WBSETCL

TRANSMISSION OF WEST BENGAL

ANNUAL REPORT
2016-17

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

Registered Office : Vidyut Bhavan, Block-DJ, Sector-II, Bidhannagar, Kolkata - 700 091

CIN : U40101WB2007SGC113474 | www.wbsetcl.in

Vidyasagar Park 220 KV GI Sub-station

Arambagh 400 KV Transmission Line

BOARD OF DIRECTORS

S.K. Gupta, IAS, Chairman

Rajesh Pandey, IAS, Managing Director

Somnath Bhattacharya
Director (Projects)

Sabyasachi Roy
Director (Operations)

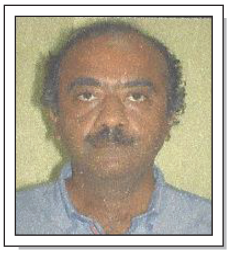
Trilochan Panda
Director (F&A)

Hari Krishna Dwivedi, IAS
Director

Srikumar Bannerjee
Independent Director

Saswati Banerjee, IAS (Retd.)
Independent Director

Biswaranjan Mishra
Independent Director

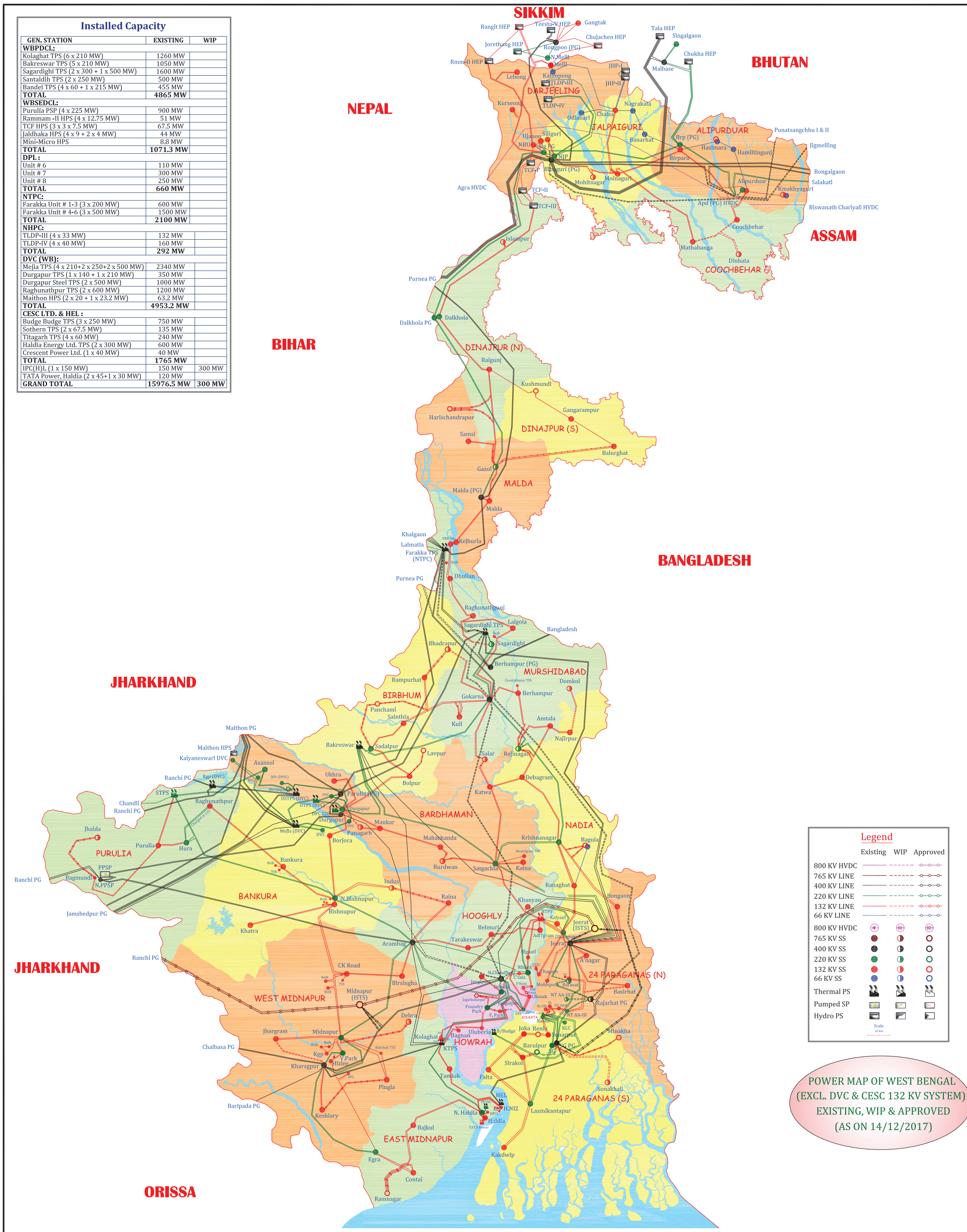


