

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF CHHATTISGARH STATE POWER TRANSMISSION  
COMPANY LIMITED**

**Report on the Standalone Ind AS Financial Statements:**

We have audited the accompanying standalone Ind AS financial statements of **Chhattisgarh State Power Transmission Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the statement of other comprehensive income, Cash Flow Statement and statement of change in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred as "Standalone Financial Statement").

**Management's Responsibility for Standalone Ind AS Financial Statement**

The company's board of director is responsible for the matter's stated in section 134(5) of the Companies Act' 2013 ('the act') with respect to the preparation and presentation of these standalone Ind AS financial statement that gives a true and fair view of the financial position/ financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (accounts) rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the act for safeguarding the assets of the company and for preventing and detecting fraud's and other irregularities; selection and application of appropriate accounting policy; making judgement 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis of Qualified Opinion**

- a. The company does not have party wise details CWIP amounting to Rs 747.90 Crores (Including value of both deposit & own work). The CWIP contains the details of both works, on account of deposit and own projects of the company. The company has recognized certain income on such deposits works which cannot be verified for its completeness and accuracy in the absence of agreement with parties & party wise balances.
- b. The reconciliation of CWIP balances and Deposits undertaken from various parties is pending since long. In absence of details and external confirmation from parties, we are unable to quantify the impact of the same in Financial Statements of the current year.
- c. Attention is drawn to management practice of capitalization of assets & charging depreciation upon such assets. Presently management capitalize assets as an when capitalization entry done in SAP (Accounting software) by respective RAO's and such date of capitalization is considered as "date of put to use" for charging depreciation. However, as observed by us there is difference in date when assets actually put to use (as per completion report) by respective divisions & date on which capitalization is made as per SAP. In absence of any cogent reasoning, such practice of considering RAOs report date as actual put to use date is res a. Attention is drawn to Note No.29 regarding opening balance transferred pursuant to transfer scheme.ulting in incorrect charging of depreciation. Due to unavailability of sufficient information, we are unable quantify the overall impact on Profit and Loss of the entity for the current and prior periods resulting in depreciation differences on account of such management practices.
- d. There is nonmoving balance of Rs 1.82 Crores in GR-IR account [T000050, T000051], In absence of Party confirmation and reconciliation with material receipts against such long reconciling items, We are unable to comment whether these liabilities against purchases requires any adjustments during the period under Audit.
- e. The company has not reversed Stale Cheques amounting to Rs.35.69 Lakhs outstanding as on 31.03.2017.
- f. Attention is drawn to Note No.29: Opening Balances transferred pursuant to transfer scheme, Pursuant to this order, Company has accounted for CWIP for Rs.287.96 Crores pertaining to period prior 31st December'2008. Out of Rs 287.96 Crores, We have not been produced with the details of Capitalization status nor item wise details of CWIP amounting to Rs 104.96 Crores. Further, the entire 287.96 Crores has been lying in CWIP since long. In our opinion, CWIP cannot remain idle for the period FY 2008-09 to 2016-17. So in absence of any test of impairment made by the company on such CWIP items, and absence of sufficient information we can't comment on accuracy of the amount

recognized as CWIP & it's the impact on current year's profits or loss for any impairment in this regard as on 31.03.2017.

- g. Attention is drawn to Note No.29: Opening Balance transferred pursuant to transfer scheme. Pursuant to this order company has recognized "share application pending allotment" of Rs. 93.94 Crores on Net basis for giving effect to Holding Co's order. But as per the pursuant order effect of change has to be given through Surplus account i.e. Retained Earnings. In our opinion, usage of the Share application money pending allotment account instead of Retained earnings or alternatively Holding Company's Intercompany Account for giving the effect of the changes in opening balances as on 01.01.2009 is not correct and is not in accordance with provisions of Companies Act 2013.
- h. Attention is drawn to Note No.29: Opening balance transferred pursuant to transfer scheme. Pursuant to order company has to account for increase in Fixed deposit (Investment) for Rs.1.6 Crores which pertains to prior 2009 with consequent increase in equity but as informed & documents made available to us the investment of Rs 1.6 Crores is already recognized in books of account in 2013-14 as part of Rs 1.97 Crores maturity amount received in FY 2013-14, The difference of Rs 31.36 Lacs has now been provided as interest Income in the current period. In absence of any sufficient evidence of FDR instrument, its reconciliation & information we can't comment on its accuracy of recognition of investment & interest income.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of Company as at 31<sup>st</sup> March 2017 and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

- a. Balances of share application money pending allotment, debentures, loan from state government, inter-company accounts, sundry debtors, loans & advances including government and others and current liabilities including sundry creditors, employee advances, contractor advances are subject to confirmation and reconciliation. Further VAT returns and Service tax return are also not in reconciliation with books of accounts. The effect of adjustment arising from reconciliation on these items is unascertainable.
- b. In certain cases of operation and maintenance charge, the company has not completely followed accrual basis of accounting and has recognized the entire income in year of receipt. The impact of this could not be ascertained due to want of necessary information.
- c. Attention is drawn to Note No. 44 regarding formation of CSR committee; the Company has not formed CSR Committee, which in our opinion is mandatory for the company as per section 135 of the Companies Act 2013.

- d. Attention is drawn to Note No. 29 regarding the necessary adjustment for the differences in figures of asset & liabilities as per final notification of holding company vis-à-vis provisional have been considered in the financial statement for the current year ended 31<sup>st</sup> March 2017. According to the company and management representation in this regard, The company believes that such treatment has not resulted on account of any errors or omissions in the past.

Our Opinion is not qualified in respect of above matters

#### **Other Matters**

- a. The policy of bifurcation the expenses between Capital Expenditure & Revenue Expenditure is not being followed properly. Since the relevant information have not been provided we are unable to quantify the same.

Our Opinion is not qualified in respect of above matters

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

1. As required by the Companies (Auditor's Report) Order, 2015 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by C&AG of India through supplementary directions dated 19.10.2014 issued under section 143(5) of the Companies Act 2013, on the basis of information received from the management, we give our report on the matter specified in the Annexure "B" attached.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. As per notification F No 1/2/2014-CL.-V dated 5<sup>th</sup> June 2015 Section 164(2), regarding disqualification of Directors, of the Companies Act 2013 does not apply to Government Companies; and
  - 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 C'. Our report expresses a **disclaimer of 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 Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30<sup>th</sup> December, 2016 in Note No.51.
- h. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order

For, APAS & Co

Chartered Accountants

FRN: 000340C



Ankush Golechha

(Partner)

M.No. 111980

Raipur

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Chhattisgarh State Power Transmission Company Limited ('the Company')

1. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records of fixed assets but it doesn't reflect quantitative details and the separate identity of individual assets (i.e. are not marked with identification codes).
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification but no records have been produced before us to verify such physical verification hence, we are unable to comment on the reasonableness of intervals of the physical verification.
  - c) According to the information and explanations given to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, however these have not been examined by us as the same were not provided for verification.

In respect of immovable properties been taken on lease and disclosed as fixed asset in the standalone financial statements, we have been informed that the lease agreements are in the name of the Company, however these have not been examined by us as the same were not provided for verification.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals but no records have been produced before us to verify such physical verification hence, we are unable to comment on the reasonableness of intervals of the physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.




5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The maintenance of cost records mandated by the Central Government under section 148(1) of the Companies Act, 2013 are applicable but the same has not produced before us for verification.
7. According to the information and explanations given to us, in respect of statutory dues:-
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, and Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - c) Details of dues of Income Tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited as at March 31, 2017 on account of dispute are given in Note No.34 of Notes to accounts.
8. In our opinion and according to the information and explanations given to us, the company is regular and not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders
9. In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934

For, APAS & Co  
Chartered Accountants  
FRN: 000340C



Ankush Golechha  
(Partner)  
M.No. 111980  
Raipur



**Annexure-"B"-**

**I-Directions under section 143(5) of the Companies Act 2013**

<b>Sl.No.</b>	<b>Directions</b>	<b>Remarks/Comment</b>
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	As informed to us, the company has not been selected for disinvestment. Hence Not applicable.
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Based on our audit and as per explanation received from management, there are no cases of waiver/write off of debts/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Based on our audit and as per explanation received from management, No inventories are lying with third parties and no assets has been received to the company as gift from Government or other authorities.
4	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.	Please refer to note no. 34 of the Financial Statement regarding pending legal cases. Further, the company has a separate legal department who regularly monitors all the pending cases, including expenditure incurred against these cases.

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**Annexure-'B'**

**II:-Sub directions under section 143(5) of the Companies Act 2013, Power Sector**

Sl.No.	Directions	Remarks
1	Adequacy 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.	In order 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 detailed.	<p>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 &amp; 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.</p> <p>However, as informed to us, no fresh acquisition of land has been made by the company for the year under audit.</p>
3	Whether the Company has an effective system for recovery of revenues as per contractual terms and the revenues is properly accounted for in the books of accounts in compliance with the applicable accounting standards.	Being a state government owned company and regulated by CSERC, the company accounts its revenues as per tariff rate prescribed by the regulators and as per accounting standards prescribed.



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE IND AS FINANCIAL STATEMENTS OF CHHATTISGARH STATE  
POWER TRANSMISSION COMPANY LIMITED**

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

We were engaged to audit the internal financial controls over financial reporting of Chhattisgarh State Power Transmission Company Limited ("the Company") as of March 31, 2017 in conjunction with my / 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". 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 my/our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

**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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

**According to the information and explanations given to us and based on our audit, the following internal control weaknesses have been identified as at March 31, 2017:**

- a) It has been observed that there is no control over charging of contingent expenses on fixed assets at the time of capitalization. Management at the time of making estimates makes provisions for contingent expenses at prescribed percentage. Upon completion asset should be capitalized at actual cost incurred, contingent expense shouldn't be added. But there are some cases where contingent expenses charged to assets.
- b) Since the depreciation rates prescribed in schedule under Chhattisgarh State Electricity Regulatory Commission (Fees and charges of State Load Dispatch Centre and other related matters) Regulations, 2012 are different from depreciation rates prescribed under Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012, The Fixed Assets register maintenance and Asset Addition procedure does not adequately control classification of assets as per the schedule to ensure accurate depreciation.
- c) It has been observed that there are inadequate controls towards recording/book keeping of various scrap or returned store materials, which may be resulting into revenue leakages due to such non recording of scrap items. For Instance, No documents were produced reflecting any recording of used oil from old transformer.
- d) It has been observed that assets are capitalize as an when capitalization entry done in SAP (Accounting software) by respective RAO's and such date of capitalization is considered as "date of put to use" for charging depreciation. However, as observed by us there is difference in date when assets actually put to use (as per capitalization

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sheet) by respective divisions & date on which capitalization is made as per SAP. This indicates lack of management control in capitalization of expenses.

