | | | - | - |
| Impairment losses recognised in profit or loss | | | | | | | | | | | | | - | - |
| Reversals of impairment losses recognised in profit or loss | | | | | | | | | | | | | - | - |
| Effect of foreign currency translation for impairment loss | | | | | | | | | | | | | - | - |
| Balance as at 31st March,2023 | 17.54 | - | 1,519.23 | 661.08 | 415.84 | 252.68 | 50.37 | 1,22,898.25 | 48,618.75 | 218.39 | 145.01 | 103.38 | 600.88 | 1,75,502.43 |
| Net block (I-II) | | | | | | | | | | | | | | |
| Balance as at 31st March,2023 | 11.40 | 55.37 | 2,298.55 | 1,852.05 | 365.06 | 944.26 | 91.36 | 84,930.10 | 1,32,715.34 | 99.18 | 195.26 | 12.20 | 296.69 | 2,23,866.38 |
| Balance as at 31st March, 2022 | 12.49 | 33.17 | 2,339.91 | 1,522.24 | 329.45 | 878.42 | 75.37 | 94,600.44 | 1,10,751.90 | 80.59 | 167.47 | 10.10 | 269.02 | 2,11,071.58 |

BEGANI & BEGANI Chartered Accountants FRN 010779C

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited

Notes to the financial statements for the year ended 31st March,2023

All amounts are in INR Lakhs unless otherwise stated

Note 4A - Capital Work in Progress

| Particulars | Balance as at 31st March,2023 | Balance as at 31st March,2022 |
|---|---|---|
| | | |
| Capital Work in Progress | 55,274.71 | 58,921.20 |
| **Total** | **55,274.71** | **58,921.20** |
| Previous Year | 58,921.20 | 49,492.56 |

C.G. State Power Transmission Company

RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 5 - Loans

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | Current | Non- Current | Total | Current | Non- Current | Total |
| A. Financial assets classified at amortised cost | | | | | | |
| **Loans to employees** | | | | | | |
| - Secured, considered good | | | | | | |
| - Unsecured, considered good | 144.49 | | 144.49 | 132.89 | 7.14 | 140.02 |
| - Doubtful | | | | | | |
| Less : Allowance for bad and doubtful loans | | | | | | |
| TOTAL | 144.49 | - | 144.49 | 132.89 | 7.14 | 140.02 |
| **d) Other Loans** | | | | | | |
| - Secured, considered good | | | | | | |
| - Unsecured, considered good | | | | | | |
| - Doubtful | | | | | | |
| Less: Allowance for Credit Losses | | | | | | |
| TOTAL | - | - | - | - | - | - |
| GRAND TOTAL | 144.49 | - | 144.49 | 132.89 | 7.14 | 140.02 |

BEGANI & BEGANI FRN 010779C Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited

Notes to the financial statements for the year ended 31st March, 2023

All amounts are in INR Lakhs unless otherwise stated

Note No. 6 - Other financial assets

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non- Current | Current | Non- Current |
| **Financial assets at amortised cost :** | | | | |
| Security Deposits | - | 299 | - | 299 |
| Interest Accured on deposits | 68 | - | 27 | - |
| Unbilled revenue | 8,558 | - | 8,247 | - |
| Others | 718 | - | 241 | - |
| **Inter Company Receivable Account:** | | | | |
| Chhattisgarh State Power Holding Company Limited | - | - | 36 | - |
| Chhattisgarh State Power Generation Company Limited | 42 | - | - | - |
| Chhattisgarh State Power Distribution Company Limited | 638 | - | 1,489 | - |
| TOTAL | 10,025 | 299 | 10,040 | 299 |

C.G. State Power Transmission Company RAIPUR (C.G.)

BEGANI & BEGANI Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 7 - Non Current Tax Assets

| Particulars | As at 31 st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Income taxes (net of provisions) | 14,247 | 14,708 |
| GST | 0 | |
| TOTAL | 14,247 | 14,708 |

Note No. 7A - Deferred Tax Assets (Net)

| Particulars | As at 31 st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Deferred Tax Assets** | 66,884 | 68,318 |
| **Deferred Tax Liabilities** | 45,006 | 41,578 |
| **Net Deferred Tax Assets (Net)** | 21,878 | 26,740 |

**Reconciliation of deferred tax assets/liabilities for FY 2022-23**

| A) Deferred Tax assets in relation to | Opening Balance * | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|---|---|---|---|
| Provision for inventory Shortage | 195.82 | - | - | 205 |
| Provision of Leave Encashment | 3,018.60 | 596 | (9,598) | 3,614 |
| Provision of Gratuity | 49,362.04 | 8,721 | (5,087) | 58,083 |
| Minimum Alternate Tax Credit | 9,472.86 | (4,550) | - | 4,923 |
| Provision for employee benefits (net) | - | - | | |
| Brought forward loss | 6,221.14 | (6,221) | - | - |
| Others | 47.59 | 12 | - | 60 |
| Total | 68,318.05 | (1,443) | (14,685) | 66,885 |
| | | | | |
| B) Deferred Tax liabilities in relation to | | | | |
| Property Plant & Equipment | 41,578.30 | 3,427 | - | 45,006 |
| Total | 41,578.30 | 3,427 | - | 45,006 |
| | | | | |
| Unrecognised deferred tax asset | - | - | | - |
| Deferred Tax assets (net) | 26,739.75 | (4,870) | (14,685) | 21,879 |

BEGANI & BEGANI

C.G. State Power Transmission Company
RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 8 - Other non-current and current assets

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | Current | Non- Current | Total | Current | Non- Current | Total |
| Goodwill | | - | - | | | |
| Amalgamation Adjustment | | 3,483.28 | 3,483.28 | | | |
| Capital advances | | | | | | |
| (i) For Capital work in progress | - | 4,686.53 | 4,686.53 | - | 4,524 | 4,524 |
| Other advances | 3.04 | (418.79) | (415.75) | 9 | - | 9 |
| Receivable from C.G. under budget allocation* | - | 1,19,730.00 | 1,19,730.00 | - | 35,000 | 35,000 |
| | 3 | 1,27,481 | 1,27,484 | 9 | 39,524 | 39,534 |

*Pursuant to order no. 1532/F-13/01/2022/13/02 dated 24/05/2022, wherein energy department of Government of Chhattisgarh has agreed to pay Rs. 500 cr to the company against the dues of CSPDCL as at 31/03/2022 and also agreed to provide the interest on aforementioned amount to the company.

The said amount will be provided to the company in the form budget allocation by the state government. Out of above Rs.500 cr, amount of Rs.350 was in supposed to be allocated in FY 2021-22 and the balance of Rs.150 cr shall be allocated in FY 2022-23. In the absence of budget information about recovery of the same, the amount has been shown under Other Non Current Assets in the financial statements.

*Pursuant to order no. 1762/F-13/01/2022/13/02 dated 31/03/2023, wherein energy department of Government of Chhattisgarh has agreed to pay Rs. 775 cr to the company against the dues of CSPDCL as at 31/03/2023 and also agreed to provide the interest on aforementioned amount to the company.

BEGANI & BEGANI Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 9 - Inventories

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| *(a)* Raw materials | | |
| Stores & Spares | 7,571.05 | 5,653.25 |
| Scrap & Unservicable Materials | 116.42 | 77.36 |
| *(b)* Material Short/(Excess) pending investigation | | |
| *(1)* Cost | 212.35 | 586.58 |
| *(2)* Less: Provision | (587.00) | (586.58) |
| **Total Inventories at the lower of cost and net realisable value** | **7,312.82** | **5,730.61** |

C.G. State Power Transmission Company
RAIPUR (C.G.)

