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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of

CHHATTISGARH STATE POWER TRANSMISSION COMPANY LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statement of **Chhattisgarh State Power Transmission Company Limited** ("the Company") which comprise the Balance Sheet as at **31st March, 2019** and the statement of Profit & Loss (including other Comprehensive Income), the Statement of Cashflows, the Statement of Changes in Equity for the year ended on that date and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 the company as at 31 March 2019, and Profit/Loss, for the year ended on that date.

Basis for Opinion

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

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Basis of Qualification:

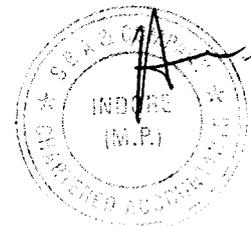
- a. The company has appointed internal auditor u/s 138 of the Companies Act, 2013.
However internal audit report could not be provided to us .

- b. The company carries out work for its project as well as for other parties; known as deposit works. The company has estimate wise list of projects being reflected under WIP. Further, all amounts received from various parties towards deposit works is routed through designated SAP GL codes meant to record amount of deposit works received and capitalised therefrom. However, the correlation between amounts received from various parties for carrying out deposit work and corresponding amount spent before final completion of that work could not be established.

Due to this non integration of CWIP and deposit works, the amount spent on deposit work on a particular date could not be ascertained through accounting software.

In our opinion and to exercise better control over such deposit works, company should recognize all the amounts received for deposit work in certain unique estimate/ subledger so that all the amount received and expended can be ascertained at any point of time.

- c. Following 2 types of issues have been rectified in the following ways with respect to capitalization of fixed assets :
1. Where date of capitalization as per SAP and as per completion certificate were of same financial year : The date of capitalization has been changed to date as per completion certificate.
 2. Where date of completion as per completion certificate was of previous financial year and date of completion as per SAP was of current financial year : The date of capitalization has been considered as 01.04.2018.



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Emphasis of Matters:

- a) TDS Returns/GST returns, and payments are subject to reconciliation.
- b) The company has not incurred any expenditure for CSR for the year, which in our opinion is mandatory for the company as per section 135 of the Companies Act 2013.
- c) The management has not provided Stock Ageing Report and in the absence of the same we are unable to comment for adequate provision of slow moving and non-moving inventories.
- d) Balances due to MSME sectors and its related disclosure which is required to be disclosed in financials as per MSME Act has not been disclosed in financials.
- e) The company has not paid GST amounting to Rs 66,92,521.174 for the liquidated damages and penalty income on Rs 4,38,73,194.36.
- f) Balances of 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.

Other Matters:

- a) The company has not complied the appointment of company secretary u/s 203(1)(ii) of the Companies Act 2013 and its rule, as the company secretary can be maximum of two companies at same time but here, the company secretary has been appointed for five companies at same time, in our view, this is not the real intent of the legislature, the same need to be looked into by the management.
- b) The company has not so far appointed or furnished any secretarial audit report for the FY 2017-18, 2018-19 under the Section 204 of the Companies Act, 2013.



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- c) The company has not complied with the appointment of cost auditor u/s 148 of the Companies Act 2013.
- d) The company has not held its AGM for the financial year 2017-2018 within the time limit as specified under Section 96 of Companies Act 2013.
- e) Following accounting codes are subject to reconciliation:
- A102202–Ad.Supp/Contr- cap
 - L010190 - Initial Uploading FI
- f) We have verified the expenses on sample basis and found that certain expenses of Financial Year 2018-19 which are not paid till 31.03.2019 have not been accounted for as liability.
- g) The company recognizes property, plant and equipment under deposit work at nominal value of Re.1. However, the fixed assets of company consists assets amounting to Rs. 5.66 lakhs related to deposit works where assets have been capitalized but it could not be transferred at nominal value due to technical error of SAP accounting software. Although the company is not charging depreciation on these assets, but this has resulted in overstatement of net block of assets in the financial statements.