- e) According to the information and explanations given to us, the company is in the process of establishing its internal financial control over financial reporting on criteria based on or 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.


**Because of these reasons and weaknesses, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.**

**We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.**

For, APAS & Co

Chartered Accountants

FRN: 000340G



Ankush Golechha

(Partner)

M.No. 111980

Date:-

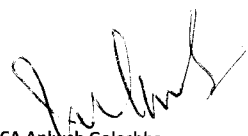
Place:-Raipur

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

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	4	262,976.29	260,785.10	247,583.21
	(b) Capital Work in Progress		74,790.28	56,584.60	56,547.26
	(c) Financial Assets				
	(i) Loans	5	18.19	9.61	12.66
	(ii) Others financial asset	6	4,560.21	4,477.70	4,477.70
	(d) Non Current Tax Assets (Net)	7	27,503.59	29,501.02	28,049.37
	(e) Deferred Tax Assets (Net)	7A	-	-	-
	(f) Other non-current assets	8	1,623.53	233.79	248.75
	<b>Total Non - Current Assets</b>		371,472.09	351,591.81	336,918.95
2	<b>Current assets</b>				
	(a) Inventories	9	4,791.23	4,426.23	4,809.20
	(b) Financial Assets				
	(i) Investments	10	16,541.99	6,979.88	
	(ii) Trade receivables	11	22,980.13	32,289.25	30,008.09
	(iii) Cash and bank balances	12	5,354.18	5,320.99	150.28
	(iv) Bank balances other than (iii) above	12	43.51	6.59	6,548.47
	(v) Loans	5	116.77	105.40	113.81
	(vi) Others financial asset	6	44.42	43.64	338.38
	(c) Other current assets	8	18.74	46.05	26.66
	<b>Total Current Assets</b>		49,890.98	49,218.04	41,994.90
	<b>Total Assets</b>		<b>421,363.08</b>	<b>400,809.84</b>	<b>378,913.85</b>
B	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity Share capital	13	75,566.00	75,566.00	75,566.00
	(b) Other Equity	14	29,262.45	13,129.88	2,404.52
	<b>Total equity</b>		104,828.45	88,695.88	77,970.52
	<b>Liabilities</b>				
2	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	110,796.51	124,394.02	120,338.51
	(ii) Other financial liabilities	16	3,936.01	33,744.91	31,370.64
	(b) Provisions	17	94,126.61	74,392.76	65,939.03
	(c) Other non-current liabilities		63,747.54	36,739.47	37,510.36
	<b>Total Non - Current Liabilities</b>		272,606.68	269,271.15	255,158.55
3	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	-	-	5,356.63
	(ii) Trade payables	18	4,672.92	2,882.87	3,530.22
	(iii) Other financial liabilities	16	29,116.74	31,224.30	30,174.12
	(c) Provisions	17	8,775.08	7,361.24	5,811.54
	(d) Other current liabilities	19	1,363.20	1,374.40	912.27
	<b>Total Current Liabilities</b>		43,927.95	42,842.81	45,784.78
	<b>Total Equity and Liabilities</b>		<b>421,363.08</b>	<b>400,809.84</b>	<b>378,913.85</b>
	See accompanying notes to the financial statements				

In terms of our report attached.

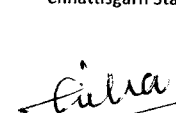
For APAS & Company  
FRN. No. - 000340C  
Chartered Accountants

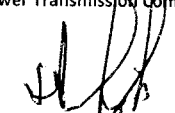
  
CA Anku Golechha  
Partner  
Membership No. - 111980


Place : Raipur


Date : 13 AUG 2018

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

 (Tripti Sinha)  
Managing Director  
DIN-07837793

 (Shivraj Singh)  
Chairman  
DIN-05248101

 (Y.B. Jain)  
Chief Financial Officer  
PAN - AEXPJ0405K

 (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, 2017  
All amounts are in INR Lakhs unless otherwise stated

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue from operations	20	96,676.82	78,752.24
III Other Income	21	2,733.08	1,443.19
<b>III Total Revenue (I + II)</b>		<b>99,409.90</b>	<b>80,195.42</b>
<b>IV EXPENSES</b>			
(a) Employee benefit expense	22	37,199.81	17,813.60
(b) Finance costs	23	14,315.95	16,052.30
(c) Depreciation and amortisation expense	4	18,744.53	17,442.46
(d) Other expenses	24	7,211.25	6,368.70
<b>Total Expenses (IV)</b>		<b>77,471.53</b>	<b>57,677.06</b>
<b>V Profit before exceptional items and tax</b>		<b>21,938.36</b>	<b>22,518.36</b>
Exceptional items	25	6,732.74	-
<b>Profit before tax</b>		<b>15,205.62</b>	<b>22,518.36</b>
<b>VI Tax Expense</b>			
(1) Current tax	26	1,438.02	764.96
(2) Deferred tax		-	-
(3) MAT Credit entitlement	26	(1,438.02)	(764.96)
<b>Total tax expense (VI)</b>		<b>-</b>	<b>-</b>
<b>VII Profit after tax</b>		<b>15,205.62</b>	<b>22,518.36</b>
<b>X Profit/(loss) for the period (VII + IX)</b>		<b>15,205.62</b>	<b>22,518.36</b>
<b>XI Other comprehensive income</b>			
A (i) Items that will not be recycled to profit or loss		(8,467.52)	(11,793.00)
(a) Remeasurements of the defined benefit liabilities / (asset)		(8,467.52)	(11,793.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>XII Total comprehensive income for the period</b>		<b>6,738.10</b>	<b>10,725.36</b>
<b>XIII Earnings per equity share:</b>			
(1) Basic	27	0.89	1.42
(2) Diluted	27	0.74	1.32

In terms of our report attached.

For APAS & Company  
FRN. No. - 000340C  
Chartered Accountants

CA Ankush Golechha  
Partner  
Membership No. - 111980

Place : Raipur  
Date :

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

(Tripti Sinha)  
Managing Director  
DIN-07837793

(Shivraj Singh)  
Chairman  
DIN-05248101

(Y.B. Jain)  
Chief Financial Officer  
PAN - AEXPJ0405K

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flows from operating activities</b>		
Profit after tax for the year	15,205.62	22,518.36
Adjustments for:		
Depreciation and Amortisation expenses	18,744.53	17,442.46
Interest Income	(448.57)	(309.54)
Profit on sale of mutual fund	-	-
Interest Expenses	14,315.95	16,052.30
<b>Operating Profit before working capital changes</b>	<b>47,817.53</b>	<b>55,703.59</b>
<b>Movements in working capital:</b>		
Increase / (Decrease) in Trade Payables	1,790.05	(647.35)
Increase / (Decrease) in Short term borrowings	-	(5,356.63)
Increase / (Decrease) in Other Current Financial Liabilities	(2,107.56)	1,050.18
Increase / (Decrease) in Other Non Current Financial Liabilities	(29,808.90)	2,374.26
Increase / (Decrease) in Long term Provisions	11,266.33	(3,339.27)
Increase / (Decrease) in Other Current Liabilities	(11.20)	462.13
Increase / (Decrease) in Other Non Current Liabilities	27,008.07	(770.89)
Increase / (Decrease) in Short Term Provisions	1,413.85	1,549.69
(Increase) / Decrease in Loans - Current	(11.37)	8.40
(Increase) / Decrease in Loans - Non Current	(8.58)	3.05
(Increase) / Decrease in Trade receivables	9,309.12	(2,281.17)
(Increase) / Decrease in Inventories	(365.00)	382.97
(Increase) / Decrease in Other Current Assets	27.31	(19.39)
(Increase) / Decrease in Other Current Financial Assets	(0.78)	294.74
(Increase) / Decrease in Other Non Current Financial Assets	(82.51)	0.00
(Increase) / Decrease in Other Non Current Assets	607.69	(1,436.68)
<b>Cash generated from operations</b>	<b>66,844.05</b>	<b>47,977.65</b>
Income taxes paid	-	-
<b>Net cash generated by operating activities</b>	<b>66,844.05</b>	<b>47,977.65</b>
<b>Cash flows from investing activities</b>		
Surplus on redemption of Mutual fund	-	-
Interest Income	448.57	309.54
Net movement of fixed assets	(20,935.73)	(30,644.35)
Net (Increase) / Decrease in Capital WIP	(18,205.68)	(37.34)
Net (Increase) / Decrease in Short term investment	(9,562.11)	(6,979.88)
Net (Increase) / Decrease in Fixed Deposits	(36.93)	6,541.88
<b>Net cash (used in)/generated by investing activities</b>	<b>(48,291.87)</b>	<b>(30,810.15)</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in Other Long term Borrowings	(13,597.51)	4,055.51
Increase/(Decrease) in SLDC Development Fund	-	-
Increase/(Decrease) in Share Application money	9,394.47	-
Interest Paid	(14,315.95)	(16,052.30)
<b>Net cash used in financing activities</b>	<b>(18,518.98)</b>	<b>(11,996.79)</b>
<b>Net increase in cash and cash equivalents</b>	<b>33.20</b>	<b>5,170.70</b>
Cash and cash equivalents at the beginning of the year	5,320.99	150.28
<b>Cash and cash equivalents at the end of the year</b>	<b>5,354.18</b>	<b>5,320.99</b>

In terms of our report attached.  
For APAS & Company  
FRN. No. - 000340C  
Chartered Accountants

CA Ankush Golechha  
Partner  
Membership No. - 111980

Place : Raipur  
Date :

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

(Tripti Sinha)  
Managing Director  
DIN-07837793

(Shivraj Singh)  
Chairman  
DIN-05248101

(Y.B. Jain)  
Chief Financial Officer  
PAN - AEXPJ0405K

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

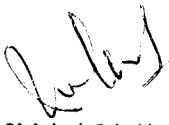


Chhattisgarh State Power Transmission Company Limited  
Statement of changes in equity for the year ended 31st March, 2017  
All amounts are in INR Lakhs unless otherwise stated

a. Equity share capital

	No. of Shares	Amount (Rs.)
Issued and Paid up Capital at 1st April, 2015	755,659,956	75,566.00
Changes in equity share capital during the year	-	-
Balance at 31st March, 2016	755,659,956	75,566.00
Changes in equity share capital during the year	-	-
Balance at 31st March, 2017	755,659,956	75,566.00

For APAS & Company  
FRN. No. - 000340C  
Chartered Accountants



CA Ankush Golechha


Partner  
Membership No. - 111980

Place : Raipur  
Date :

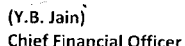
For and on behalf of the Board of Directors  
Chhattisgarh State Power Transmission Company Limited