BEGANI & BEGANI
Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note 10 - Investment

| Particular | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | QTY | Amounts Current | Amounts Non Current | QTY | Amounts Current | Amounts Non Current |
| **Designated as Fair Value Through Profit and Loss** | | | | | | |
| **I. Quoted investments (fully paid)** | | | | | | |
| Investments in Mutual Funds | | - | | | - | |
| other | | | | | | |
| **TOTAL INVESTMENTS CARRYING VALUE (B1)** | - | - | - | - | - | - |
| **Other disclosures** | | | | | | |
| Aggregate amount of quoted investments | | - | | | - | |
| Aggregate amount of Market value of investments | | | | | | |
| Aggregate amount of unquoted investments | | | | | | |
| Aggregate amount of impairement in value of investments | | | | | | |

C.G. State Power Transmission Company
RAIPUR (C.G.)

BEGANI & BEGANI
Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No.11 - Trade receivables

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **Trade receivables** | | | | |
| Secured, considered good | | | | |
| Unsecured, considered good* | 10,716 | - | 70,153 | - |
| Doubtful | | | | |
| Less: Allowance for Credit Losses | | | | |
| TOTAL | 10,716 | - | 70,153 | - |

*Note- Above receivable does not include unbilled revenue of Rs.8,558.42 Lakhs (PY. Rs.8,246.79 Lakhs), the same has been classified under Other Current Asset under Note no. 6.

**Trade Receivable ageing schedule**

| Particular | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 month | 6 month - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Undisputed Trade receivables – considered good | - | 10,716 | - | - | - | 10,716 |
| (ii) Undisputed Trade Receivables– which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |

C.G. State Power Transmission Company
RAIPUR (C.G.)

BEGANI & BEGANI
Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 12 - Cash and cash equivalents

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current Cash and bank balances** | | |
| **(i) Cash and cash equivalents** | | |
| Cash in imprest | 448.84 | 7.94 |
| Balances with Banks | 146.06 | 4,653.44 |
| Cash in transit | - | 0.01 |
| | 594.89 | 4,661.38 |
| **(ii) Other bank balances** | | |
| **Balances in scheduled banks in earmarked current account** | | |
| Term deposits (original maturity > 3 months) | 1,513.63 | 766.98 |
| | 1,513.63 | 766.98 |
| **Cash and cash equivalent as per balance sheet** | 594.89 | 4,661.38 |
| **Cash and cash equivalents as per statement of cash flows** | **594.89** | **4,661.38** |

C.G. State Power Transmission Company RAIPUR (C.G.)

BEGANI & BEGANI Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 13 - Equity share capital

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Authorised:** | | | | |
| Equity shares of Rs. 10 each | 2,00,00,00,000 | 20,00,00,00,000 | 2,00,00,00,000 | 20,00,00,00,000 |
| **Issued, Subscribed and Fully Paid:** | | | | |
| Equity shares of Rs. 10 each | 9,047.08 | 93,954.09 | 9,047.08 | 90,470.82 |
| Total | 9,047.08 | 93,954.09 | 9,047.08 | 90,470.82 |

Note 13.1- Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity shares | Number of shares | Amount |
|---|---|---|
| **Balance as at 31 st March, 2022** | 9,047.08 | 90,470.82 |
| Issued during the period as per merger | 348.33 | 3,483.28 |
| **Balance as at 31 st March, 2023** | 9,395.41 | 93,954.09 |

**(ii) Terms/rights attached to Equity shares**
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Note 13.2 Details of shares held by holding company

| Particulars | Nature of Relationship | As at 31st Mar, 2023 | As at 31st Mar, 2022 |
|---|---|---|---|
| | | | |
| **Details of shares held by the holding company** | | | |
| **Fully paid equity shares** | | | |
| Chhattisgarh State Power Holding Co. Ltd. | Holding Company | 9,395.41 | 9,047.08 |

**Note 13.3 Details of Shares in the company held by each shareholder holding more than 5 % shares/ holding company**

| Name of Shareholder | As at 31st Mar, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| **Equity shares** | | | | |
| Chhattisgarh State Power Holding Company Ltd | - | - | 9,047.08 | 100 |
| State Government | 9,395.41 | 100 | | |
| **Total** | **9,395.41** | **100** | **9,047.08** | **100** |

C.G. State Power Transmission Company
RAIPUR (C.G.)

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 14 - Other equity

| Paticulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Capital Reserves | 1,113.18 | 1,149.37 |
| SLDC Development fund | 1,785.32 | 1,744.32 |
| Retained earnings | 1,19,229.87 | 98,423.24 |
| Other Comprehensive Income | (55,032.85) | (42,166.10) |
| Grant Received Under Power System Development Fund Scheme | 6,677.54 | 5,847.54 |
| Total | 73,773.06 | 64,998.37 |

**Nature and purpose of the reserve:**

**SLDC Development Fund:**

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

**Capital Reserve**
Capital Reserve was created during CSEB period towards waiver of payment of interest on bonds.

**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.

**Grant Received Under Power System Development Fund Scheme**
This represents amount received under PSDF scheme of central government towards replacement, upgradation, renovation of pwer system in the state of Chhattisgarh.

C.G. State Power Transmission Company RAIPUR (C.G.)

BEGANI & BEGANI Chartered Accountants

Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 15 - Non Current Borrowings

| Particulars | | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| Measured at amortised cost | | | | |
| A. | Secured Borrowings: | | | |
| (a) | Term Loans | | | |
| | (1) | From Power Finance Corporation Limited | 27,607.99 | 37,429.51 |
| | (2) | From SBI | 4,689.99 | 5,765.67 |
| | (3) | From REC | 81,483.37 | 86,305.84 |
| | (4) | From Bank of Maharashtra | 12,924.39 | 5,667.74 |
| | (5) | From State Government | 910.00 | 910.00 |
| | (6) | From Indian Bank | 3,020.21 | - |
| Total Borrowings | | | 1,30,635.95 | 1,36,078.77 |

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

**Nature of Security**

Term Loan from Power Finance Corporation amounting to Rs.374.29 cr (PY Rs.472.51 cr) (including current maturities) are secured by first charge in favour of the corporation by way of hypothecation on the newly financed assets under the project and part of existing asset.

