

REVISED INDEPENDENT AUDITOR'S REPORT

[This Revised Independent Auditors' Report is being issued in compliance of reply made to the observations raised by the Office of the Director General of Audit (Energy), Comptroller and Auditor General of India during its Supplementary Audit under Section 143(6)(a) of the Companies Act, 2013].

To The Members of
Chhattisgarh Surguja Power Limited

Report on the Standalone Financial Statements

Disclaimer of Opinion

We were engaged to audit the standalone financial statements of **Chhattisgarh Surguja Power Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Cash Flow Statement, Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information for the year then ended.

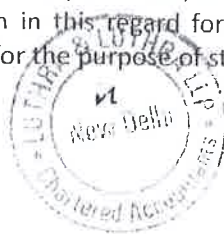
We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The company had opening balance of Capital Work in Progress on 1 April 2017 amounting to Rs. 60,19,14,952 (including interest on commitment advance). In view of decision taken in its board meeting dated 25th July 2016 the company had adjusted opening balance of Capital Work in Progress amounting to Rs. 60,19,14,952 (including opening interest on commitment advances), expenses amounting to Rs. 5,23,18,927 for earlier years and Rs. 189,99,586 (for FY 19-20) against the commitment advance provided by the procurer states. No interest on commitment advance of procurer states has been provided although such interest was provided till 24th July 2016 last year (Interest till 31st March 2020 amounts to Rs. 7, 92, 89,863 approx, no further interest calculated in view of transfer of balances to holding company since FY 19-20). Further interest on balance payable to PFC and PFCL has been provided till 31st December '19. We have not been provided with the balance confirmations as on 31.03.21 from all the procurer states nor any agreements entered into with the procurer states/ documents to ensure that such treatment is in consonance with the original agreement with the procurer states. In case the procurer states do not agree with the balances there would be significant difference in the balances of the parties.

Material Uncertainty related to Going Concern

We draw attention to Note-1 and 11 of the accompanying financial statements as per which the Company is a special purpose vehicle incorporated for the purpose of establishing 4000 MW Ultra Mega Power Project, in the state of Chhattisgarh, however pursuant to decision of Government of Chhattisgarh for closure of UMPP and further directions of Ministry of Power, Govt. of India (MoP) as per which PFC/PFCL has been directed to take necessary action in this regard for closure of the company, accordingly NIL statement of accounts have been prepared for the purpose of striking off the name of the company from



records of registrar of companies and therefore the Company is no longer a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with relevant issued thereunder. This responsibility 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



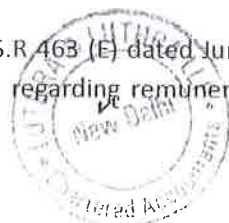
Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with Standards on Auditing issued by ICAI and to issue an auditor's report. However because of the matters described in the Basis of Disclaimer section of our audit report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the company.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure B**" on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) As mentioned in Basis of disclaimer of opinion paragraph we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Due to the possible effect of the matter described in the Basis of Disclaimer of Opinion Paragraph we are unable to state whether, 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts
 - d) In our opinion, the aforesaid INDAS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.
 - e) Requirement relating to declaration from directors under section 164 (2) is not applicable to the company in terms of exemption vide notification no. 1/2/2014-CL-V dt. 05th June 2015.
 - 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**";
 - g) As per notification number G.S.R 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to Directors is not applicable to the



Company, since it is a Government Company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. As per explanation/information provided to us there are no pending litigations on the company and hence no disclosures are provided for the same in the financial statements.
 - ii. The Company has not made any provision, as required under the applicable law or accounting standards, for material foreseeable losses, as company does not have any long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra LLP
Chartered Accountants
FRN: 002081N/N500092