Utpal Biswas, WBCS (Exec.)
Govt. Nominee Director

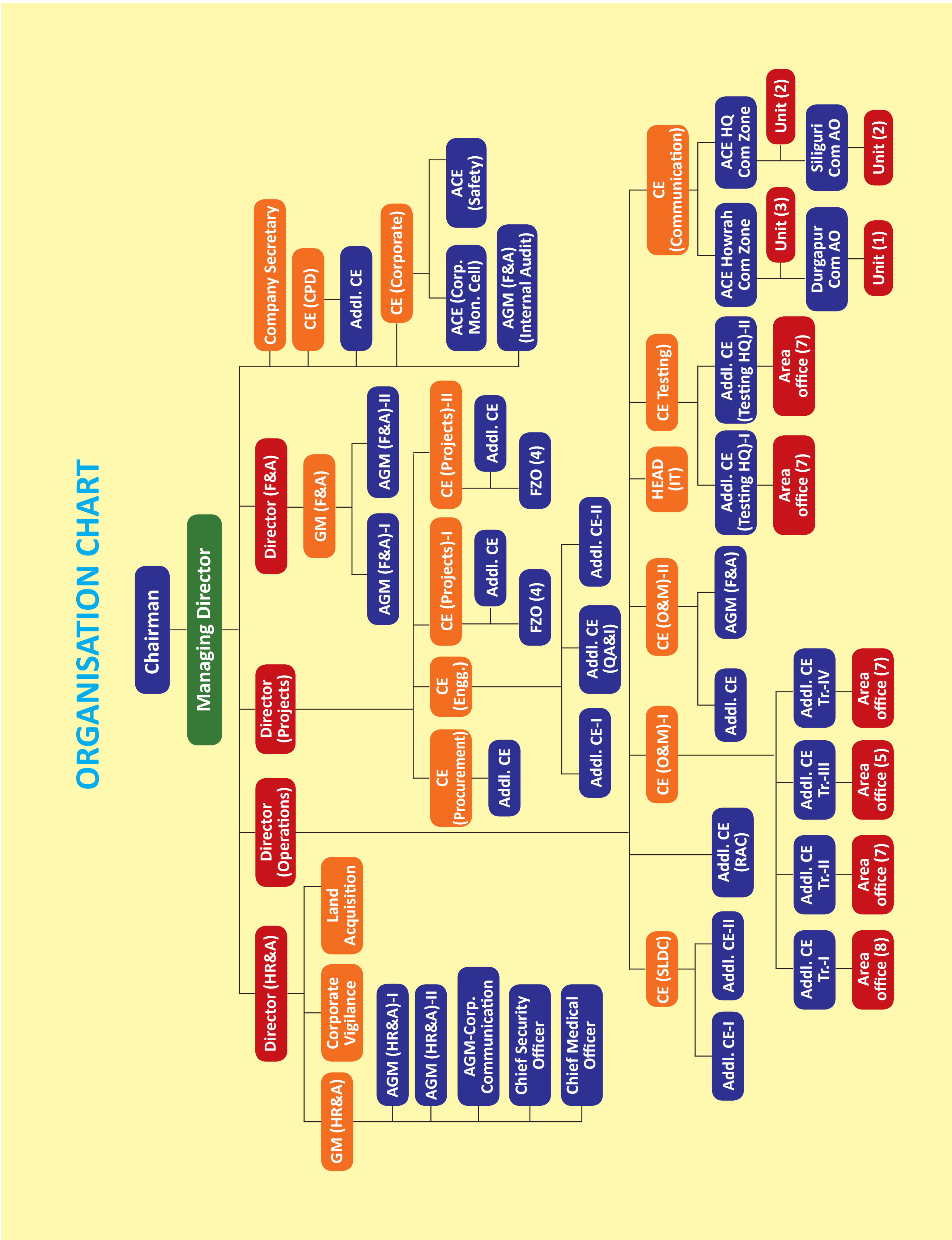
POWER MAP OF WEST BENGAL

Installed Capacity

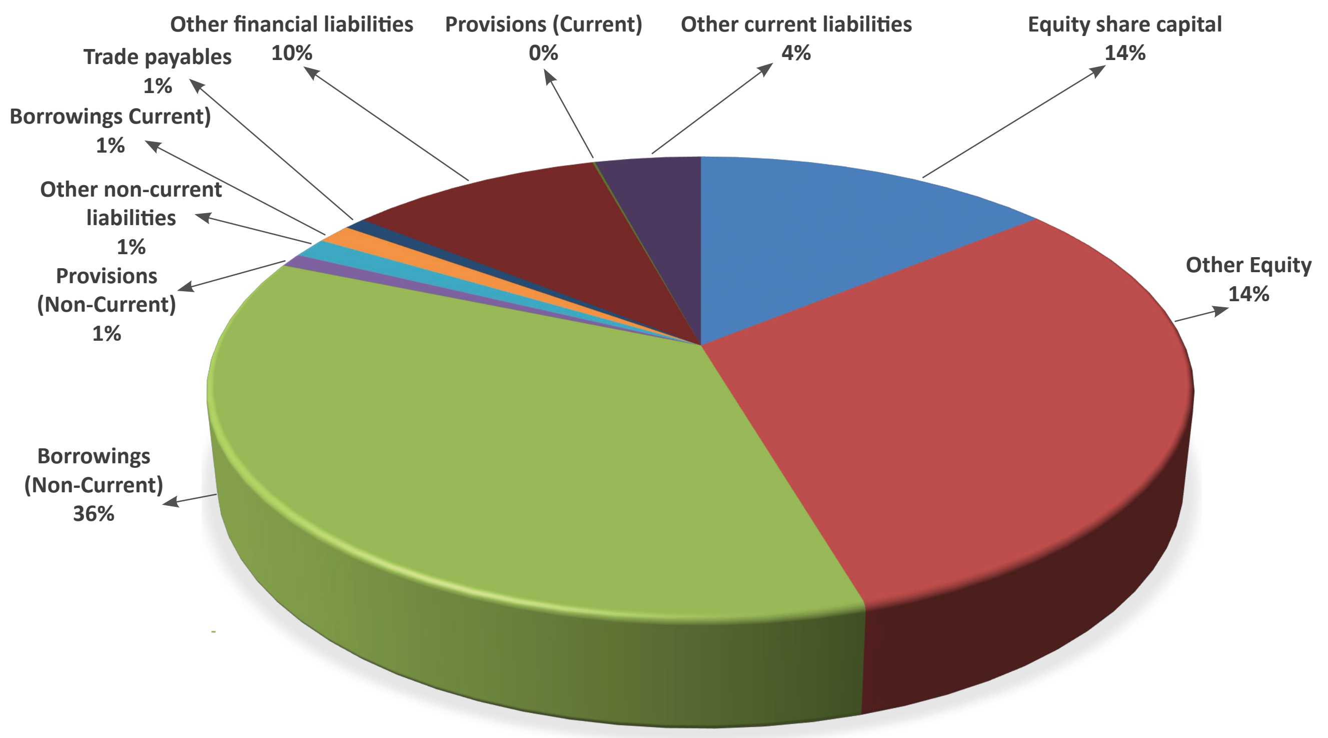
GEN. STATION	EXISTING	WIP
WBPDCL:		
Kolaghat TPS (6 x 210 MW)	1260 MW	
Bakreswar TPS (5 x 210 MW)	1050 MW	
Sagardighi TPS (2 x 300 + 1 x 500 MW)	1600 MW	
Santaldih TPS (2 x 250 MW)	500 MW	
Bandel TPS (4 x 60 + 1 x 215 MW)	455 MW	
TOTAL	**4865 MW**	
WBSEDCL:		
Purulia PSP (4 x 225 MW)	900 MW	
Rammam -II HPS (4 x 12.75 MW)	51 MW	
TCF HPS (3 x 3 x 7.5 MW)	67.5 MW	
Jaldhaka HPS (4 x 9 + 2 x 4 MW)	44 MW	
Mini-Micro HPS	8.8 MW	
TOTAL	**1071.3 MW**	
DPL :		
Unit # 6	110 MW	
Unit # 7	300 MW	
Unit # 8	250 MW	
TOTAL	**660 MW**	
NTPC:		
Farakka Unit # 1-3 (3 x 200 MW)	600 MW	