**Terms of Repayment**

The repayment will be made annually in equal monthly installments together with interest on the outstanding balance commencing after the expiry of moratorium period.

| Particulars of Asset | Balance as at March'23 (Cr.) | ROI (%) |
|---|---|---|
| C2603001- CSPTCL-LOAN PROPOSAL FOR 132 KV PATAN SUBSTATION | 1.49 | 10.25 |
| C2603002- CSPTCL-LOAN PROPOSAL FOR 132 KV MAGARLOD SUBSTATION | 1.41 | 10.25 |
| C2603003- CONSTRUCTION OF132/33 KV S/S BALOD AND ASSOCIATED EHV LINES | 1.44 | 10.25 |
| C2603004- 132/33 KV S/S PANDARIYA & ASSO. EHV LINES FOR TRANSMISSION | 1.91 | 10.25 |
| C2603005- 132/33 KV S/S MANA & ASSO. EHV LINES FOR TRANSMISSION NETWOR | 2.04 | 10.25 |
| C2603007- 132/33 KV S/S RASMADA & ASSO. EHV LINES FOR TRANSMISSION LIN | 1.27 | 10.25 |
| C2603008- CONSTRUCTION OF 132/33 KV S/S BHANUPRATAPPUR | 10.34 | 10.25 |
| C2603009- CSPTCL-LOAN PROPOSAL FOR POWER EVACUATION OF KORBA(W) ST.III | 158.14 | 10.25 |
| C2603010- POWER EVACUATION SYSTEM FROM 2X500 MW MARWA TPP. | 120.56 | 10.25 |
| C2603011- CSPTCL - 220/132 KV S/S AT SARAIPALI | 17.51 | 10.25 |
| C2603012- PROCUREMENT OF RTUS FOR EHV S/S | 1.19 | 10.25 |
| C2603013- 132 KV S/S KONDAGAON & ASSOCIATED EHV LINES | 1.95 | 10.25 |
| C2603014- 220KV S/S MUNGELI & ASSOCIATED EHV LINES | 11.75 | 10.25 |

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| | | |
|---|---|---|
| C2603015- S/S GIRWANI & ASSOCIATED EHV LINES | 13.97 | 10.25 |
| C2603016- 132/33 KV PRATAPPUR SUBSTATION AND LINES | 3.37 | 10.25 |
| C2603018- INSTALLATION OF 160 MVA ADDL. TRANSFORMER AT VARIOUS EHV S/S | 3.79 | 10.25 |
| C2603019- INSTALLATION OF 63/40 MVA ADDL. TRANSFORMER AT VARIOUS S/S | 7.33 | 10.25 |
| C2603020- 132/33 KV SAKARA SUBSTATIION AND LINES | 2.16 | 10.25 |
| C2603021- JAIJAIPUR SUBSTATION AND LINES | 5.22 | 10.25 |
| C2603022- 132/33 S/S PULGAON, DURG AND ASSOCIATED EHV LINES | 3.79 | 10.25 |
| C2603023- 132/33 KV S/S GANDAI AND ASSOCIATED EHV LINES | 3.69 | 10.25 |
| Total | 374.30 | |

**B. Against Loan from SBI:**

**Nature of Security**

Term Loan from SBI amounting to Rs. 57.65cr (PY 68.42 cr) is secured by first charge in favour of the bank by way of hypothecation on the newly financed assets under the project and part of existing asset. The said loan was taken over

**Particulars of loan and Terms of Repayment**

The original loan from NABARD was raised for construction of 132/33 KV S/s at Koni,Prathariya, Gariyaband, Kasdol and Sarona. After takeover of loan by SBI, the loan will be repayable in 37 quarterly instalments starting 31st,

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**C. Against Loan from REC:**

**Nature of Security**

Term Loan from REC amounting to Rs. 821.26 cr (PY Rs. 869.49cr) are secured by first charge in favour of the corporation by way of hypothecation on the newly financed assets under the project and part of existing asset.

**Terms of Repayment and Rate of Interest**

The repayment will be made annually in equal monthly installments together with interest on the outstanding balance commencing after the expiry of moratorium period.

| Particulars of Asset | Balance as at March'23 (Cr.) | ROI (%) |
|---|---|---|
| construction of 132/33kv 1*40 MVA GIS S/s at Ravanbhata and associates lines | 27.96 | 10.50% |
| construction of 132/33kv EHV S/stn. at pakhanjur and line | 40.23 | 9.25% - 9.75% |
| construction of 132/33kv EHV S/stn. At ratanpur and associated lines | 11.15 | 10.25% |
| construction of 132/33kv EHV S/stn. At lormi and line | 21.56 | 9.50% |
| laying of 2nd circuit of existion EHV lines | 3.56 | 10.75% |
| installation of additional 40 MVA power transformer at various EHV S/stn doma, magarload, bagbahra, tulsi | 5.99 | 10.50% |
| installation of additional 63 MVA, 132/33 kv transformer at 132kv substation, urla sec-c | 3.83 | 9.50% |
| construction of 220 kv S/s bilaspur (dhardehi)& associated lines | 63.98 | 9.25% - 9.75% |
| construction of 220 kv S/s narayanpur & associated lines | 44.51 | 9.5% - 9.75% |
| construction of 220 kv S/s kawardha (gendpur) & associated lines | 64.61 | 9.5% - 10.75% |
| construction of 220 kv S/s dharsiwa & associated lines | 39.62 | 9.25% - 9.75% |
| construction of 220 kv S/s jagdalpur & associated lines | 26.70 | 9.25% - 9.75% |
| construction of 132 kv S/s takhtpur & associated lines | 30.57 | 9.25% - 9.50% |
| Construction of 132/33 KV S/s at Kansabel & associated 132KV Line. | 10.22 | 9.75% |
| construction of 132 kv S/s rajpur & associated lines | 18.00 | 9.25% - 9.75% |
| construction of 132 kv S/s dornapal & associated lines | 11.55 | 9.25% - 9.75% |
| construction of 132 kv S/s nagri & associated lines | 35.04 | 9.5% - 9.75% |
| construction of 132 kv S/s berla & associated lines | 17.74 | 9.50% |
| construction of 132 kv S/s basna & associated lines | 12.89 | 9.25% - 9.50% |
| construction of 132 kv S/s seorinarayan & associated lines | 23.94 | 9.25% - 9.50% |

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All amounts are in INR Lakhs unless otherwise stated

| | | | |
|---|---|---|---|
| construction of 132 kv S/s mohla & associated lines | | 36.29 | 9.25% - 9.50% |
| construction of 132 kv S/s wadrafnagar & associated lines | | 17.14 | 9.75% - 10.75% |
| Construction of 132/33 KV EHV Substation at Bataoli | | 4.83 | 9.75% |
| Construction of 400/220 KV EHV Substation at Dhamtari | | 76.36 | 9.95% |
| Construction of 132/33 KV EHV Substation at Bijapur | | 53.87 | 9.95% |
| Construction of 132/33 KV EHV Substation at Kodatarai | | 11.32 | 9.95% |
| Construction of 132/32 KV EHV substaion at Dabhara for strengthening of transmission Network under Normal Development transmission scheme | | 15.04 | 9.95% |
| Construction of 220/132 KV S/s, Borjhara & Associated lines. | | 25.26 | 9.95% |
| Construction of 01 no. 132/33 KV EHV sub-stations at Bhakhra and Construction of 01 no. 132 KV additional feeder bay at 132/33 KV S/s, Kurud & Construction of 132 KV DCSS Line from 132/33 KV S/s, Kurud to 132/33 KV S/s, Bhakhara | | 13.64 | 9.95% |
| Construction of 132KV LILO and 02 nos. 132 KV Feeder bays at 220/132KV S/s, Paraswani. | | 4.79 | 9.25% - 9.75% |
| construction of 220 kv DCDS line from 230/132 kv S/s barsoor to proposed 400/220 kv jagdalpur S/s | | 45.45 | 9.25% - 9.75% |
| Installation of 40 MVA additional power transformers at 132/33 kv substation gandai | | 3.62 | 9.25% - 10.00% |
| Total | | 821.26 | |

D. Against loan from Bank of Maharashtra

**Nature of Security**

Term Loan from Bank of Maharastra amounting to Rs.129.24 Cr (PY 56.68 cr) is secured by first pari passu charge on all the movable assets (both present & future) of the respective project for which finance is sanctioned.