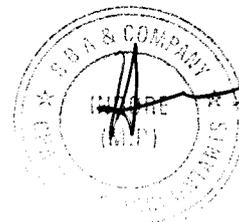
Information other than the financial statements and auditors' report thereon

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

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

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

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



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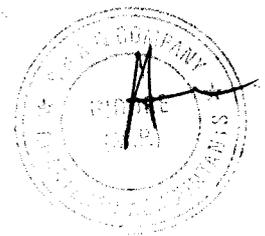
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Management's Responsibility for Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company, in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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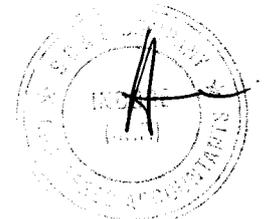
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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters:

1. 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 I**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

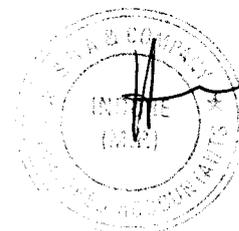
We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

c) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

d) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



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e) 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 II**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

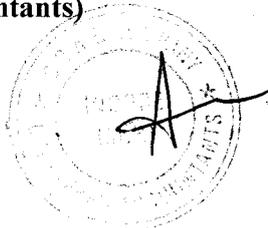
ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. As required under section 143(5) of the companies act, 2013 we give in the “**Annexure III**” a statement on direction issued by the Comptroller & Auditor General of India after complying the suggested methodology of audit, action taken thereon and its impact on the accounts and standalone financial statement of the company.

For S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur

Date:

UDIN: 19419500A AAG-74928

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“Annexure I” to the Independent Auditors’ Report

(As referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report Companies (Auditor Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the companies Act, 2013 of even date to the financial statements of the Company for the year ended March 31, 2019)

In terms of the information and explanations sought by us and given by the company and books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

Fixed Asset

1) (a) The records maintained by company in respect of fixed asset are considered to be proper records as they showing full particulars including quantitative and situation of fixed assets;

(b) We have been informed that fixed assets of all units have been physically verified by the management at the year end.

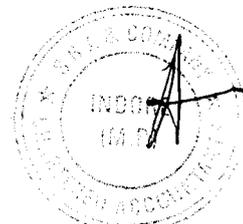
(c) We have been informed that no material discrepancy has been noticed by the management at the year end.

Inventory

2) (a) We have been informed that management of Units has conducted the physical verification of inventory at year end as seen the nature of inventory it has been suggested that the physical verification of asset should be held at half yearly.

(b) As informed by the Management that the procedures of physical verification of inventories followed by the management is adequate in relation to the size of the company and the nature of its business.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.



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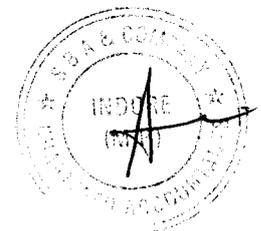
4) The Company has Complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) No cost records have been maintained by the Company and its units for the year ended 2019 pursuant to the Rule made by Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales tax, Service Tax, Duty of Excise, Value added Tax, GST and there are no outstanding dues as at 31st March, 2019 for a period of more than 6 months from the date they become payable except:

S.No	Nature of Dues	Amount in Rs. Lakh
1	Service Tax Payable	7.35
2	Commercial Tax	2.39



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(b) Pending of Litigation & other Statutory Dues: According to the information and explanations given to us, the disputed amounts payable in respect of provident fund income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues aggregating to Rs.74509.27 Lakhs have not been deposited on account of matters pending before the appropriate authorities as under:

Name of the Statute	Nature of duties	Period	Amount(Rs in Lakh)	Forum where dispute is pending
Entry Tax Act, 1976	Entry Tax	FY 2011-12	186.58	Appellate Tribunal, Raipur
Entry Tax Act, 1976	Entry Tax	FY 2013-14	29.69	Appellate Tribunal, Raipur
Income Tax, 1961	Income Tax	AY 2002-03	27,738.00	ITAT, Mumbai and CG High Court
Income Tax, 1961	Income Tax	AY 2006-07	37,336.00	ITAT, Mumbai
Income Tax, 1961	Income Tax	AY 2008-09	9,219.00	CIT(A), Raipur

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.