(Tripti Sinha)  
Managing Director  
DIN-07837793



(Shivraj Singh)  
Chairman  
DIN-05248101



(Y.B. Jain)  
Chief Financial Officer  
PAN - AEXPJ0405K



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

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

b. Other Equity	Reserves and Surplus				Items of other comprehensive income		Total
	Share application money pending allotment	Capital reserve	SLDC Development reserve	Retained earnings	Debt instrument through other comprehensive income	Remeasurements of the defined benefit plans	
Balance at 1st April, 2015	5,510.35	1,149.37	1,744.32	(5,999.52)			2,404.52
Profit for the year				22,518.36			22,518.36
Other comprehensive income for the year, net of income tax						(11,793.00)	(11,793.00)
Total comprehensive income for the year				22,518.36		(11,793.00)	10,725.36
Transfer to income pursuant to C&AG							
Balance at 31st March, 2016	5,510.35	1,149.37	1,744.32	16,518.84		(11,793.00)	13,129.88
Share Application Money	9,394.47						9,394.47
Profit for the year				15,205.62			15,205.62
Other comprehensive income for the year, net of income tax						(8,467.52)	(8,467.52)
Total comprehensive income for the year				15,205.62		(8,467.52)	6,738.10
Balance at March 31, 2017	14,904.82	1,149.37	1,744.32	31,724.46		(20,260.52)	29,262.45

Share application money pending allotment

The Government of Chhattisgarh vide notification no.2020/F-21/13/09/13/2/ED dt.29th October 2010 has notified the provisional opening balance sheet as on 01st January 2009 of CSPTCL (also refer note no 29) wherein, Government has proposed an equity share capital of Rs. 655.10 cr (Rs. 625.51 cr as surplus & equity adjustment + Rs. 29.60 cr. as reserves and reserve fund). Further, it has been stipulated that said equity shall be issued in favour of Chhattisgarh State Power Holding Co. Ltd. (CSPHCL).

The Company has issued equity shares to the extent of Rs. 600 cr at face value of Rs. 10 per share to CSPHCL during F.Y. 2011-12 and withheld balance of Rs. 55.10 cr. as share application till final notification of opening balance. The Government of Chhattisgarh vide notification no. 1816/F-21/13/13-2/2014 dated 17.07.2017 has notified the final balance sheet of CSPTCL as on 01st January 2009 wherein balance of equity capital has been revised upward at Rs. 749.05 Crs from earlier equity of Rs. 655.10 Crs. Accordingly there is an increase of Rs. 93.95 Crs in "Total Equity" and corresponding increase in "Share Application Money Pending Allotment" to Rs.149.05. Accordingly, the balance in share application money constitutes of Rs. 55.10 Crs (opening balance carried forward from previous year) and Rs. 93.95Crs due to revision of opening balance. The Reconciliation of "Share Application Money Pending Allotment Account" are as under:-

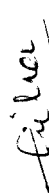
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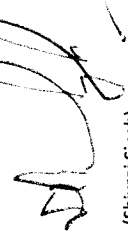
Particulars	Amount (Rs. in Crs)
Proposed Equity Share Capital through notification no. 2020/F-21/13/09/13/2 /ED dt.29th October 2010 (A)	655.10
Revised Equity Share Capital through notification no. 1816/F-21/13/13-2/2014 dated 17.07.2017 (B)	749.05
Less: Equity Shares issued (C)	600.00
Balance Equity Share Capital to be issued out of opening balance(original & revised) (D=B-C)	149.05


For APAS & Company  
FRN. No. - 000340C  
Chartered Accountants


  
CA Ankush Golechha  
Partner  
Membership No. - 111980

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

  
(Tripti Sinha)  
Managing Director  
DIN-07837793

  
(Shivraj Singh)  
Chairman  
DIN-05248101

  
(V.B. Jain)  
Chief Financial Officer  
PAN - AEXP10405K

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

Place : Raipur  
Date :

## 1 Background

Chhattisgarh State Power Transmission Company limited (the Company) 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.

## 2 Significant Accounting Policies

### 2.1 Statement of Compliance

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

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

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

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

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

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

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

### 2.3 Use of estimates

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

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

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

### 2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. 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.

### 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.

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## 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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## 2.8 Taxation

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

### Current tax:

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

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

### Deferred tax

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

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

## 2.9 Property plant and equipment

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

Freehold land and Assets held for sale are not depreciated.

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

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

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

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.

Estimated useful lives of the assets are as follows:

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

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### 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.

### 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.

### 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). However, as per the adopted accounting policy and considering large number of offices located at various parts of the State, the management has only provided for expenses (Service bills related to repair and maintenance and A&G expenses) for bills/invoices received up to 30th April of the succeeding year but related to period under audit. The methodology will be followed consistently in subsequent years.

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.

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### 2.11.2 Contingencies

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

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

### 2.12 Financial Instruments

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

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

#### 2.12.1 Financial Assets

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

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

#### 2.12.2 Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

#### 2.12.6 Financial liabilities and equity instruments

#### 2.12.7 Classification as debt or equity

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

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#### 2.12.8 Equity Instruments

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

#### 2.12.9 Financial liabilities

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

#### 2.12.10 Offsetting of financial instruments

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

#### 2.13 Cash and cash equivalents

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

#### 2.14 Cash Flow Statement

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

#### 2.15 Earnings per equity share

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

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

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

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

Consumer's 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.

#### 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.

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## 2.18 Standards issued but not yet effective

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

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

## 3 Critical accounting estimates and judgements

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

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

The areas involving critical estimates are:

- Estimation of 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.

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Note 4 - Property, plant and equipment

Description of Assets	Land - Leasehold	Land - Freehold	Factory Buildings	Office Buildings	Residential & Other Buildings	Roads & Others	Hydraulic Works	Lines & Cable Networks	Plant, Machinery & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
<b>I. Gross Block</b>														
Balance as at 1st April, 2016	887.56	33.17	2,546.82	1,215.95	645.67	467.76	49.91	1,84,905.49	1,75,083.41	230.60	124.03	113.04	637.66	3,66,941.07
Additions	-	-	101.88	218.14	-	105.15	-	5,450.02	15,908.96	8.81	3.89	-	-	21,796.85
Disposals	(858.62)	-	-	-	-	-	-	-	-	-	(2.50)	-	-	(861.12)
Balance as at 31st March, 2017	28.94	33.17	2,648.70	1,434.09	645.67	572.90	49.91	1,90,355.52	1,90,992.37	239.41	125.42	113.04	637.66	3,87,876.80
<b>II. Accumulated depreciation and impairment for the year ended March 31, 2017</b>														
Balance as at 1st April, 2016	181.77	-	783.91	264.50	284.98	58.58	29.59	52,000.49	51,612.56	191.72	92.72	102.93	552.22	1,06,155.98
Depreciation / amortisation expense for the year	(171.10)	-	85.06	40.61	21.57	18.56	2.00	9,757.92	8,978.94	2.50	0.31	0.00	8.16	18,744.53
Other Adjustments														
Balance as at 31st March, 2017	10.67	-	868.97	305.11	306.55	77.14	31.59	61,758.40	60,591.51	194.23	93.03	102.93	560.38	1,24,900.51
<b>Net block (I-II)</b>														
Balance as at 1st April, 2017	18.27	33.17	1,779.73	1,128.98	339.12	495.76	18.32	1,28,597.11	1,30,400.86	45.19	32.39	10.11	77.29	2,62,976.29
Balance as at 31st March, 2016	705.79	33.17	1,762.92	951.45	360.68	409.17	20.32	1,32,905.01	1,23,470.85	38.88	31.31	10.12	85.44	2,60,785.10

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
<b>I. Gross Block</b>														
Balance as at 1st April, 2015	887.56	33.17	2,412.54	1,174.19	645.67	404.20	49.91	1,68,807.05	1,60,801.62	227.91	116.88	113.04	622.99	3,36,296.72
Additions	-	-	134.28	41.76	-	63.56	-	16,098.45	14,281.79	2.69	7.15	-	14.68	30,644.35
Borrowing cost capitalised														
Balance as on 31st March, 2016	887.56	33.17	2,546.82	1,215.95	645.67	467.76	49.91	1,84,905.49	1,75,083.41	230.60	124.03	113.04	637.66	3,66,941.07
<b>II. Accumulated depreciation and impairment for the year ended March 31, 2016</b>														
Balance as at 1st April, 2015	152.13	-	702.94	225.23	263.42	44.41	27.59	43,024.78	43,363.28	189.30	87.39	102.92	530.13	88,713.51
Depreciation / amortisation expense for the year	29.64	-	80.97	39.27	21.57	14.17	2.00	8,975.71	8,249.28	2.42	5.33	0.00	22.09	17,442.46
Balance as at 31st March, 2016	181.77	-	783.91	264.50	284.98	58.58	29.59	52,000.49	51,612.56	191.72	92.72	102.93	552.22	1,06,155.98
<b>Net block (I-II)</b>														
Balance as on 1st April, 2015	735.43	33.17	1,709.61	948.96	382.25	359.79	22.32	1,25,782.27	1,17,438.35	38.61	29.49	10.12	92.86	2,47,583.21
Balance as on 31st March, 2016	705.79	33.17	1,762.92	951.45	360.68	409.17	20.32	1,32,905.01	1,23,470.85	38.88	31.31	10.12	85.44	2,60,785.10

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

Note No. 5 - Loans

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A. Financial assets classified at amortised cost						
Loans to employees						
- Secured, considered good						
- Unsecured, considered good	116.77	18.19	105.40	9.61	113.81	12.66
- Doubtful						
Less: Allowance for bad and doubtful loans						
TOTAL	116.77	18.19	105.40	9.61	113.81	12.66
						126.47

Note No. 6 - Other financial assets

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost:						
Security Deposits		405.64	323.13		323.13	
Claim Receivable from Govt. of Chhattisgarh		4,154.57	4,154.57		4,154.57	
Interest Accrued on deposits	0.40					
Receivable from CSPGCL	38.36		38.36		292.24	
Others	5.67		5.28		38.36	
TOTAL	44.42	4,560.21	43.64	4,477.70	338.38	4,477.70

Chhattisgarh State Power Transmission Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
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Note No. 7 - Non Current Tax Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Income taxes (net of provisions)	25,300.61	28,736.06	28,049.37
MAT credit entitlement	2,202.98	764.96	
<b>TOTAL</b>	<b>27,503.59</b>	<b>29,501.02</b>	<b>28,049.37</b>

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

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Assets	13,470.82	11,863.12	11,599.82
Deferred Tax Liabilities	7,231.98	3,876.87	7,996.79
<b>Net Deferred Tax Assets (Net)*</b>			
* However, deferred tax asset recognized only to the extent of deferred tax liability pursuant to accounting policy			