**Particulars of loan and Terms of Repayment**

The loan is taken for the construction of new substation & associated EHV lines along with system improvement works. The principal repayment will be made in 60 structure quaterly installments commencing after the expiry of moratorium period.

ROI of 7.25%.

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C.G. State Power Transmission Company

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Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 16 - Other Financial Liabilities

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **a) Other financial liabilities carried at amortised cost:** | | | | |
| Deposits & Retentions from Contractors & Suppliers | 9,145.83 | | 7,855.88 | |
| Employee related liabilities | 46.94 | | 59.92 | |
| Interest accrued but not due on borrowings | 969.52 | | 1,523.28 | |
| Interest accrued and due on borrowings | 98.53 | | 98.53 | |
| Current Maturities of Long Term Debts | - | | - | |
| Other | 410.59 | | 307.99 | |
| **Inter Company Payable Account** | | | | |
| Chhattisgarh State Power Distribution Company Limited | - | | - | |
| **Total other financial liabilities** | 10,671.41 | - | 9,845.59 | - |

Note No. 16A - Borrowings

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Loans repayable on demand** | | |
| Cash Credit from State Bank of India (The above cash credit limit is availed for routine working capital purpose of the company. The said limit is against stock & receivables of the company and applicable ROI is 7.18%) | - | (581) |
| **Working Capital Demand Loan From SBI** (The above loan is secured by first pari passu charge on entire current assets of the company (receivables, consumables and others) of the company, both present and future, along with other existing lenders. Applicable ROI is 7.45%) | 5,000 | 5,000 |
| **Working Capital Demand Loan From SBI** (The above loan is secured by first pari passu charge on entire current assets of the company (receivables, consumables and others) of the company, both present and future, along with other existing lenders. Applicable ROI is 7.65%) | - | |
| **Working Capital Demand Loan From IDBI** (The above loan is secured by first pari passu charge on entire current assets of the company (including stocks at the company's premises or anwhere else, stock in transit, consumables and receivables etc.) both present and future) . Applicable ROI is 7.10%) | 8,000 | 5,000 |
| **Working Capital Demand Loan From ICICI** (The above loan is secured by first pari passu charge on entire current assets of the company (receivables, consumables and others) of the company, both present and future, along with other existing lenders. Applicable ROI is 7.18%) | - | |
| Current maturities of loan from Power Finance Corporation Limited | 9,822 | 9,822 |
| Current maturities of loan from SBI | 1,077 | 1,077 |
| Current maturities of loan from REC | 643 | 643 |
| **Total Borrowings** | 24,541 | 20,960 |

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Notes to the financial statements for the year ended 31st March, 2023
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Note No. 17 - Provisions

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non- Current | Current | Non- Current |
| (a) **Provision for employee benefits** | | | | |
| (1) Pension & Gratuity | 13,201.46 | 1,53,044.88 | 10,565.00 | 1,37,296.37 |
| (2) Leave encashment | 1,169.98 | 9,172.92 | 1,800.00 | 7,242.07 |
| (3) Bonus | 167.92 | - | 137.40 | - |
| (4) DA Arrears | 97.40 | - | 89.89 | - |
| (5) Provision for Ex-Gratia | | | | |
| (6) Provision for Income Tax | - | | | |
| **Total Provisions** | **14,636.76** | **1,62,217.80** | **12,592.30** | **1,44,538.44** |

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Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note No. 18 - Trade payables

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| Trade payable for goods & services | | | | |
| Due to MSME (Refer note 40) | - | | - | |
| Others | 13,360.44 | | 13,435.32 | |
| Total trade payables | 13,360.44 | - | 13,435.32 | - |

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All amounts are in INR Lakhs unless otherwise stated

Note No. 19 - Other Liabilities

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Current | Non- Current | Current | Non- Current |
| Deposit Works | | 47,034.71 | | 47,304.53 |
| a. Statutory dues | | | | |
| Taxes payable (other than income taxes) | 860.19 | | 828.80 | - |
| Employee Recoveries and Employer Contributions | 540.92 | | 532.13 | - |
| b. Others | | | | |
| Employee benefit payables | 113.96 | | 389.28 | - |
| Others payables | 1,016.71 | | 792.43 | - |
| Others financial liabilities | 0 | | | |
| TOTAL OTHER LIABILITIES | 2,531.78 | 47,034.71 | 2,542.64 | 47,304.53 |

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All amounts are in INR Lakhs unless otherwise stated

Note no -20 Revenue from Operations

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| (a) **Revenue from rendering of services (Refer Note No.41)** | | |
| **Transmission charges billed to CSPDCL** | | |
| LTOA | 91,681.20 | 87,379.43 |
| MTOA | 8,888.43 | 1,390.38 |
| **Transmission charges billed to Others** | | |
| MTOA | - | 7,478.27 |
| STOA | 553.77 | 515.76 |
| SLDC charges | 1,546.49 | 1,333.47 |
| (b) Other operating income | | |
| Other income related to SLDC | 39.85 | 156.54 |
| Delay payment charges | 12,610.30 | 14,991.70 |
| **Total Revenue from Operations** | **1,15,320.04** | **1,13,245.55** |

NOTE:- Income of previous year is refunded to ACP vendor due to court case therefore treated in Revenue of Current Financial Year.

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Note no -21 Other Income

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Net gain/(loss) arising on financial assets designated as at FVTPL | | |
| - Realised | - | 17.64 |
| - Unrealised | - | - |
| Interest income on financial assets at amortised cost | | |
| Bank deposits | 209.35 | 38.25 |
| Loans to employees | 0.59 | 0.59 |
| Deposits with Contractors and Suppliers | 0.16 | 10.84 |
| Interest on income tax refund | | - |
| Interest on loan given to CSPDCL | - | 138.92 |
| Rent income | 38.42 | 117.23 |
| Other recoveries from Contractors/Suppliers | 13.48 | 32.85 |
| Miscellaneous income | 1,497.80 | 778.34 |
| Net proceeds from sale of scrap | 222.88 | 552.77 |
| Total Other Income | 1,982.68 | 1,687.43 |

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All amounts are in INR Lakhs unless otherwise stated

Note no -22 Employee Benefits Expense

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Salaries, wages and bonus | 20,345.81 | 18,081.28 |
| Contribution to provident and other funds | 1,059.06 | 632.03 |
| Gratuity & Pension | 12,122.07 | 11,901.56 |
| Leave compensation | 1,036.69 | 724.00 |
| Other staff costs | 515.13 | 310.63 |
| Staff welfare expenses | 1.40 | 29.65 |
| Less: Employee benefit expense capitalised | (971.39) | (1,099.59) |
| **Total Employee Benefit Expense** | **34,108.77** | **30,579.55** |

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Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note no -23 Finance Cost

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| *(a)* Interest expense on borrowing | | |
| Term loans | 9,214.02 | 13,998.67 |
| Working capital loans | 1,174.46 | 589.45 |
| State Government loans | - | - |
| *Less: Amounts included in the cost of qualifying assets (if any)* | (697.34) | (36.87) |
| *(b)* Bank charges | 183.89 | 6.96 |
| **Total finance costs** | **9,875.02** | **14,558.22** |

Note-1) All the loans availed by company are for specific capital projects and therefore the capitalisation rate applicable for capitalisation of borrowing cost is the ROI of the respective loan. The capitalisation rate used for capitalisation of borrowing costs of various capital projects ranges from 7.25% p.a. to 10.5% p.a. based on applicable ROI of respective loans.