9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud during the year under review by the Company or on the Company by its officers or employees has been noticed or reported.



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11) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12) As the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) As informed by the management that the compliance related to the section 177 and 188 of Companies Act, 2013 dealt at HO level and there are no transactions took place with the related parties at Company's level there is no need to comply with section 177 and 188 of Companies Act, 2013.

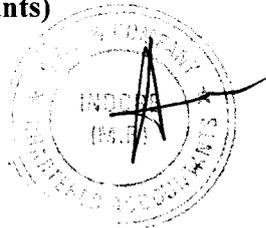
14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur
Date:
UDIN:

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“Annexure II” to the Independent Auditor’s Report

(As referred to in Paragraph 1(e) under Report on Legal and Regulatory Requirements of our report and in terms of section 143(3)(i) of the Act)

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

We have audited the internal financial controls over financial reporting of **Chhattisgarh State Power Transmission Company Limited** (“the Company”) as at March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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



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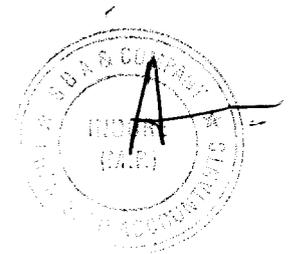
financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



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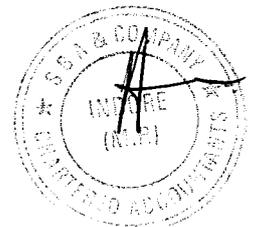
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2019:-

- a) Opening balances for PPE are still not posted in SAP. In SAP records for PPE are not complete so company have maintained complete list of PPE in excel and accordingly depreciation calculation is manually carried out and not through SAP. This indicates inadequate control in charging depreciation.
- b) We have identified vouchers which are booked in the month of April and May 2019 which pertain for financials year 2018-19 and which have not been booked as liability in current financial year.
- c) The company has more than 50 TAN number for TDS compliances, it is a very much tedious process to have an internal control for proper deduction, payments, filling and issuing TDS certifications on timely manner, we suggest to maintain the same at least on Regional office level/ or H.O Level.
- d) Service Tax/Goods and Service Tax (GST)
 - i. We have observed that Company has not paid GST liability in few cases/incomes. For instance; Penalty & Miscellaneous receipts etc.



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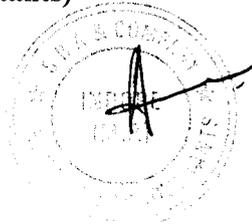
According to the information and explanations given to us, the company is in the process of establishing its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial 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, 2019.

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 S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur

Date:

UDIN:

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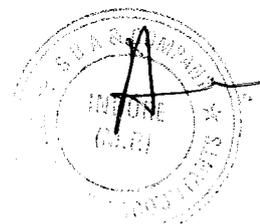
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“ANNEXURE-III” to the Independent Auditor’s Report

(As referred to in Paragraph 3 under Report on Legal and Regulatory Requirements of our report on the statement of Directions under section 143(5) of the companies Act, 2013 issued by the Comptroller & Auditor General of India)

A. <u>REPORT ON THE DIRECTIONS ISSUED BY C&AG UNDER SECTION 143 (5) OF THE COMPANIES ACT 2013</u>		
S No.	DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013	REPLY / COMMENTS
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	As informed to us, the company has clear title/lease deeds for freehold and leasehold respectively, however these have not been examined by us as the same were not provided for verification.
2	Whether there are any cases for waiver/write-off of debts/ loans/ interest, etc. If yes, the reasons there for and 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, except the company has written off an amount of Rs 190.81 crores towards delay payment surcharge receivable from Chhattisgarh State Power Distribution Company Ltd after taking approval of BOD of the company.