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred Tax Assets</b>			
Disallowances u/s 40a of the Income Tax Act, 1961	8.19	5.25	35.63
Disallowances u/s 40 A (7) of the Income Tax Act, 1961	9,844.68	5,013.75	5,911.81
Disallowances u/s 37 of the Income Tax Act, 1961	21.63	3.20	32.88
Unabsorbed Depreciation under Income Tax Act			2,586.21
Carry Forward Business Loss Under Income Tax Act	3,596.31	6,840.92	3,033.29
	<b>13,470.82</b>	<b>11,863.12</b>	<b>11,599.82</b>
<b>Deferred Tax Liabilities</b>			
Depreciation	7,231.98	3,876.87	7,996.79
	<b>7,231.98</b>	<b>3,876.87</b>	<b>7,996.79</b>

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

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Total
Capital advances						
(i) For Capital work in progress		1,623.53		233.79		248.75
Cumulative credit	3.66	3.66	29.55	29.55	10.88	10.88
Other advances	15.08	15.08	16.51	16.51	15.78	15.78
	18.74	1,623.53	46.05	233.79	26.66	248.75
		1,642.27		279.84		775.41

Note No. 9 - Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Raw materials			
Coal & Fuel	4,876.57	4,480.51	4,838.74
Stores & Spares	49.59	27.38	42.72
Scrap & Unserviceable Materials			
(b)			
Material Short/(Excess) pending investigation	212.35	212.35	212.35
(1)	(347.28)	(294.00)	(284.60)
(2)			
Cost			
Less: Provision			
Total Inventories at the lower of cost and net realisable value	4,791.23	4,426.23	4,809.20

Note No. 10 - Investment

Particular	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	QTY	Amounts*	QTY	Amounts*	QTY	Amounts*
		Current		Current		Current
		Non Current		Non Current		Non Current
Designated as Fair Value Through Profit and Loss						
i. Quoted Investments (fully paid)						
Investments in Mutual Funds		16,541.99		6,979.88		
TOTAL INVESTMENTS CARRYING VALUE		16,541.99		6,979.88		
Other disclosures						
Aggregate amount of quoted investments		16,541.99		6,979.88		
Aggregate amount of impairment in value of investments						

Note No.11 - Trade receivables

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Trade receivables						
Secured, considered good						
Unsecured, considered good	22,980.13		32,289.25		30,008.09	
Doubtful						
TOTAL	22,980.13		32,289.25		30,008.09	

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Chhattisgarh State Power Transmission Company Limited  
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Note No. 12 - Cash and cash equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Current Cash and bank balances</b>			
(i) Cash and cash equivalents			
Cash in imprest	1.32	0.98	0.86
Cash in transit	-	211.48	-
Balances with Banks	5,352.86	5,108.52	149.42
Term deposits (original maturity < 3 months)	5,354.18	5,320.99	150.28
(ii) Other bank balances			
Balances in scheduled banks in earmarked current account	43.51	6.59	6,548.47
Term deposits	43.51	6.59	6,548.47
Cash and cash equivalent as per balance sheet	5,354.18	5,320.99	150.28
Bank overdrafts	-	-	-
Cash and cash equivalents as per statement of cash flows	5,354.18	5,320.99	150.28

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

Note No. 13 - Equity share capital

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised: Equity shares of Rs. 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000	2,00,00,00,000	2,00,000
Issued, Subscribed and Fully Paid: Equity shares of Rs. 10 each	75,56,59,956	75,566.00	75,56,59,956	75,566.00	75,56,59,956	75,566.00
<b>Total</b>	<b>75,56,59,956</b>	<b>75,566.00</b>	<b>75,56,59,956</b>	<b>75,566.00</b>	<b>75,56,59,956</b>	<b>75,566.00</b>

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 1st April, 2015	75,56,59,956	75,566.00
Issued during the year	-	-
Balance as at 31st March, 2016	75,56,59,956	75,566.00
Issued during the period	-	-
<b>Balance as at 31st March, 2017</b>	<b>75,56,59,956</b>	<b>75,566.00</b>

(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, 2017	As at 31st Mar, 2016
Details of shares held by the holding company			
Fully paid equity shares			
Chhattisgarh State Power Holding Co. Ltd.	Holding Company	75,56,59,956	75,56,59,956

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 March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares				
Chhattisgarh State Power Holding Company Ltd	75,56,59,956	100	75,56,59,956	100
<b>Total</b>	<b>75,56,59,956</b>	<b>100</b>	<b>75,56,59,956</b>	<b>100</b>

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

**Note No. 14 - Other equity**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Reserves	1,149.37	1,149.37	1,149.37
SLDC Development fund	1,744.32	1,744.32	1,744.32
Retained earnings	31,724.46	16,518.84	(5,999.52)
Other Comprehensive Income	(20,260.52)	(11,793.00)	-
Share application money pending allotment	14,904.82	5,510.35	5,510.35
<b>Total</b>	<b>29,262.45</b>	<b>13,129.88</b>	<b>2,404.52</b>

**Nature and purpose of the reserve:**

**Securities Premium Reserve:**

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**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

**Share application money pending allotment**

The Government of Chhattisgarh vide notification no.2020/F-21/13/09/13/2/ED dt.29th October'2010 has notified the provisional opening balance sheet as on 01st January'2009 of CSPTCL (also refer note no 29) wherein, Government has proposed an equity share capital of Rs. 655.10 cr (Rs. 625.51 cr as surplus & equity adjustment + Rs. 29.60 cr. as reserves and reserve fund). Further, it has been stipulated that said equity shall be issued in favour of Chhattisgarh State Power Holding Co. Ltd. (CSPHCL).

The Company has issued equity shares to the extent of Rs. 600 cr at face value of Rs. 10 per share to CSPHCL during F.Y. 2011-12 and withheld balance of Rs. 55.10 cr. as share application till final notification of opening balance. The Government of Chhattisgarh vide notification no. 1816/F-21/13/13-2/2014 dated 17.07.2017 has notified the final balance sheet of CSPTCL as on 01st January 2009 wherein balance of equity capital has been revised upward at Rs. 749.05 Crs from earlier equity of Rs. 655.10 Crs. Accordingly there is an increase of Rs. 93.95 Crs in "Total Equity" and corresponding increase in "Share Application Money Pending Allotment" to Rs.149.05. Accordingly, the balance in share application money constitutes of Rs. 55.10 Crs (opening balance carried forward from previous year) and Rs. 93.95Crs due to revision of opening balance The Reconciliation of "Share Application Money Pending Allotment

Particulars	Amount (Rs. in Crs)
Proposed Equity Share Capital through notification no. 2020/F-21/13/09/13/2 /ED dt.29th October'2010 (A)	655.10
Revised Equity Share Capital through notification no. 1816/F-21/13/13-2/2014 dated 17.07.2017 (B)	749.05
Less: Equity Shares issued (C)	600.00
<b>Balance Equity Share Capital to be issued out of opening balance(original &amp; revised) (D=B-C)</b>	<b>149.05</b>

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

All amounts are in INR Lakhs unless otherwise stated

**Note No. 15 - Non Current Borrowings**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Measured at amortised cost*</b>			
<b>A. Secured Borrowings:</b>			
(a) Term Loans			
(1) From Power Finance Corporation Limited	91,951.59	1,04,855.73	1,11,649.04
(2) From NABARD	11,531.34	12,224.70	8,165.58
(3) From REC	7,313.59	7,313.59	-
<b>Total Secured Borrowings (A)</b>	<b>1,10,796.51</b>	<b>1,24,394.02</b>	<b>1,19,814.62</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>			
(a) Term Loans			
(1) From Government of Chhattisgarh	-	-	523.89
<b>Total Unsecured Borrowings (B)</b>	<b>-</b>	<b>-</b>	<b>523.89</b>
<b>Total Borrowings (A)+(B)</b>	<b>1,10,796.51</b>	<b>1,24,394.02</b>	<b>1,20,338.51</b>

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

**Nature of Security**

Term Loan from Power Finance Corporation amounting to Rs. 1045.59 cr. (PY Rs.1171.67 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 instalments together with interest on the outstanding balance commencing after the expiry of moratorium period.

Particulars of Loan	Balance as at Mar'17 (Cr.)	ROI (%)
22103001-POWER EVACUATION SYSTEM FOR 2X250 MW KORBA(E) TPS	84.24	11.75-12.50
C2603001-CSPCL-LOAN PROPOSAL FOR 132 KV PATAN SUBSTATION	5.05	11.75-12.25
C2603002-CSPCL-LOAN PROPOSAL FOR 132 KV MAGARLOD SUBSTATION	4.48	12.25-12.50
C2603003-CONSTRUCTION OF 132/33 KV S/S BALOD AND ASSOCIATED EHV LINES	4.90	12.25-12.50
C2603004-132/33 KV S/S PANDARIYA & ASSO. EHV LINES FOR TRANSMISSION	6.48	12.25-12.50
C2603005-132/33 KV S/S MANA & ASSO. EHV LINES FOR TRANSMISSION NETWORK	6.94	12.25-12.50
C2603007-132/33 KV S/S RASMADA & ASSO. EHV LINES FOR TRANSMISSION LIN	4.31	12.25-12.50
C2603008-CONSTRUCTION OF 132/33 KV S/S BHANUPRATAPUR	34.51	11.75-12.50
C2603009-CSPCL-LOAN PROPOSAL FOR POWER EVACUATION OF KORBA(W) ST III	429.05	11.75-12.50
C2603010-POWER EVACUATION SYSTEM FROM 2X500 MW MARWA TPP.	301.40	12.25-12.50
C2603011-CSPCL - 220/132 KV S/S AT SARAIPALI	43.76	12.25-12.50
C2603012-PROCUREMENT OF RTUS FOR EHV S/S	2.48	12.25
C2603013-132 KV S/S KONDAGAON & ASSOCIATED EHV LINES	4.41	12.25

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C2603014-220KV S/S MUNGELI & ASSOCIATED EHV LINES	24.56	11.75-12.50
C2603015-S/S GIRWANI & ASSOCIATED EHV LINES	29.97	11.75-12.50
C2603016-132/33 KV PRATAPPUR SUBSTATION AND LINES	6.61	12.25-12.50
C2603018-INSTALLATION OF 160 MVA ADDL. TRANSFORMER AT VARIOUS EHV S/S	7.92	12.25
C2603019-INSTALLATION OF 63/40 MVA ADDL. TRANSFORMER AT VARIOUS S/S	15.32	12.25
C2603020-132/33 KV SAKARA SUBSTATION AND LINES	4.15	12.25-12.50
C2603021-JAUAIPUR SUBSTATION AND LINES	9.88	11.75-12.50
C2603022-132/33 S/S PULGAON, DURG AND ASSOCIATED EHV LINES	7.45	11.75-12.50
C2603023-132/33 KV S/S GANDAI AND ASSOCIATED EHV LINES	7.71	12.25-12.50
<b>Total</b>	<b>1,045.59</b>	

#### B. Against Loan from NABARD:

##### Nature of Security

Term Loan from NABARD amounting to Rs. 122.25 cr (PY Rs. 129.18 cr) 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.