Note-2) Due to Receipt of Interest amount from CSPDCL , overall finance Cost is reduced.

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Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note no -24 Other Expenses

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Repairs and maintenance: | | |
| (i) Plant & machinery | 4,179.85 | 5,836.46 |
| (ii) Buildings | 639.30 | 544.44 |
| (iii) Others | 78.15 | 32.95 |
| Power expense | 1,622.85 | 1,723.28 |
| Rent including lease rentals | | |
| Rates and taxes | 384.17 | 342.78 |
| Insurance charges | 0.23 | 0.30 |
| Vehicle Running, Hiring and Maintenance charges | 916.32 | 673.39 |
| Excise duties | | |
| Net loss / (gain) on foreign currency transactions net off Derivative | | |
| Net loss / (gain) on Derivative contracts | | |
| Auditors remuneration and out-of-pocket expenses | | |
| (i) As Auditors | 12.98 | 11.80 |
| (ii) For Taxation matters | 1.95 | 1.77 |
| (iii) For Company Law matters | - | - |
| (iv) For Management Services | - | - |
| (v) For Other services | - | - |
| (vi) Auditors out-of-pocket expenses | - | - |
| Other expenses | | |
| (i) Provision for shortages in inventory | | 33.84 |
| (ii) Legal and other professional costs | 957.62 | 499.52 |
| (iii) Reimbursement of expenses to CSPHCL | - | 435.46 |
| (iv) Other General Expenses | 5,544.56 | 1,722.67 |
| CSR Expenses | 77.50 | |
| Less: Other expenses Capitalised | (134.23) | (98.24) |
| **Total Other Expenses** | **14,381.24** | **11,760.42** |

**Note: Payment to auditors**

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Auditor's Remuneration (Statutory Audit) | 12.98 | 11.80 |
| -for taxation | 1.95 | 1.77 |
| Total | **14.93** | **13.57** |

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All amounts are in INR Lakhs unless otherwise stated

Note no -25 Exceptional Items

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| State Government Loan Recognised | - | - |
| Reversal of excess delayed payment surcharge (Refer note 1 below ) | - | 14,992 |
| Total | - | 14,992 |

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## Note - 26: Current Tax and Deferred Tax

(a) Income Tax Expense

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Current Tax:** | | |
| Current Income Tax Charge | 1,986.91 | 913.96 |
| Deferred Tax | 311.42 | 1,123.38 |
| MAT credit entitlement | 4,550.09 | (913.96) |
| **Total Tax Expense recognised in profit and loss account** | 6,848.41 | 1,123.38 |

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All amounts are in INR Lakhs unless otherwise stated

Note 27: Basic / diluted earnings per equity share (EPS) have been calculated as under:

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| | (Rs.) | (Rs.) |
| Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders | 4,454.82 | 4,073.77 |
| Weighted Average number of Ordinary Share Outstanding | 9,395.41 | 9,047.08 |
| 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 | 9,395.41 | 9,047.08 |
| 2. For Diluted Earnings per Share of Rs 10 each | 9,395.41 | 9,047.08 |
| Earnings per Share | | |
| | | |
| **Basic** | 0.47 | 0.45 |
| **Diluted** | 0.47 | 0.45 |

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**Note 28: 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 (CSPTrCL) and Chhattisgarh State Power Holding Company Limited (CSPHCL).

Under rule (3) (ae) of the transfer scheme rules "Transmission Company" or "CSPTCL" means the Chhattisgarh State Power Transmission Company Limited, a company incorporated under the Companies Act,1956 with the main object of undertaking the transmission of electricity in the State of Chhattisgarh and to function as State Transmission Utility and perform SLDC functions as per the provisions of the Act.

Further Government of Chhattisgarh vide its notification no. 1686/F-21/13/2009/13/2 dated 08.06.2022 has decided to merge and dissolve the Chhattisgarh State Power Holding Company Limited and Chhattisgarh State Power Trading Company Limited into Chhattisgarh State Power Transmission Company Limited and Chhattisgarh State Power Distribution Company Limited respectively. The State Goverment, in consultation with Governer of Chhattisgarh, hereby, makes the Chhattisgarh State Electricity Board Transfer Scheme rules'2010 which shall come into force with retrospective effect from the date of 01st April'2022.

**Note 29: 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:** As per provisions under transfer scheme, CSPHCL is dealing with pending legal matters of erstwhile CSEB related with Income Tax and assets & liabilities related matters pertaining to re-organization of erstwhile MPEB. However, as per the provisions of the Schedule-V, Part-II, clause d(i) of Transfer Scheme Rules, the Holding Company shall discharge all liabilities of the erstwhile CSEB and in turn recover the same amount from the Generation Company, Transmission Company, Distribution Company and the Trading Company. Hence, disputed liabilities pending litigations are not contingent liability of CSPHCL.

**Note 31: Final Absorption of Personnel in Transferee Company**

i. As per provision of Transfer Scheme Rule 2010, 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.

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.

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## Note 32: Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company. The Company is a state government undertaking having two separate line of activity i.e. transmission charges and Income from State Load Dispatch Centre (SLDC).

| Particulars | Transmission | SLDC | Total |
|---|---|---|---|
| **Segment Revenue:** | | | |
| I. Sale of Services | 1,01,123.41 | 1,586.34 | 1,02,709.74 |
| II. Delay Payment Surcharge | 12,610.30 | - | 12,610.30 |
| III. Other Income | 1,987.43 - | 4.75 | 1,982.68 |
| **III. Total Segment Income** | **1,15,721.13** | **1,581.59** | **1,17,302.72** |
| | | | |
| **Segment Expenses:** | | | |
| Employee Benefit Expenses (Excl Gratuity and Pension) | 21,021.09 | 965.61 | 21,986.70 |
| Depreciation | 27,856.46 | 0.03 | 27,856.49 |
| Other Expenses (allocable to the segments) | 3,966.79 | 303.08 | 4,269.87 |
| Finance Costs | 9,875.02 | - | 9,875.02 |
| **IV (a).Total Segment Expenses** | **62,719.36** | **1,268.72** | **63,988.08** |
| | | | |
| **Segmental Operating Income** | **53,001.78** | **312.87** | **53,314.64** |
| | | | |
| **Unallocable Expenses** | | | |
| Other Expenses | | | 10,111.37 |
| Gratuity and Pension | | | 12,122.07 |
| **IV (b).Total Unallocable Expenses** | | | **22,233.45** |
| | | | |
| **V.Profit before exceptional and extraordinary items and tax (III -(IV(a)+(b))** | | | **31,081.20** |
| VI. Exceptional items | | | - |
| **VII. Profit before tax (V+ VI)** | | | **31,081.20** |
| **VIII. Tax expense** | | | |
| (1) Current tax | | | 1,986.91 |
| (2) Deferred tax | | | 7,222.63 |
| (3) MAT credit entitlement | | | 4,550.09 |
| **IX. Profit/(Loss) for the period after tax (VII - VIII)** | | | **17,321.57** |
| **X. Other comprehensive income** | | | **- 12,866.75** |
| A (i) Items that will not be recycled to profit or loss | | | |
| (a) Remeasurements of the defined benefit liabilities / (asset) | | | **- 19,777.96** |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | **- 6,911.21** |
| B (i) Items that will be recycled to profit or loss | | | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | - |
| **XI. Total comprehensive income for the period (IX+X)** | | | **4,454.82** |