Nilesh Mehta
Partner
M. No: 093847



Place: N. Delhi
Date: 19.01.22
UDIN : 21093847AAAAGK6080

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021

1. As the company does not have any fixed assets, clause 3(i) of the order is not applicable to the company.
2. As the company does not hold any inventory, clause 3(ii) of the order is not applicable to the Company.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not given/make any loan, investment, guarantee and security and accordingly provisions of section 185 and 186 of the Act are not applicable.
5. According to the information and explanations given to us the company has not accepted deposits.
6. We were informed that, the central government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the companies Act, 2013.
7. a. According to the Information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, Income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us, there is no material due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute.
8. As per the information and explanation given to us, the Company has not taken any loans or borrowing to banks, Government or financial institutions. Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
12. As per information and explanation provided to us the company is not a Nidhi Company, therefore the provisions under Nidhi Rules, 2014 are not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Luthra & Luthra LLP
Chartered Accountants
FRN: 002081N/N500092



Nilesh Mehta
Partner
M. No: 093847



Place: N. Delhi
Date: 19.01.22
UDIN : 21093847AAAAGK6080

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF CHHATTISGARH SURGUJA POWER LIMITED

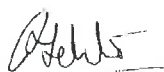
The Annexure referred to in our report to the members of Chhattisgarh Surguja Power Limited ('the Company') for the year ended 31st March, 2021.

Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the year ended 31st March 2021:

1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT system i.e. Oracle. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate control system to verify the correctness of the entries posted in Oracle. In view of decision to close the company taken in previous financial year no transactions has taken place in the current financial year.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for Statutory auditor of lender company).	There are no cases of waiver/write off of debts/loans/interest etc., hence this clause is not applicable. All balances have been transferred to holding company as on 31 st December 2019.
3.	Whether funds (grants/subsidy etc.) received for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	There are no funds received/receivable for specific schemes from Central/state agencies, hence this clause is not applicable

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

For Luthra & Luthra LLP
Chartered Accountants
FRN: 002081N/N500092



Nitesh Mehta
Partner
M. No: 093847



Place: N. Delhi
Date: 19.01.22
UDIN : 21093847AAAAGK6080

Annexure – C to the Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **Chhattisgarh Surguja Power Limited** (“the Company”) as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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.

For Luthra & Luthra LLP
Chartered Accountants
FRN: 002081N/N500092


Nilesh Mehta
Partner
M. No: 093847



Place: N. Delhi
Date: 19.01.22
UDIN: 21093847AAAAGK6080

CHHATTISGARH SURGUJA POWER LIMITED
(A Wholly owned subsidiary of Power Finance Corporation Limited)

REVISED BOARDS' REPORT 2020-21

To

The Members,

Your Directors have pleasure in presenting the 15th Annual Report on the performance of the Company for the financial year ended on 31st March, 2021 along with Audited Statement of Accounts and Auditor's Report thereon.

OPERATIONAL ACTIVITIES

Your Company was incorporated on 10th February, 2006 as a wholly owned subsidiary of Power Finance Corporation Limited (PFC) for development of Chhattisgarh UMPP. The project was to be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India.

The site for the Project was located at village Salka/Khamaria of Udaypur Tehsil of District Surguja, Chhattisgarh.

The Power from the project has been allocated by Ministry of Power (MoP) to seven States namely Chhattisgarh (2000 MW), Maharashtra (1000 MW), Gujarat (425 MW), Madhya Pradesh (275 MW), Goa (200 MW), Dadra & Nagar Haveli (50 MW) and Daman & Diu (50 MW).

Government of Chhattisgarh (GoC) vide its letter No. 1312/R-10/2015/13/2/ED/UMPP dated 5th April, 2016 has informed its decision of not to proceed further with the said project.

Board of CSPL has accorded approval of closure of CSPL on 25th July, 2016. Further, the Board of PFC in its 350th Meeting held on 9th August, 2016 also accorded approval for closure of CSPL. MoP vide OM no 12/15/2016-UMPP dated 16th January, 2017 accorded approval for winding up of CSPL. The process of winding up/Striking off is under progress.

The matter regarding refund of land cost deposited with District Administration for Land Acquisition is being regularly pursued with Govt. of Chhattisgarh.

FINANCIAL REVIEW

As Ministry of Power has approved the closure of SPV, the financial statement of the Company has been prepared on a non-going concern basis. Further, all the statutory

expenses for FY 2020-21 like RoC filing fees, Auditor Fees were borne by PFC (Holding Company).