##### Particulars of loan and Terms of Repayment

The loan is raised for construction of 132/33 KV S/S at Koni, Prathariya, Gariyaband, Baloda Bazar and Sarona and will be repayable in 15 years including moratorium period of 3 year in quarterly installments commencing from May 2016 and at ROI of 11% pa.

#### C. Against Loan from REC:

##### Nature of Security

Term Loan from REC amounting to Rs. 73.13 cr (PY Rs. 73.13 cr) 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 Loan	Balance as at Mar'17 (Cr.)	ROI (%)
132/33 KV - Ravanbhata	46.59	10.75-11.1
Construction of 132/133 KV EHV Substation at Ratanpur	15.20	11.5
Laying of 2nd circuit of existing EHV lines	4.85	11
Installation of additional 40 MVA Power Transformer (Doma, Bagbhara, Tulsi, Maga)	6.49	10.75
<b>Total</b>	<b>73.14</b>	

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

Note No. 15 - Current Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>A. Secured Borrowings</b>			
(a) Working Capital Demand Loans			1,930.58
(i) From Bank of Baroda	-	-	2,926.05
(ii) From IDBI	-	-	
<b>Total Secured Borrowings</b>	-	-	<b>4,856.63</b>
<b>B. Unsecured Borrowings</b>			
(a) Loans			
(i) Chhattisgarh State Power Holding Company Limited			500.00
<b>Total Unsecured Borrowings</b>	-	-	<b>500.00</b>
<b>Total Current Borrowings</b>	-	-	<b>5,356.63</b>

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Chhattisgarh State Power Transmission Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
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Note No. 16 - Other Financial Liabilities

Particulars*	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
a) Other financial liabilities carried at amortised cost:						
Deposits & Retentions from Contractors & Suppliers	9,776.70		10,525.81		9,750.21	
Employee related liabilities	5.75		112.34		102.93	
Current maturities of loan from Power Finance Corporation Limited	12,607.53		12,310.92		12,284.00	
Current maturities of loan from NABARD	693.33		693.30		-	
Current maturities of loan from Government of Chhattisgarh	1,568.71		1,568.71		1,044.82	
Debentures	-		335.66		335.66	
Interest accrued but not due on borrowings	2,284.39		3,018.68		3,113.05	
Interest accrued and due on borrowings	0.00		448.30		402.31	
Other	35.69		65.93		26.07	
Inter Company Payable Account		3,936.01		33,744.91		31,370.64
Chhattisgarh State Power Holding Company Limited						
Chhattisgarh State Power Distribution Company Limited	2,144.64		2,144.64		2,062.38	
					1,052.69	
<b>Total other financial liabilities</b>	<b>29,116.74</b>	<b>3,936.01</b>	<b>31,224.30</b>	<b>33,744.91</b>	<b>30,174.12</b>	<b>31,370.64</b>

Note No. 17 - Provisions

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits						
(1) Pension & Gratuity	5,493.00	87,692.54	5,037.00	67,873.54	3,673.00	58,799.59
(2) Interim relief	-	-	787.14		608.53	405.68
(3) Wage revisions	2,400.00	-	100.65		93.57	
(4) DA Arrears	-	-	1,436.45	6,519.22	1,436.45	6,733.75
(5) Leave encashment	882.08	6,434.07				
	<b>8,775.08</b>	<b>94,126.61</b>	<b>7,361.24</b>	<b>74,392.76</b>	<b>5,811.54</b>	<b>65,939.03</b>
<b>Total Provisions</b>						

Note No. 18 - Trade payables

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Trade payable for goods & services	4,672.92		2,882.87		3,530.22	
Trade payable for salaries and wages						
<b>Total trade payables*</b>	<b>4,672.92</b>	<b>-</b>	<b>2,882.87</b>	<b>-</b>	<b>3,530.22</b>	<b>-</b>

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

Note No. 19 - Other Liabilities

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Deposit Works		63,747.54		36,739.47		37,510.36
a. Statutory dues	321.06		288.56		262.81	
Taxes payable (other than income taxes)	320.68		313.44		277.89	
Employee Recoveries and Employer Contribution:						
b. Others	543.61		496.01		169.83	
Employee benefit payables	177.85		276.39		201.75	
Others payables						
<b>TOTAL OTHER LIABILITIES</b>	<b>1,363.20</b>	<b>63,747.54</b>	<b>1,374.40</b>	<b>36,739.47</b>	<b>912.27</b>	<b>37,510.36</b>

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Chhattisgarh State Power Transmission Company Limited  
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Note no -20 Revenue from Operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Revenue from rendering of services		
Transmission charges	91,339.00	73,954.67
SLDC charges	1,261.46	1,225.74
(b) Other operating income		
Other income related to SLDC	108.77	107.96
Delay payment charges	3,967.59	3,463.87
<b>Total Revenue from Operations</b>	<b>96,676.82</b>	<b>78,752.24</b>

Note no -21 Other Income

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net gain/(loss) arising on financial assets designated as at FVTPL		
- Realised	567.60	52.30
- Unrealised	134.85	16.87
Interest income on financial assets at amortised cost		
Bank deposits	448.57	309.54
Loans to employees	8.50	8.80
Deposits with Contractors and Suppliers	5.60	10.47
Rent income	43.46	28.73
Interest on IT refund	349.01	-
Other recoveries from Contractors/Suppliers	4.70	4.83
Miscellaneous income	1,095.55	780.34
Net proceeds from sale of scrap	-	124.92
Provisions written back	75.24	106.39
<b>Total Other Income</b>	<b>2,733.08</b>	<b>1,443.19</b>

Note no -22 Employee Benefits Expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries, wages and bonus	16,893.55	16,541.47
Contribution to provident and other funds	295.53	264.01
Gratuity & Pension	18,720.00	2,348.00
Interim relief	2,292.96	468.25
Leave compensation	97.48	154.03
Other staff costs	262.28	232.85
Staff welfare expenses	17.10	33.78
Less: Employee benefit expense capitalised	(1,379.10)	(2,228.80)
<b>Total Employee Benefit Expense</b>	<b>37,199.81</b>	<b>17,813.60</b>

Note no -23 Finance Cost

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest expense on borrowing		
Term loans	14,477.79	16,064.55
Working capital loans	1.56	379.40
State Government loans	139.62	139.62
Debentures	26.83	45.99
Less: Amounts included in the cost of qualifying assets (if any)	(338.47)	(578.27)
(b) Bank charges	8.62	1.01
<b>Total finance costs</b>	<b>14,315.95</b>	<b>16,052.30</b>

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Note no -24 Other Expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31st March, 2016
Repairs and maintenance:		
(i) Plant & machinery	2,706.73	2,407.35
(ii) Buildings	581.29	453.11
(iii) Others	51.95	52.37
Power expense	1,464.34	1,172.21
Rent including lease rentals	1.01	1.20
Rates and taxes	356.73	520.55
Insurance charges	1.38	0.31
Vehicle Running, Hiring and Maintenance charges	437.81	455.89
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	7.08	4.64
(ii) For Taxation matters	1.06	0.70
Other expenses		
(i) Provision for shortages in inventory	53.28	9.40
(ii) Legal and other professional costs	350.98	278.16
(iii) Reimbursement of expenses to CSPHCL	445.37	401.25
(iv) Other General Expenses	933.50	871.00
Less: Other expenses Capitalised	(181.27)	(259.45)
<b>Total Other Expenses</b>	<b>7,211.25</b>	<b>6,368.70</b>

Note: Payment to auditors

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Auditor's Remuneration (Statutory Audit)	7.08	4.64
-for taxation	1.06	0.70
<b>Total</b>	<b>8.14</b>	<b>5.33</b>

Note no -25 Exceptional Items

Particulars	For the year ended 31 March, 2017	For the year ended 31st March, 2016
Reversal of excess delayed payment surcharge	6,732.74	-
<b>Total</b>	<b>6,732.74</b>	<b>-</b>



Chhattisgarh State Power Transmission Company Limited  
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Note - 26: Current Tax and Deferred Tax

(a) Income Tax Expense		For the year ended 31 March, 2017	For the year ended 31 March, 2016
Particulars			
Current Tax:			
Current Income Tax Charge		1,438.02	764.96
Adjustments in respect of prior years			
Deferred Tax			
MAT credit entitlement		(1,438.02)	(764.96)
Total Tax Expense recognised in profit and loss account		-	-

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Chhattisgarh State Power Transmission Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
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Note 27 Basic / diluted earnings per equity share (EPS) have been calculated as under:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	(Rs.)	(Rs.)
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders	6,738.10	10,725.36
Weighted Average number of Ordinary Share Outstanding	75,56,59,956	75,56,59,956
Weighted Average number of Potential Equity shares on account of Share Application Money	14,90,48,202	5,51,03,500
Total Shares considered for:		
1. For Basic Earnings per Share of Rs. 10 each	75,56,59,956	75,56,59,956
2. For Diluted Earnings per Share of Rs 10 each	90,47,08,158	81,07,63,456
Earnings per Share		
Basic	0.89	1.42
Diluted	0.74	1.32

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Chhattisgarh State Power Transmission Company Limited  
Notes to the financial statements for the year ended 31st March, 2017  
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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 (CSPTCL) 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 SDC functions as per the provisions of the Act.