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| Particulars | Transmission | SLDC | Total |
|---|---|---|---|
| **Segment Assets:** | | | |
| **Allocable Assets:** | | | |
| Property, Plant and Equipment | 3,23,774.36 | 92.02 | 3,23,866.38 |
| Capital Work In Progress | 54,621.96 | 652.75 | 55,274.71 |
| Trade receivables | 10,368.82 | 347.56 | 10,716.38 |
| Cash and Cash Equivalents and Other Bank balances | 2,111.00 | - | 2,108.52 |
| | **3,90,876.14** | **1,092.33** | **3,91,965.99** |
| **Unallocable Assets:** | | | |
| Other non-current financial assets | | | 299.38 |
| Non Current Tax Assets (Net) | | | 14,247.27 |
| Deferred tax assets (net) | | | 21,878.24 |
| Other non-current assets | | | 1,27,481.02 |
| Current investment | | | - |
| Inventories | | | 7,312.82 |
| Other current assets | | | 3.04 |
| Other current financial assets | | | 10,169.15 |
| | | | **1,81,390.92** |
| **Total Assets** | | | **5,73,356.90** |

in Rs

| Particulars | Transmission | SLDC | Total |
|---|---|---|---|
| **Segment Liabilities:** | | | |
| **Allocable Liabilities:** | | | |
| SLDC Development Fund | - | 1,785.32 | 1,785.32 |
| | - | **1,785.32** | **1,785.32** |
| **Unallocable Liabilities:** | | | |
| Share Capital | | | 93,954.09 |
| Reserves & Surplus (Excluding SLDC Dev. Fund) | | | 71,987.75 |
| Share Application Money Pending Allottment | | | - |
| Non Current Financial Liabilities-Borrowings | | | 1,30,635.95 |
| Non Current Liabilities | | | 47,034.71 |
| Other Non Current Financial Liabilities | | | - |
| Long-term provisions | | | 1,62,217.80 |
| Current Financial Liabilities-Borrowings | | | 24,540.90 |
| Trade Payables | | | 13,360.44 |
| Other current financial liabilities | | | 10,671.41 |
| Short-term provisions | | | 14,636.76 |
| Other current liabilities | | | 2,531.78 |
| | | | **5,71,571.60** |
| **Total Liabilities** | | | **5,73,356.91** |

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**Note 33: Contingent liability not provided in the profit and loss account are as follows:**

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

i. Estimated tax liability on part of CSPTCL in respect of non framing of rules u/s 65 of Madhya Pradesh Reorganization Act (MPRA), 2000 could not be ascertained at this moment.

ii. 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 at New Delhi on 22.12.2008, it was mutually agreed between MPSEB and CSEB that the pension liability shall be settled between MPSEB and CSEB under one time settlement. The settlement process is yet to be computed between erstwhile CSEB (now CSPHCL) and MPEB and the share of such contingent liability towards CSPTCL cannot be estimated at the moment.

**Note 33.2** Demand in respect of disputed Income Tax Cases and Excise Custom cases

i. Erstwhile MPEB had 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 as in the application of MPSEB. CSPHCL has filed a writ petition against order of CBDT before Hon'ble High Court of Bilaspur. Any adverse outcome of the case may have financial implication on the successor companies of erstwhile CSEB.

ii. The demand has been raised against CSEB by Income Tax department for AY 2003-04 & onwards. The erstwhile CSEB has filed appeal against thses orders and cases are pending before various authorities. The estimated share of CSPTCL in this regard (Gross disputed tax liability) is RS 11232.04 Lakhs

iii. As per Online system of Income Tax Department, outstanding TDS laibility and interest is Rs 4.38 Lakhs

iv. CSPTCL has filed appeal before the custom, Excise and SErvice Tax Appellate against the various order sub commisioner appeal, central excise confirming the demand of excise duty on material fabrication on fabrication workshop of CSPTCL in appeal CSPTCL has claimed Rs 11.73 cr CENVAT credit.

**Note 33.3** Cases have been filed against CSPTCL (SLDC) by various power generators on account of dispute arising due to levy of UI charges with regard to scheduling of power under short term open access by these generators/sellers which in the opinion of the company amounts to embedded generation in state's electricity supply system. The matter is pending before various forum's of the amount against which is not presently ascertainable

**Note 33.4** Estimated contingent liability details of other miscellaneous cases filed against the company is Rs.0.40 cr

**Note 33.5** Estimated contingent liability details of other miscellaneous cases filed by the company is Rs.0.45 cr

**Note 33.6** : Additional Directorer General, O/o Directorate General of GST Intelligence, Raipur Zonal Unit, Raipur has issued Show Cause notice dated 15.10.2021 for nonpayment of service tax on the A&G and other expenses allocated by CSPHCL to CSPGCL, CSPTCL and CSPDCL in their equity ratio pursuant to the Transfer Scheme Rules'2010 during the period April-2016 to June-2017. They have worked out a total service tax liability of- 533.00 Lacs and have also proposed to invoke provision of GST Act for interest and penalty on the same which has not been quantified. However, CSPHCL has not agreed with the contention of the department and filed a writ petition bearing no. WP(T) NO. 119 of 2022 in the Hon'ble High Court of CG.

**Note 33.7** Additional Director General, O/o Directorate General of GST Intelligence, Raipur Zonal Unit, Raipur has issued show cause notice dated 30.11.2022 for non-payment of GST on the A&G and Other expenses allocated by CSPHCL to CSPGCL, CSPTCL and CSPDCL in their equity ratio purSuant to the Transfer Scheme Rule'2010 during the period July-2017 to March-2022. They have worked out a total GST liability of- 2917.00 Lacs and have also proposed to invoke provision of GST Act for interest and penalty on the same, which has not been quantified. Extension of time limit for 90 days has been requested in order to submit the necessary reply to the department on 20.01.2023. Also we have discussed with our empaneled Tax counsel and they have opined to file writ petition against SCN in Hon'ble High Court, so we will file writ petition in due course.

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### 34. Financial Instruments

#### 34.1 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 | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Debt (i) | 1,35,635.95 | 1,42,700.57 |
| Cash and bank balances | 2,108.52 | 5,429.37 |
| Net debt | 1,33,527.43 | 1,37,271.20 |
| | | |
| Total Equity (ii) | 1,67,727.13 | 1,55,469.19 |
| | | |
| Net debt to equity ratio | 0.80 | 0.88 |

(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

#### 34.2 Financial Instruments – Fair values and risk management

Categories of Financial Instruments:

| | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| Financial Assets | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Trade receivables | | | 10,715 | | | 70,153 |
| Cash and cash equivalents | | | 2,109 | | | 5,428 |
| Loans | | | 141 | | | 140 |
| Other financial assets | | | 10,324 | | | 10,340 |
| Investments | - | | - | | | - |
| Total | - | - | 23,291 | - | - | 86,062 |
| Financial liabilities | | | | | | |
| Borrowings | | | 1,35,177 | | | 1,57,108 |
| Trade Payables | | | 13,360 | | | 13,435 |
| Other financial liabilities | | | 33,571 | | | 9,946 |
| Total | - | - | 1,79,209 | - | - | 1,80,519 |

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.