DIVIDEND

As the Company has not started its commercial activities, your Directors have decided not to recommend any dividend for the financial year 2020-21.

SHARE CAPITAL

The paid-up share capital of the Company is ₹ 5,00,000/- (₹ Five Lacs only) comprising of 50,000 equity shares of ₹ 10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

COMMITMENT ADVANCE

Your company has received the entire commitment advance of ₹ 400,000,000/- (Rupees Forty Crores only) from all the procurers.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

There are no subsidiary/joint venture/associate companies within the meaning of Section 2(6) and 2(87) of the Companies Act, 2013.

DIRECTORS

Since the date of last Boards' Report, following changes were made in the constitution of the Board of the Company:

- On superannuation from the services of Power Finance Corporation Limited (PFC), Holding Company, Shri Sanjay Saxena ceased to be the Director of the Company w.e.f 31st December, 2020 and Shri Dinesh Singh Yadav was appointed on the Board of CSPL.
- On superannuation from the services of Power Finance Corporation Limited (PFC), Holding Company, Shri Mohan Lal ceased to be the Director of the Company w.e.f 30th June, 2021 and Shri Rajesh Kumar Shahi was appointed on the Board of CSPL.

Pursuant to the provisions of Section 161(1) of the Companies Act 2013, Shri Dinesh Singh Yadav and Shri Rajesh Kumar Shahi will hold office upto the date of ensuing Annual General Meeting. The Board recommends that Shri Dinesh Singh Yadav and Shri Rajesh Kumar Shahi may be appointed as Directors, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act 2013, Shri Manoj Kr. Rana, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible have offered himself for re-appointment.

Your Board places on record deep appreciation for the valuable contribution made by Shri Sanjay Saxena and Shri Mohan Lal during their tenure as Directors of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Smt. Parminder Chopra : Chairperson
2. Shri Dinesh Singh Yadav : Director
3. Shri Rajesh Kumar Shahi : Director
4. Shri Manoj Kr. Rana : Director
5. Shri Satish V. Chavan : Director (Representing State of Maharashtra)

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2021, three (3) Board meetings were held. The details of Board meetings are given below:

S.No	Date of Board Meeting	Board Strength	No. of Directors Present
1	29 th July, 2020	5	4
2.	17 th December, 2020	5	4
3.	31 st December, 2020	5	4

Due to Covid-19 pandemic and lock down declared by Govt. of India the meeting for the 1st quarter could not be held.

However, pursuant to the circular issued by Ministry of Corporate Affairs dated 24th March, 2020 the interval between the two meetings was extended to 180 days till the next two quarters. The company held the board meetings in compliance with Section 173(1) of the Companies Act, 2013 along with the extension given by MCA.

AUDITOR'S REPORT

M/s. Luthra and Luthra LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India (C&AG).

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013 the information to the observations of Statutory Auditor's on the Financial Statements for the Financial Year 2020-21 and the Management Reply on the same are submitted as under:-

S. No.	Observations of the Statutory Auditors	Management's Reply
I.	<u>Basis for qualified opinion</u>	
1.	The company had opening balance of Capital Work in Progress on 1 st April 2017 amounting to Rs. 60,19,14,952 (including interest on commitment advance). In view of decision taken in its board meeting dated 25 th July 2016 the company has adjusted opening balance of Capital Work in Progress amounting to Rs. 60,19,14,952 (including opening interest on commitment advances), expenses	As referred in Note 1 of to the Financial Statements, the company was incorporated to develop 4000 MW Ultra Mega Power Project (UMPP) in the State of Chhattisgarh. The State of Chhattisgarh was the lead procurer in the project with 50% share. However in view of Govt. of Chhattisgarh decision to close the project, as also approved by Ministry of Power, Govt of India and also its holding company (PFC), the