Note 29: Opening balances transferred pursuant to transfer scheme:

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

Sl. No.	Particulars	Rs. In Crs Notification No.: 1816/F- 21/13/09/13/2 /ED dt.29th October 2010	Rs. In Crs Notification No.: 1816/F- 21/13/13- 2/2014 dated 17.07.2017	Rs. In Crs Difference	Remarks
<b>ASSETS</b>					
1	Fixed Assets	892.82	884.21	8.61	Changed pursuant to re-allocation of Lease-hold land related to Bodhghat Hydel Project of
2	Less: Depreciation	236.41	236.41	0	
3	Net Assets	656.41	647.8	8.61	
4	GWIP	373.03	660.99	-287.96	Refer Note A below
5	Investment	14.31	15.97	-1.66	Refer Note B below
6	Stock	8.54	8.54	0	
7	Cash & Bank	0.19	0.19	0	
8	Inter company Receivable/Payable	-10.56	-10.56	0	
9	Loans & Advance	128.54	134.44	-5.9	There is change in balance of Advance tax with corresponding impact in income tax
10	Sundry Receivable	1.28	1.37	-0.09	This balance was changed to CAG Audit of erstwhile CSEB with corresponding impact in
11	Other Current Liabilities	-173.59	-262.77	89.18	Refer Note A below and due to adjustments pursuant to CAG Audit of erstwhile CSEB
12	Subsidy Receivable from Government	41.54	41.54	0	
	<b>Total Assets</b>	<b>1,039.69</b>	<b>1,237.51</b>	<b>-197.82</b>	
<b>LIABILITIES</b>					
1	Surplus + Equity Adjustment	625.51	749.05	-123.54	The cumulative differences in various assets and liabilities heads barring compensating
2	Reserve and Reserve Funds	29.6	0	29.6	differences has resulted in change in Share holder's equity.
3	<b>Sub Total: Shareholder Equity</b>	<b>655.11</b>	<b>749.05</b>	<b>-93.94</b>	
4	Total Funds from State Gov.	92.44	92.44	0	
5	Payment Due on Capital Liabilities	56.34	56.43	-0.09	This balance was changed to CAG Audit of erstwhile CSEB with corresponding impact in "Sundry Receivables"
6	Contributions, Grants & Subsidies	0	103.79	-103.79	Refer Note A below
7	Capital Liabilities	235.8	235.8	0	
	<b>Total Liabilities</b>	<b>384.58</b>	<b>384.67</b>	<b>-197.82</b>	

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Accordingly, the necessary adjustment for the difference in figures of assets and liabilities as per Final notification vis-a-vis provisional have been given effect in Financial statements for the year ended 31st March 2017.

Notes:

A. The changes in CWIP comprises of INR 104.96 cr which was wrongly allocated to Chhattisgarh Power Distribution Co. Ltd. (CSPDCL) instead of CSPTCL and balance CWIP of INR 183.08 cr is transferred to CSPTCL with corresponding increase in Deposit Work liability to same extent. The mis-allocation of CWIP of INR 104.96 cr was identified by the successor companies during FY 2013-14 and therefore was incorporated in the financial of the respective year with corresponding impact given to holding company i.e. CSPHCL

B. The revised balance in investment pertains to FDR's in the books of erstwhile CSEB which was earlier omitted to be transferred to successor companies. Though the maturity proceeds against these FDR's were transferred by CSPHCL to successor companies during FY 2013-14 and was parked as a separate liability by CSPTCL, this liability is now being squared off through revised opening balance

**Note 30: 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 31:** 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 32: 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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**Chhattisgarh State Power Transmission Company Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**  
**All amounts are in INR Lakhs unless otherwise stated**

**Note 33: 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
<b>Segment Revenue:</b>			
I. Sale of Services	91,339.00	1,261.46	92,600.46
II. Delay Payment Surcharge	3,967.59	-	3,967.59
III. Other Income	2,729.04	112.81	2,841.85
<b>III. Total Segment Income</b>	<b>98,035.62</b>	<b>1,374.27</b>	<b>99,409.90</b>
<b>Segment Expenses:</b>			
Employee Benefit Expenses (Excl Gratuity and Pension)	17,726.07	753.73	18,479.81
Depreciation	18,709.12	35.41	18,744.53
Other Expenses (allocable to the segments)	1,460.04	244.98	1,705.02
Finance Costs	14,315.93	0.02	14,315.95
<b>IV (a). Total Segment Expenses</b>	<b>52,211.16</b>	<b>1,034.13</b>	<b>53,245.30</b>
<b>Segmental Operating Income</b>	<b>45,824.46</b>	<b>340.14</b>	<b>46,164.60</b>
Unallocable Expenses			5,506.24
Other Expenses			18,720.00
Gratuity and Pension			
<b>IV (b). Total Unallocable Expenses</b>			<b>24,226.24</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - (IV(a)+(b)))</b>			<b>21,938.36</b>
VI. Exceptional items			(6,732.74)
<b>VII. Profit before tax (V+ VI)</b>			<b>15,205.62</b>
VIII. Tax expense			1,438.02
(1) Current tax			(1,438.02)
(2) Deferred tax			15,205.62
(3) MAT credit entitlement			(8,467.52)
<b>IX. Profit/(Loss) for the period after tax (VII - VIII)</b>			<b>(8,467.52)</b>
X. Other comprehensive income			-
A (i) Items that will not be recycled to profit or loss			-
(a) Remeasurements of the defined benefit liabilities / (asset)			-
(ii) Income tax relating to items that will not be reclassified to profit or loss			-
B (i) Items that will may be recycled to profit or loss			-
(ii) Income tax relating to items that will not be reclassified to profit or loss			-
<b>XI. Total comprehensive income for the period (IX+X)</b>			<b>6,738.10</b>

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Particulars	Transmission	SLDC	Total
<b>Segment Assets:</b>			
<b>Allocable Assets:</b>			
Property, Plant and Equipment	2,62,566.42	409.87	2,62,976.29
Capital Work In Progress	74,689.92	100.36	74,790.28
Trade receivables	22,571.23	408.91	22,980.13
Cash and Cash Equivalents and Other Bank balances	5,397.70		5,397.70
	<u>3,65,225.26</u>	<u>919.14</u>	<u>3,66,144.41</u>

<b>Unallocable Assets:</b>			
Other non-current financial assets			4,578.40
Non Current Tax Assets (Net)			27,503.59
Other non-current assets			1,623.53
Current investment			16,541.99
Inventories			4,791.23
Other current assets			18.74
Other current financial assets			161.20
			<u>55,218.67</u>
<b>Total Assets</b>			<u><b>4,21,363.08</b></u>

**CHHATTISGARH STATE POWER TRANSMISSION COMPANY LIMITED**  
Notes to financial statements for the year ended 31st March, 2017

Particulars	Transmission	SLDC	Total	in Rs
<b>Segment Liabilities:</b>				
<b>Allocable Liabilities:</b>				
SLDC Development Fund	-	1,744.32	1,744.32	
		<u>1,744.32</u>	<u>1,744.32</u>	

<b>Unallocable Liabilities:</b>				
Share Capital			75,566.00	
Reserves & Surplus (Excluding SLDC Dev. Fund)			12,613.31	
Share Application Money Pending Allotment			14,904.82	
Non Current Financial Liabilities-Borrowings			1,10,796.51	
Non Current Liabilities			63,747.54	
Other Non Current Financial Liabilities			3,936.01	
Long-term provisions			94,126.61	
Trade Payables			4,672.92	
Other current financial liabilities			29,116.74	
Short-term provisions			8,775.08	
Other current liabilities			1,363.20	
			<u>4,19,618.75</u>	
<b>Total Liabilities</b>			<u><b>4,21,363.08</b></u>	

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**Chhattisgarh State Power Transmission Company Limited**

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

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

**Note 34: Contingent liability not provided in the profit and loss account are as follows:**

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

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

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

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

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

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

Sl. No.	Assessment Year	Gross Liability in Crores	disputed Tax in Crores	Unpaid Tax in Crores	Liability in Crores	Authority before which case is pending
1	2003-04		277.38		144.81	Pending before Hon'ble High Court of Chhattisgarh & Appellate Tribunal, Mumbai Income Tax Appellate Tribunal (ITAT), Mumbai has passed order in favour of CSEB. However, jurisdictional Assessing Officer has wrongly interpreted the above factual and legal position and also the orders of CIT (Appeal) and ITAT, and has assessed the income at ' 840.75 Crs & served a demand notice of ' 269.60 crore in the matter. The appeal filed against above demand notice before CIT (Appeal) has also been rejected. The final hearing before ITAT Mumbai completed on 01.09.2015 order Awaited.
2	2006-07		373.36		246.6	
3	2008-09		92.19			The matter is pending before CIT (A) / ITAT.

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

vi. CSPTCL has filed appeal before Custom, Excise and Service Tax Appellate Tribunal against the following orders of Commissioner (Appeal) Central Excise confirming the demand of excise duty on materials fabricated in fabrication workshop of CSPTCL. In Appeal, CSPTCL has claimed for following CENVAT credits:

Sl. No.	Date of order of commissioner (Appeal)	Amt(in crores) demand of ED & Cess in order	Amt in crores of CENVAT claimed by CSPTCL
1	E/1116/2010EX(DB)OIA No.13/RPR-II/2010 dtd. 18.02.2010	1.28	1.48
2	E/1117/2010EX(DB)OIA14/RPR-II/2010 dtd. 18.02.2010	8.82	8.57
3	E/1118/2010EX(DB)OIA 15/RPR-II/2010 dtd. 18.02.2010	1.17	0.72
4	E/281/2010EX(DB)OIA 49/RPR-II/2010 dtd.30.11.2010	0.46	0.37
5	E/282/2010EX(DB)OIA 50/RPR-II/2010 dtd 30.11.2010	0.21	0.23
6	E/380/2010EX(DB) OIA 35/RPR-II/2010 dtd 19.04.2011	0.44	0.36
7	E/58719/2013EX(DB) dtd. 30.04.2013	0.45	Nil
8	E/58720/2013EX(DB) dtd. 30.04.2013	0.9	Nil
9	E/58721/2013EX(DB) dtd. 30.04.2013	0.92	Nil
10	E/58722/2013EX(DB) dtd. 30.04.2013	0.91	Nil

**Note 34.2** The company through the online system of Income Tax Department has retrieved that an amount of Rs. 0.36 Lacs is outstanding against TDS liability (Short Deduction) and corresponding interest of Rs. 0.19 Lacs against delay in short deduction. The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

**Note 34.3** Cases have been filed against CSPTCL 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 which brief detail are provided in table below

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S.No.	Petitioner Name	Subject Matter	Petition No.	Amount involved ( in Cr.)	Forum
1	BALCO	UI	51/MP/2016 (Combined with petition no.124/RC/2015 –Rs.3.15 and petition no.134/MP/2011 – Rs. 11.88)	3.15 & 11.88	Review petition pending before Appellate Tribunal, New Delhi
2	NSPCL	UI	53/MP/2012 & 462/MP/2012	1.02	CERC, New Delhi
3	BALCO	TC	2067/2014	1.93	Supreme Court of India
4	ARASMETA	UI	008/SM/2016	1.75	Electricity Appellate Tribunal
5	CERC Suo-Moto		008/SM/2015	0.01	CERC, Delhi

Note 34.4 Details of other miscellaneous cases filed against the company are provided in table below:

S.No.	Particulars of Cases	Amount in Rs
1	M/s Agrawal salt co., Bikaner vs CSPTCL pending before High Court at Jodhpur, Rajasthan, since CSPTCL has forfeited Security deposit in lieu of non compliance of terms mentioned in purchase order by petitioner, against which case have been filed against CSPTCL.	3,57,765/-
2	M/s AV Forgings, Mohali Punjab Vs CE (Trans) & GM (Finance) CSPTCL, Raipur pending before Industrial facilitation council, Punjab since CSPTCL has forfeited Security deposit in lieu of non compliance of terms mentioned in purchase order by petitioner. against which case have been filed against CSPTCL	4,48,110/-
3	Writ Petition no.2865/2010 filed by CSPTCL against excess property tax demand by Municipal Corporation, Jagdalpur vide order no. 3039 & 3040 dt. 15.12.2009	22,44,522/-
4	W/C case no.42/Fatal of 2014, Compensation due to death of Late Sanju Singh -pending before Court of the Commissioner for workmen's compensation, Labor Court No.01, Jabalpur	10,08,000/-
5	Case No. 479/2015, Manish Kumar khunte vs Shankar rao pending in MACT Raipur for accidental loss compensation(motor accident)	11,80,000/-
6	Kumari Haseena Begum vs CSEB	No financial Impact
7	Maniram Vishwakarma vs CSEB	No financial Impact
8	K.S Rajput vs CSEB	No financial Impact
9	Phoolchand Chandra v/s CSEB, Tifra, Bilaspur WP (C) No.45/2015 for compensation against Land, tree and crops.	1,36,981/-
10	Niranjan Singh v/s EE, EHT construction division	3,78,119/-
11	Case No.96/PGA/2013, Gratuity payment to Radheshayam Yadav under The Payment on Gratuity Act, 1972.	20,359/-
12	Shri A K Ankeya, case pending before Labour Court, Bilaspur for re-instatement of employment.	No Financial Impact
13	Division of pension amount between two wives of Late Kedar Suryavanshi pending before Civil Court, Bilaspur	No Financial Impact
14	Case of successor of Late Mrs. Paraskuwar Bai, pending before Civil Court, Korba	No Financial Impact
15	Shri Gayadas Bald S/o Late Dukalu Das, for Job to dependent for private land acquisition, case pending before Chhattisgarh High Court, Bilaspur	No Financial Impact
16	Shri Suman Lal, S/o Late Aghori Lal for Job to dependent for private land acquisition, case pending before Chhattisgarh High Court, Bilaspur	No Financial Impact
17	Shri Rajesh Kumar Beebe, S/o Late Suresh Kumar Beebe for Job to dependent for Private land acquisition, case pending before Chhattisgarh High Court, Bilaspur	No Financial Impact
18	Shri Halder Prasad Pandey, for Job to dependent for Private land acquisition, case pending before Chhattisgarh High Court, Bilaspur	No Financial Impact

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19	Shri Vishnuram Dewangan, for Job to dependent for Private land acquisition, case pending before Chhattisgarh High Court, Bilaspur	No Financial Impact
20	Shri Ram Kumar Pandey, Retired Employee, Salary payment for unauthorise absence, pending before Chhattisgarh High Court, Bilaspur.	No Financial Impact
21	Case no. 2323/2012, Chhotelal vs. CSPTCL, regarding Death/Retirement Claim of his elder brother Late Motiram Nishad, pending before Chhattisgarh High Court, Bilaspur.	No Financial Impact
22	Case no. 1114/2015, Praveen Kumar Thakur vs. CSPTCL, Stay by HC order dt. 06.01.2016.	No Financial Impact
23	Case no. 3033/94, MPEB vs. MS Rijvi, regarding leave for technical employees similar to those of ministerial staff.	No Financial Impact
24	Case no. 236/2013, CSEB vs. Smt. Meena Sharma, regarding more than one successor.	No Financial Impact
25	Case no. 6793/2014, CSEB vs. Maniram Taram, CSEB Balod, to stop recovery of electricity bill.	No Financial Impact
26	Case no. 60A/2015, CSEB vs. Jeluram Ukey being guarantor in respect of bank loan, to stop recovery of bank loan from salary of the employee.	No Financial Impact
27	Case no. 128/1755 Shashi Kiran Gaurha( Alias Harishankar Gaurha) vs CSPTCL regarding case of successor of late Chandrashekhar Gaurha, pending in forum of Civil Court Korba	No Financial Impact
28	CIVIL SUIT No. 3B/2015 Manohar Masih vs CSPDCL pending in district court Mungeli.	6,90,000/-

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35. Financial instruments

35.1 Capital management

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

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

The capital components of the Company are as given below:

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

Particulars	31-03-2017	31-03-2016	01-04-2015
Debt (i)	1,10,796.51	1,24,394.02	1,25,695.14
Cash and bank balances	5,397.70	5,327.58	6,698.76
Net debt	1,05,398.81	1,19,066.44	1,18,996.38
Total Equity (ii)	1,04,828.45	88,695.88	77,970.52
Net debt to equity ratio	1.01	1.34	1.53

(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

35.2 Financial instruments – Fair values and risk management

Categories of Financial Instruments:

	31 March 2017			31 March 2016			1st April 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Trade receivables			22,980.13			32,289.25			30,008.09
Cash and cash equivalents			5,397.70			5,327.58			6,698.76
Loans			134.96			115.01			126.47
Other financial assets			4,604.64			4,521.34			4,816.08
Total			33,117.43			42,253.18			41,649.39
Financial liabilities									
Borrowings			1,10,796.51			1,24,394.02			1,25,695.14
Trade Payables			4,672.92			2,882.87			3,530.22
Other financial liabilities			33,052.75			64,969.21			61,544.77
Total			1,48,522.19			1,92,246.09			1,90,770.12

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.

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### 35.3 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.

#### 35.3.1 Interest rate risk management

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

#### Interest rate sensitivity:

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

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-17	50	628.33
31-Mar-16	50	694.83

#### 35.3.2 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

	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)	As at 1st April 2015 (Rs.)
Financial Assets			
Trade Receivables	22,980.13	32,289.25	30,008.09
Loans	134.96	115.01	126.47
Other financial assets	4,604.64	4,521.34	4,816.08
Total	27,719.73	36,925.60	34,950.64

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### 35.3.3 Liquidity risk management

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

#### Expected contractual maturity for Financial Liabilities

	Upto 1 Year	1-5 years	5+ years	Total
<b>March 31, 2017</b>				
Borrowings	-	37,787.97	73,008.54	1,10,796.51
Trade Payables	4,672.92	-	-	4,672.92
Other financial liability	29,116.74	-	3,936.01	33,052.75
	<b>33,789.67</b>	<b>37,787.97</b>	<b>76,944.55</b>	<b>1,48,522.19</b>
<b>March 31, 2016</b>				
Borrowings	-	39,389.07	85,004.95	1,24,394.02
Trade Payables	2,882.87	-	-	2,882.87
Other financial liability	31,224.30	-	33,744.91	64,969.21
	<b>34,107.17</b>	<b>39,389.07</b>	<b>1,18,749.85</b>	<b>1,92,246.09</b>
<b>April 1, 2015</b>				
Borrowings	5,356.63	35,943.40	84,395.11	1,25,695.14
Trade Payables	3,530.22	-	-	3,530.22
Other financial liability	30,174.12	-	31,370.64	61,544.77
	<b>39,060.97</b>	<b>35,943.40</b>	<b>1,15,765.76</b>	<b>1,90,770.12</b>

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**Note 36: Employees benefit Plan**

**1 Defined Benefit Plan**

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

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

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

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

**Summary of Membership Data:**

Sr No	Particulars	31-03-2017	31-03-2016
i	<b>Gratuity</b>	1,667	1,683
	Number of Employees Gratuity	12,74	11,90
	Total Monthly Salary	21,66	20,30
	Average Past Service (Years)	47,06	46,59
	Average Age (Years)	14,94	15,41
	Average remaining working life (Years)	14,18	14,53
	weighted average duration		
ii	<b>Pension</b>		
	<b>For Active Employees</b>	1,047	1,077
	Number of employees Pensioners	9,91	9,36
	Total Monthly Pension		
	<b>For Retired Employees</b>	735	646
	Number of Retired Employee	3,11	2,50
	Total Monthly Pension		
	<b>For Spouse</b>	549,00	536,00
	Number of Spouse	1,20	1,10
	Total Monthly Pension		
iii	<b>Leave</b>		
	Leave balance considered on valuation date	2,89,812	2,74,739

**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.

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### 1.2 Principal Actuarial Assumptions:

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

#### a) Discount Rate:

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

#### b) Salary Escalation Rate:

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

### 1.3 Principal Demographic assumptions:

Sr No	Particulars	31-03-2017	31-03-2016	01-04-2015
1	Retirement age (Years)	62	62	62
2	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
3	Withdrawal rate			
	Upto 30 Years	0%	0%	0%
	From 31 to 44 Years	0%	0%	0%
	Above 44 years	0%	0%	0%
4	Leave Availment Rate	2.5	2.5	2.5
	Leave Lapse rate while in service	Nil	Nil	Nil
	Leave Lapse rate on exit	Nil	Nil	Nil
	Leave encashment Rate while in service	5	5	5

### 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 31-03-2017	Leave 31-03-2017
Current Service Cost	30.11	26.41
Past Service Cost including curtailment Gains/Losses	-	32.03
Interest Cost on Defined Benefit Obligation	105.38	87.38
Interest Income on Plan Assets	(39.74)	(36.93)
Amount recognised in statement of profit and loss	95.75	108.89
Actuarial gain / (loss) for the year on Defined Benefit Obligation	(104.86)	(124.00)
Actuarial gain / (loss) for the year on Asset	22.68	6.07
Amount recognised in other comprehensive income	(82.18)	(117.93)
		(2.50)

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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	Leave
	31-03-2017	31-03-2016
Present value of defined benefit obligation	1493.11	1,317.30
Fair value of plan assets	561.26	496.75
Unfunded liability/provision in Balance Sheet	931.85	820.55
Bifurcation of the present value of defined benefit obligation at the end of the year		
Current	71.28	57.54
Non-current	1,421.83	1,259.76
		67.22
		57.84

1.6 Movement in fair value of the defined Benefit Obligation

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	Leave
	31-03-2017	31-03-2016
Opening defined benefit Obligation	1,317.30	1,092.18
Current Service cost	30.11	26.41
Past Service Cost including curtailment Gains/Losses	-	32.03
Interest cost on defined benefit obligation	105.38	87.38
Actuarial (Gain)/Loss on arising from Experience Adjustment	42.40	124.00
Actuarial (Gain)/Loss on arising from change in Financial assumptions	62.46	(1.09)
Benefits paid	(64.54)	(44.70)
Closing defined benefit Obligation	1,493.11	1,317.30
		73.16