#### 34.3 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.

##### 34.3.1 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-23 | 50 | 712.88 |
| 31-Mar-22 | 50 | 748.10 |

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34.3.2 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 2023 | As at 31st March 2022 |
|---|---|---|
| Trade Receivables | 10,716.38 | 70,153.48 |
| Loans | 144.49 | 140.02 |
| Other financial assets | 10,324.05 | 10,339.83 |
| Investments | - | - |
| Total | 21,184.91 | 80,633.33 |

34.3.3 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 |
|---|---|---|---|---|
| 31-Mar-22 | | | | |
| Borrowings | 11,540.90 | 46,163.62 | 77,931.43 | 1,35,635.95 |
| Trade Payables | 13,360.44 | - | - | 13,360.44 |
| Other financial liability | 10,471.41 | - | - | 10,471.41 |
| | 35,372.76 | 46,163.62 | 77,931.44 | 1,59,467.80 |
| 31-Mar-21 | | | | |
| Borrowings | 11,540.90 | 46,163.62 | 84,996.05 | 1,42,700.57 |
| Trade Payables | 13,435.32 | - | - | 13,435.32 |
| Other financial liability | 9,845.59 | - | - | 9,845.59 |
| | 34,821.81 | 46,163.62 | 84,996.05 | 1,65,981.48 |

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Note 35: Employee benefit Plan

**1 Defined Benefit Plan**

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

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

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

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

**Summary of Membership Data:**

| Sr No | Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| i | **Gratuity** | | |
| | Number of employees Gratuity | 1,470 | 1,310 |
| | Total Monthly Salary (in Rs. Cr) | 13.61 | 11.71 |
| | Average Past Service (Years) | 19.39 | 18.74 |
| | Average Age (Years) | 45.20 | 45.95 |
| | Average remaining working life (Years) | 16.80 | 16.05 |
| | weighted average duration | 16.18 | 12.13 |
| ii | **Pension** | | |
| | **For Active Employees** | | |
| | Number of employees Pensioners | 529 | 551 |
| | Total Monthly Pension (in Rs. Cr) | 7.31 | 6.99 |
| | **For Retired Employees** | | |
| | Number of Retired Employee | 1,053 | 1,008 |
| | Total Monthly Pension (in Rs. Cr) | 6.14 | 5.48 |
| | **For Spouse** | | |
| | Number of Spouse | 685 | 659 |
| | Total Monthly Pension (in Rs. Cr) | 2.05 | 1.92 |
| iii | **Leave** | | |
| | Leave balance considered on valuation date | 92,583 | 2,86,911 |

**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 | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| i | Discount rate (p.a.) | 7.38% | 6.90% |
| ii | Salary Escalation rate (p.a.) | 6.00% | 6.00% |

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.

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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 | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | Retirement age (Years) | 62 | 62 |
| 2 | Mortality rates inclusive of provision for disability | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| 3 | Withdrawal rate | | |
| | Upto 25 Years | 0% | 0% |
| | From 26 to 35 Years | 0% | 0% |
| | From 36 to 45 Years | 0% | 0% |
| | From 46 to 55 Years | 0% | 0% |
| | Above 55 years | 0% | 0% |
| 4 | Leave Availment Rate | 2.5% | 0.0% |
| | Leave encashment Rate while in service | 5% | 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 | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Current Service Cost | 20.68 | 25.54 | 4.22 | 4.55 |
| Past Service Cost including curtailment Gains/Losses | | | | |
| Interest Cost on Defined Benefit Obligation | 129.64 | 120.82 | 6.15 | 6.43 |
| Interest Income on Plan Assets | (29.10) | (29.17) | - | - |
| **Amount recognised in statement of profit and loss** | **121.22** | **117.19** | **10.37** | **10.98** |
| Actuarial gain / (loss) for the year on Defined Benefit Obligation | (174.66) | (103.29) | (16.60) | (2.53) |
| Actuarial gain /(loss) for the year on Asset | (6.52) | 2.02 | - | - |
| **Amount recognised in other comprehensive income** | **(181.18)** | **(101.27)** | **(16.60)** | **(2.53)** |

**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 | | Amount in Rs. Crs | |
|---|---|---|---|---|
| | Gratuity and Pension | | Leave | |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Present value of defined benefit obligation | 2,103.11 | 1,906.49 | 103.42 | 90.43 |
| Fair value of plan assets | 440.95 | 427.88 | - | - |
| Unfunded Liability/provision in Balance Sheet | 1,662.16 | 1,478.61 | 103.42 | 90.43 |
| Bifurcation of the present value of defined benefit obligation at the end of the year | | | | |
| Current | 134.71 | 105.65 | 11.70 | 14.61 |
| Non-current | 1,968.40 | 1,800.84 | 91.73 | 75.82 |

**1.6 Movement in fair value of the defined Benefit Obliagtion**

| Particulars | Amount in Rs. Crs | | Amount in Rs. Crs |
|---|---|---|---|
| | Gratuity and Pension | | Leave |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 |
| **Opening defined benefit Obligation** | 1,906.49 | 1,776.74 | 90.43 |
| Current Service cost | 20.68 | 25.54 | 4.22 |
| Past Service Cost including curtailment Gains/Losses | - | - | - |
| Interest cost on defined benefit obligation | 129.64 | 120.82 | 6.15 |
| Actuarial (Gain)/Loss on arising from change in Demographic | - | - | |
| Actuarial (Gain)/Loss on arising from Experience Adjustment | 285.05 | 124.81 | 16.60 |
| Actuarial (Gain)/Loss on arising from change in Financial assumptions | (110.39) | (21.52) | - |
| Benefits paid | (128.06) | (119.90) | (13.97) |
| **Closing defined benefit Obligation** | **2,103.41** | **1,906.49** | **103.42** |

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.

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

| Particulars | Amount in Rs. Crs | |
|---|---|---|
| | Gratuity and Pension | |
| | 31-03-2023 | 31-03-2022 |
| **Opening fair value of Plan assets** | 427.88 | 428.96 |
| Actual return on Plan assets | 22.58 | 31.18 |
| Employer contribution | 118.55 | 89.45 |
| Benefits paid | (128.06) | (119.90) |
| Adjustment to Opening Fund | | (1.81) |
| **Closing fair value of Plan assets** | **440.95** | **427.88** |

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

| Particulars | Gratuity and Pension* | |
|---|---|---|
| | 31-03-2023 | 31-03-2022 |
| Funds Managed by Insurer | 100.00% | 51.11% |
| High Quality Corporate Bonds | 0.00% | 12.29% |
| Government of India Securities | 0.00% | 26.33% |
| Equity Shares of listed companies/Equity Mutual Fund | 0.00% | 10.27% |
| **Closing fair value of Plan assets** | **100.00%** | **100.00%** |

The actuary had inadvertently ommitted to report percentage of funds invested in various securities. However, we have taken actual position based on trust's balance sheet.

**1.8 Movement in Net defined Benefit Obligation**

| Particulars | Amount in Rs. Crs | | Amount in Rs. Crs |
|---|---|---|---|
| | Gratuity and Pension | | Leave |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 |
| **Opening Net defined benefit Obligation** | 1,478.61 | 1,347.77 | 90.43 |
| Total Service Cost | 20.68 | 25.54 | 4.22 |
| Net interest cost (Income) | 100.55 | 93.46 | 6.15 |
| Actuarial (Gain)/Loss | 181.18 | 101.29 | 16.60 |
| Contributions paid to the fund/ Benefits paid | (118.55) | (89.45) | (13.97) |
| | | | |
| **Closing Net defined benefit Obligation** | **1,662.46** | **1,478.61** | **103.42** |

**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 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 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 |
| **Discount Rate** | 31-03-2023 | 31-03-2022 | 31-03-2023 |
| Impact of increase in 50bps on DBO | (116.43) | (101.87) | (4.51) |
| Impact of decrease in 50bps on DBO | 127.55 | 111.60 | 4.83 |
| **Salary Escalation Rate** | | | |
| Impact of increase in 50bps on DBO | 93.10 | 11.71 | 4.90 |
| Impact of decrease in 50bps on DBO | (88.96) | (11.54) | (4.53) |

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.