<p>amounting to Rs. 5,23,18,927 for earlier years & Rs. 1,89,99,586 (FY 19-20) against the commitment advance provided by the procurer states. No interest on commitment advance of procurer states has been provided although such interest was provided till 24th July 2016 last year (Interest till 31st March 2020 amounts to Rs. 7,92,89,863 approx). Further interest on balance payable to PFC and PFCCL has been provided till 31st December, 2019 . We have not been provided with the balance confirmations as on 31.03.21 from all the procurer states nor any agreements entered into with the procurer states/ documents to ensure that such treatment is in consonance with the original agreement with the procurer states. In case the procurer states do not agree with the balances there would be significant difference in the balances of the parties.</p>	<p>company needs to be closed and therefore accounts are not prepared on going concern basis and adjustment accounting entries were passed, which were necessary to give effect of these decisions.</p> <p>The company was providing interest on commitment advance received from procurers considering the fact that the same would be recovered from the bidder/developer to whom it will be transferred, however in view of the closure of the company, there is no possibility of recovery of interest or any expenditure from the bidder, therefore interest on commitment advance has been stopped and not provided in the books. However interest on loan of PFC is being provided in view of the fact that PFC is acting only as a nodal agency for development of UMPP and has given loan to the company as a financial institution only. Since the procurers are the real owners of the project, all the expenditures have been adjusted from the balance of their commitment advance.</p> <p>The company has sent balance confirmation letters to all the procurers in preceding financial year, (which were provided to auditors also), however the confirmation of the same has not received from the procurers and it is deemed to be considered as accepted by the procurer states. Therefore in view of the above facts, the adjustments in the accounts have been made as per Govt. Mandate and no difference in the balances of procurers is likely to be arise.</p> <p>Further, the company has provided all the information, related documents and explanation as required by the auditors for the purpose of their audit.</p>
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Based on the observations of C&AG the Statutory Auditors of the Company has revised its Audit report issued earlier dated 27.10.2021 and issued revised Auditor report on 19.01.2022.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA

Comptroller and Auditor General (C&AG) of India vide letter dated 28.01.2022 intimated that they had conducted a supplementary audit of the financial statements of the Company and in view of the revision(s) made in the Statutory Auditors report, to give effect to some of the audit observation raised during their supplementary audit, they have no further comments to offer upon or supplement to the report of Statutory auditors under Section 143(6)(b) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, it is confirmed that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected, applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are not prepared on a going concern basis;
- The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year, Company has complied with the applicable provisions of the Secretarial Standards.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31st March, 2021 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

PARTICULARS OF EMPLOYEES

The Company has no employees on its roll. Hence, the particulars of employees as prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-II** in Form AOC-2 and the same forms part of this report.

PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92 (3) of Companies Act 2013, extract of Annual Return is given in **Annexure – III** in the prescribed Form MGT-9, which forms part of this report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Policy of the Holding Company i.e. Power Finance Corporation Limited applies to the company.

RISK MANAGEMENT

The Company is a Special Purpose Vehicle (SPV), incorporated for specific project and to undertake only preliminary activities viz. to undertake land acquisition process, obtain statutory clearances and approvals and to undertake bidding process and transfer the SPV to the selected bidder.

Since, the Company is in the process of winding up, the expenditure incurred for the Company being shown as Capital Work In Progress has to be charged off against the commitment advance contributed by the utilities in proportion to their allocated share of power in the project and any surplus/deficit after adjustment has to be refunded/sought from the respective utilities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the provisions of Se. 134 (3) (m) read with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption, are not applicable. During the year under review, there is no foreign exchange earnings and outgo.

ACKNOWLEDGEMENT

The Directors put on record their gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers and Power Finance Corporation Limited for their unstinted co-operation.

For and on behalf of the Board of Directors

(Parminder Chopra)
Chairperson
DIN: 08530587

Place: New Delhi

Date:

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Chhattisgarh Surguja Power Limited (CSPL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:

Power Finance Corporation Limited	: Holding Company
PFC Consulting Limited	: Subsidiary of the Holding company

(b) Nature of contracts/arrangements/transactions: Consultancy services & Fund Arrangement

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Cost of Employees working for developing ultra mega power projects are charged on cost to company basis/rate, as determined by the company in proportion to the man days (as assessed by the management) spent on the respective projects..

(e) Date(s) of approval by the Board, if any: -

(f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

(Parminder Chopra)
Chairperson
DIN: 08530587