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

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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	Leave
	31-03-2017	31-03-2016
Opening fair value of Plan assets	496.75	461.72
Actual return on Plan assets	62.42	43.00
Employer contribution	66.63	36.73
Benefits paid	(64.54)	(44.70)
Closing fair value of Plan assets	561.26	496.75

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

Particulars	Gratuity and Pension	
	31-03-2017	31-03-2016
Funds Managed by Insurer	33.11%	100.00%
High Quality Corporate Bonds	31.14%	0.00%
Government of India Securities	20.61%	0.00%
Central /State Government Guaranteed securities	10.65%	0.00%
Equity Shares of listed companies/Equity Mutual Fund	4.49%	0.00%
Closing fair value of Plan assets	100.00%	100.00%

**1.8 Movement in Net defined Benefit Obligation**

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	Leave
	31-03-2017	31-03-2016
Opening Net defined benefit Obligation	820.55	630.46
Total Service Cost	30.11	58.44
Net Interest cost (Income)	65.64	50.45
Actuarial (Gain)/Loss	82.18	117.93
Contributions paid to the fund	(66.63)	(36.73)
Closing Net defined benefit Obligation	931.85	820.55
		73.16

**1.9 Sensitivity Analysis of the Defined Benefit Obligation**

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

Particulars	Amount in Rs. Crs	
	Gratuity and Pension	Leave
	31-03-2017	31-03-2016
<b>Discount Rate</b>		
Impact of increase in 50bps on DBO	(45.93)	(39.64)
Impact of decrease in 50bps on DBO	46.74	39.84
<b>Salary Escalation Rate</b>		
Impact of increase in 50bps on DBO	45.98	39.87
Impact of decrease in 50bps on DBO	(46.07)	(39.73)

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

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

**Note 37: Managerial Remuneration**

Details	FY 2016-17	FY 2015-16
Salary & Allowances	15,80,812	35,91,887
Other Benefits	2,933	38,250
Retirement Benefits	10,30,902	30,56,325
<b>Total</b>	<b>26,14,647</b>	<b>66,86,462</b>

**Note 38: Details of Electricity transmitted in MIUs and Rs in crores:**

Energy Transmitted	FY 2016-17		FY 2015-16	
	In MU	Rs in cr	In MU	Rs in cr
For CSPDCL & Other Power Utilities (i.e. energy output from CSPDCL's system)	23,282.61	913.39	22,946.43	739.55
SLDC's revenue	-	12.61	-	12.26
<b>Total</b>	<b>23,282.61</b>	<b>926.00</b>	<b>22,946.43</b>	<b>751.81</b>

**Note 39:** Balances of State Government Loan, and Liability against Deposit Works are subject to confirmation and reconciliation.

**Note 40:** 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 41:** In the absence of necessary schedules of suppliers and contractors during the period, relevant disclosures of Micro, Small & Medium Enterprises covered under Micro, Small & Medium Enterprises Act, 2006 could not be compiled and disclosed.

**Note 42:** CSERC carries out true up exercise of accounts of all successor companies including SLDC post their statutory audit. CSERC vide its Tariff order dated 31th March, 2017 has determined net surplus in the hands of CSPDCL and SLDC (including carrying cost) at Rs. 103.21 crs and 3.12 crs post true up for financial year 2015-16 which has been adjusted in ARR for the F.Y 2017-18.

**Note 43:** The company recognizes revenue based on the ARR as approved by CSERC vide its tariff orders. The company, as per its prevailing practice followed presently and in earlier years, has accounted revised tariff from the month, succeeding the month, in which new tariff is passed by CSERC i.e. with effect from 01st April'2017 in the instant case.

**Note 44:** The company has not formed CSR committee which otherwise is mandatory under section 135 of The Companies Act'2013, since, there is no independent director appointed in Board upto 31st March'2017, however, management is in process of taking necessary measures to resolve the above deficiency. Further there is no woman director in the company's board which otherwise is mandatory pursuant to section 149(1) read with Rule-3 of Companies (Appointment and qualification of Directors) Rules, 2014.

**Note 45:** 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 46:** Capital contracts amounting to Rs.215 are pending to be executed as on 31st March, 2017.

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**Note 47:** In accordance with the policy mentioned in point no. q (ii) of the significant accounting policy above, the company has contributed their share of pension and gratuity liability to the extent allowed by CSERC in its tariff order which amounts to Rs. 66.63 crores. Further, based on actuarial valuation of pension & gratuity liability undertaken by CSPHCL on behalf of its subsidiaries, an additional provision of Rs 202.73 Cr has been provided in current year's profit & loss account

In accordance with the policy mentioned in point no. q (iii) of the significant accounting policy above, the company has provided for earned leave amounting to Rs. 3.47 Cr. in its statement of profit and loss as per the actuarial valuation made upto 31st March, 2017.

**Note 48:** 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:

<b>A. List of Related Parties:</b>	Shri Vijay Singh	Managing Director
<b>Key management personnel:</b>		

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

Name of Related Party	Nature of relationship	Apr'15 to March'16 (In Rs.)	Apr'16 to March'17 (In Rs.)
Shri Vijay Singh	Managing Director	26,14,647	66,86,462
	<b>Total</b>	<b>26,14,647</b>	<b>66,86,462</b>

**Note 49:** Details of other miscellaneous cases filed by the company are provided in table below:

S.No	Particulars	Amount
1	Case no. 58A/06, CSEB Vs. Shubhash Dhuppad regarding illegal possession of land.	No financial impact
2	Case no. 1443/04 CSEB Vs. Ashish Roy (Industrial court civil appeal no. 209/MPIR/A-11/2000)	No financial impact
3	Recovery from contractor Johrimal Agrawal for non execution of contract to construct residential houses. District court has awarded decree in favour of the company but recovery is pending due to non-availability of contractor's address.	6,84,112.68 /-
4	CSEB vs. Vinod Kumar, Motor accident claim	14,996/-
5	CSEB vs. Balda Prasad, Motor accident claim	12,660/-
6	Case no. 1029/2010 CSEB Vs. Jindal Electricity Ltd. Dishonor of cheque (Cheque no	40,00,000/-
7	Case no. 359/2011 CSEB Vs. Jindal Electricity Generation Ltd. Dishonor of cheque (Cheque no 977592 dated 30.06.2010)	40,00,000/-

**Note 50:** Inventories Includes shortage of 53.27 Lakhs, identified during the course of internal audit; the shortage has been adequately provided in the current year profit and loss.

**Note 51:** CSPHCL on behalf of other successor companies including CSPTCL has made full and final settlement of outstanding 13.70% MPEB PP Bonds issued to SECL in accordance with common settlement model agreed between SECL and MPSEB/ CSEB (CSPHCL). Accordingly, the total liability towards principal & interest in hands of erstwhile CSEB has been worked out at Rs 48.08 cr. The said liability was allocated to CSPDCL, CGGCL & CSPTCL in their opening balance sheets vide notification dated 29th October, 2010 in the ratio of NFA+CWIP. Accordingly, CSPTCL's share in said liability has been worked out at Rs 7.36 cr (Rs 3.36 cr towards principal & Rs 4.00 cr towards interest). CSPTCL, post reorganization of erstwhile CSEB has been charging interest on the outstanding principal, thereby, the cumulative balance of interest and principal in the books of CSPTCL is 8.11 cr (Rs.3.36 crores towards principal & Rs 4.75 crores towards interest) as on 31st October, 2016 i.e. on the date of settlement. As per communique from CSPHCL, this liability has been settled at Rs. 7.36 crores under one time settlement and therefore excess provision of interest to the tune of Rs. 0.75 cr has been written back during FY 2016-17

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

**Note 52 : Specified Bank Notes Disclosure (SBNs)**

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

Particulars	Specified Bank notes (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on November 8, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

*NA*

**Note 53: Explanation of Transition to Ind AS and effect of Ind AS adoption**

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

**a Overall principle**

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

**b Derecognition of financial assets and liabilities**

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

**c Classification of debt instruments**

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

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

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

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

	As at 31 March 2016 83,185.53	As at 1 April 2015 80,374.18
<b>Total equity / shareholders' funds under previous GAAP</b>		
<b>Ind AS Adjustments:-</b>		
Share application Money Pending allotment transferred to Other Equity#	5,510.35	5,510.35
<b>Other Adjustments:-</b>		
Earned Leave Encashment (Based on actuarial valuation)	-	(8,170.20)
Fabrication Impact	-	256.20
<b>Total adjustment to equity</b>	<b>5,510.35</b>	<b>(2,403.66)</b>
<b>Total equity under Ind AS</b>	<b>88,695.88</b>	<b>77,970.52</b>
# Under Previous GAAP, Share application Money Pending allotment was not part of the Shareholders fund		

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53.3 Reconciliation of total comprehensive income for the year ended 31st March, 2018

	Rs. In Lakhs
	As at
	31 March 2016
<b>Profit as per previous GAAP</b>	<b>3,574.90</b>
<b>Ind AS Adjustments:-</b>	
<b>Other Adjustments:-</b>	
Earned Leave Encashment (Based on actuarial valuation)	8,170.20
Compliance of AG para regarding SLDC Development Fund	(763.54)
Accounting of fabrication shop stock	(256.20)
Actuarial (Gain)/Loss transferred to Other Comprehensive Income	11,793.00
<b>Total effect on transition to Ind AS</b>	<b>18,943.46</b>
<b>Profit for the year as per Ind AS</b>	<b>22,518.36</b>
Other comprehensive income for the year (net of tax)	(11,793.00)
<b>Total comprehensive Income under Ind AS</b>	<b>10,725.36</b>

\* a) Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.  
b) on account of reversal of Leave encashment provision pertaining to previous period - Rs. 8,170.20 Lakhs and balance on account of reversal prior period income.


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

	Rs. In Lakhs	Rs. In Lakhs
	Amount as per IGAAP	Effects of transition to Ind AS
Cash flow from/(used in) operating activities	47,977.65	47,977.65
Cash flow from/(used in) investing activities	(30,810.15)	(30,810.15)
Cash flow from/(used in) financing activities	(11,996.79)	(11,996.79)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5,170.70</b>	<b>5,170.70</b>
Cash and cash equivalents at the beginning of the year	150.28	150.28
<b>Cash and cash equivalents at the end of the year</b>	<b>5,320.99</b>	<b>5,320.99</b>

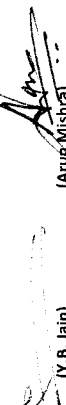
Note 54: Approval of financial statements


The financial statements were approved for issue by the board of directors on 13th August, 2018.

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

  
(Tripti Sinha)  
Managing Director  
DIN-07837793

(Shivraj Singh)  
Chairman  
DIN-05248101

  
(V.B. Jain)  
Chief Financial Officer  
PAN - AEXP0405K

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

Place : Raipur  
Date :

10 AUG 2018