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3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants(s) from the 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 have been received to the company as gift from Government or other authorities for the year.
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For S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur
Date:
UDIN:

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ANNEXURE-II

B. Specific Sub –direction under section 143(5) of the companies act 2013 issued by the Comptroller and Auditor General of India to the statutory auditors of Chhattisgarh State Power Transmission Company Limited for conducting the audit of accounts for the year 2018-19, POWER SECTOR

S No.	DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013	REPLY / COMMENTS
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.	The company being a state government company acquires the land for new projects as per the prescribed procedure of Revenue/Forest and MOEF department. The company makes its sincere effort to locate the site preferably on revenue land. If at all suitable revenue land is not available, then alternative land is examined in Forest/Private land. The land acquisition for forest land is done as per the guidelines issued by the Ministry of Environment & Forest. Similarly private land acquisition is carried out through revenue officials as per their prescribed procedure and there is complete transparency in processing of these acquisitions. However, as informed to us, no fresh acquisition of land has been made by the company for the year under audit.



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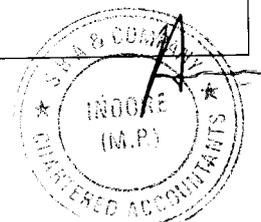
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3	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not loss, if any, claimed by the generating company may be commented.	As informed to us there is no addition in power generation capacity of CSPGCL and so the existing system is commensurate with power available for transmission with the generating company.
4	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts.	As informed to us, CSERC has set a target transmission loss of 3.22% vide its tariff order, however the company has incurred actual transmission loss of 3.09% which is within the prescribed limits. Further, as per the directives of CSERC, the transmission loss is recovered from the open access customers, hence accounting effect of the transmission losses in the books of the company is 'Nil'.
5	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	As per the stated policy and the methodology consistently adopted by the company, any amount received from consumer against erection of capital assets are initially accounted as "Deposit Work" (Under liability). Post completion of such assets, the amount of "Deposit Work" is adjusted against the cost of assets. Deposit work done for other agencies are not handed over to them and shown under PPE at Nominal Value.



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Akshay Jain
B.Com., F.C.A.

S.K. Dhoka
B.Com., F.C.A.

S.R. Soni
M.Com., LL.B., F.C.A.

S.K. Samaiya
M.Com., LL.B., F.C.A.

Ajay Ajmera
B.Com., FCA, DISA (ISA)

Vipin Lunia
B.Com., F.C.A., DISA (ISA)

S B A & COMPANY

CHARTERED ACCOUNTANTS

Head Office : 206, Diamond Trade Centre,
Diamond Colony, New Palasia,
INDORE-452 001 (M.P.)

Phone : 0731-4247429, 2531478

E-mail : info@sbacompany.co.in / sbacompany@rediffmail.com

Website : www.sbacompany.co.in



6	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 except unusual delay in recovery of revenues from CSPDCL. In absence of related information, Revenue related to Penalty charges on delays in contract and O&M charges are not commented upon for.
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	As informed to us there are no abandoned projects in current year.

For S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur

Date:

UDIN: 19419500AAAAGY4928

BRANCHES

• INDORE • MUMBAI • RAIPUR • BHOPAL • DHAR

B.D. Bhatler
B.Com., LL.B., F.C.A.

A.K. Jain
M.Com., F.C.A.

Kamlesh Sethi
B.Com., A.C.S., F.C.A.

Vivek Meharwal
B.Com., LL.B., F.C.A., DISA (ISA)

Vikas Jain
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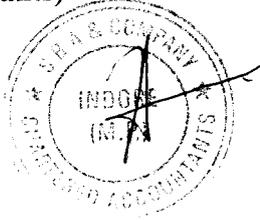
Website : www.sbacompany.co.in

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Chhattisgarh State Power Transmission Company Limited** for the year ended 31st March 2019 in accordance with the directions issued by the C & AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

For S B A & Company,
(Chartered Accountants)
FRN.004651C

CA. Akshay Jain
(Partner)
M. No: 419500



Place: Raipur

Date:

UDIN: 19419500AAAA645428

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