**1.10 The expected maturity analysis of defined benefit obligation is as follows:**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership

| Maturity Profile of Defined beneift obligation | Gratuity & Pension | | Leave encashment |
|---|---|---|---|
| | Amount (in Crs) | | Amount (in Crs) |
| | 31-03-2023 | 31-03-2022 | 31-03-2023 |
| Expected Benefit for 0 to 1 Year | 132.01 | 105.65 | 11.70 |
| Expected Benefit for 1 to 2 Year | 142.10 | 124.08 | 10.87 |
| Expected Benefit for 2 to 3 Year | 149.59 | 121.19 | 9.28 |
| Expected Benefit for 3 to 4 Year | 154.38 | 120.10 | 8.54 |
| Expected Benefit for 4 to 5 Year | 157.96 | 113.68 | 7.17 |
| Expected Benefit for 5 to 6 Year | 163.67 | 500.09 | 5.44 |
| Expected Benefit for 6 Year & onwards | 1,213.25 | 393.82 | 50.43 |

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Chhattisgarh State Power Transmission Company Limited
Notes to the financial statements for the year ended 31st March, 2023
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**Note 36: Managerial Remuneration**

| Details | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Salary & Allowances | 42.18 | 24.09 |
| Other Benefits(Retirement benefit) | 179.69 | - |
| Total | 221.87 | 24.09 |

**Note 37: Details of Electricity transmitted in MUs and Rs in crores:**

| Energy Transmitted | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|
| | In MU | Rs in cr | In MU | Rs in cr |
| For CSPDCL & Other Power Utilities (i.e. energy output from CSPTCL's system) | 33,454.77 | 1,011.23 | 29,449.07 | 967.64 |
| SLDC's revenue | | 0.00 | | |
| Total | 33,454.77 | 1,011.23 | 29,449.07 | 967.64 |

**Note 38:** Balances of State Government Loan, and Liability against Deposit Works are subject to confirmation and reconciliation.

**Note 39:** Being a State Government Company, the company has not entered into any transaction with any company that are covered under section 186 of the Companies Act'2013.

**Note 40:** The balance due to MSME sector is Nil, and no representation has been received from any entities till date.

**Note 41:** 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 42:** 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<br>Key management personnel | Ujjwala Baghel | Managing Director |

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 | 2022-23 (In Lacs) | 2021-22 (In Lacs) |
|---|---|---|---|
| Ashok Kumar (Upto July'21) | Managing Director | 0.00 | 6.36 |
| S.D. Telang(From August'21 to April'22) | Managing Director | 2.55 | 17.73 |
| Ujjwala Baghel(From May'22) | Managing Director | 38.51 | |
| Ujjwala Baghel(Retirement benefit) | Managing Director | 179.69 | |
| Ankit Anand | Chairman | 0.71 | |
| | Total | 221.87 | 24.09 |

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 :

| Nature of Transaction | Name of Related Party | Nature of Relationship | FY 22-23(In Lacs) | FY 21-22 |
|---|---|---|---|---|
| Transmission Income | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | 1,05,569.44 | 88,793.81 |
| Transmission Income | Chhattisgarh State Power Trading Company Limited | Fellow Subsidiary | - | 7,476.27 |
| SOC/MOC Income | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | 779.54 | 805.13 |
| SOC/MOC Income | Chhattisgarh State Generation Company Limited | Fellow Subsidiary | 898.46 | 575.64 |
| SOC/MOC Income | Chhattisgarh State Trading Company Limited | Fellow Subsidiary | - | 82.54 |
| Delayed Payment Surcharge Income | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | 13,610.30 | 14,991.70 |
| Delayed Payment Surcharge written off | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | - | -14,991.70 |
| Electricity charges | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | 3,622.85 | 1,723.28 |
| EITC Expenses | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | 914.79 | 499.60 |
| A & G of CSPHCL | Chhattisgarh State Power Holding Company Limited | Holding Company | - | 431.46 |
| Interest received on loan | Chhattisgarh State Power Distribution Company Limited | Fellow Subsidiary | - | 158.92 |
| | Total | | 1,17,196 | 1,00,170 |

**Note 43:** Inventories includes shortage of 0 (F.Y. - 33.85 Lakhs), identified during the course of internal audit; there were NO DEVIATION found in the stock audit report

BEGANI & BEGANI Chartered Accountants

C.G. State Power Transmission Company RAIPUR (C.G.)

Note: 44 Financial Ratios

| Particulars | Numerator | Denominator | 31st March 2023 | 31st March 2022 | Variance | Reasons (If variances are more than 25%) |
|---|---|---|---|---|---|---|
| Current Ratio | Current assets | Current Liabilities | 0.46 | 1.54 | -70% | Due to Revenue Subsidy received |
| Debt-Equity Ratio | Long Term Debt | Equity | 0.78 | 0.88 | -11% | |
| Debt Service Coverage Ratio | EBITDA (Excluding interest on CC) | Debt Service (Principal + Installment) | 0.50 | 0.00 | 12% | |
| Return on Equity Ratio | Net Profit after Taxes | Shareholder's Fund | 0.05 | 0.03 | 1% | Due to increase in PAT |
| Inventory turnover ratio | Revenue from operation | Inventory | NA | NA | | NA in case of service sector industry |
| Trade Receivables turnover ratio | Revenue from operation | Trade Receivables | 1.08 | 0.88 | 23% | |
| Trade payables turnover ratio | Purchases | Trade Payables | NA | NA | | NA in case of service sector industry |
| Net capital turnover ratio | Revenue from operation | Working Capital | -3.25 | 3.53 | -192% | Due to Revenue Subsidy received |
| Net profit ratio | Net Profit after Taxes | Revenue from operation | 0.04 | 0.04 | 7% | |
| Return on Capital employed | EBIT | Capital Employed (Shareholder's Fund + Long term Borrowings) | 7% | 0.07 | 0% | |
| Return on Investment | Income Generated from Investment | Cost of Investment | NA | -1.84% | 0% | Due to no sale of investment |

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Notes to the financial statements for the year ended 31st March, 2023
All amounts are in INR Lakhs unless otherwise stated

Note 45: Previous year's figures are regrouped and reclassified wherever necessary to make it comparable.

For BEGANI & BEGANI
FRN. No. - 010779 C
Chartered Accountants

SANKALP SOHANEY
Partner
Membership No. - 434993
30 SEP 2023

VDIN: 23434993BGWDAD8872
Place : Raipur
Date : 25 SEP 2023

For and on behalf of the Board of Directors
Chhattisgarh State Power Transmission Company Limited

(Ujwala Baghel)
Managing Director
DIN - 08738889

(Ankit Anand)
Chairman
DIN-07415193

(Mahendra Singh Chauhan)
Chief Financial Officer
PAN - ACCPC4774H

(Arun Mishra)
Company Secretary
M No. ACS : 55153