Farakka Unit # 4-6 (3 x 500 MW)	1500 MW	
TOTAL	**2100 MW**	
NHPC:		
TLDP-III (4 x 33 MW)	132 MW	
TLDP-IV (4 x 40 MW)	160 MW	
TOTAL	**292 MW**	
DVC (WB):		
Mejia TPS (4 x 210+2 x 250+2 x 500 MW)	2340 MW	
Durgapur TPS (1 x 140 + 1 x 210 MW)	350 MW	
Durgapur Steel TPS (2 x 500 MW)	1000 MW	
Raghunathpur TPS (2 x 600 MW)	1200 MW	
Maithon HPS (2 x 20 + 1 x 23.2 MW)	63.2 MW	
TOTAL	**4953.2 MW**	
CESC LTD. & HEL :		
Budge Budge TPS (3 x 250 MW)	750 MW	
Sothern TPS (2 x 67.5 MW)	135 MW	
Titagarh TPS (4 x 60 MW)	240 MW	
Haldia Energy Ltd. TPS (2 x 300 MW)	600 MW	
Crescent Power Ltd. (1 x 40 MW)	40 MW	
TOTAL	**1765 MW**	
IPC(H)L (1 x 150 MW)	150 MW	300 MW
TATA Power, Haldia (2 x 45+1 x 30 MW)	120 MW	
GRAND TOTAL	**15976.5 MW**	**300 MW**



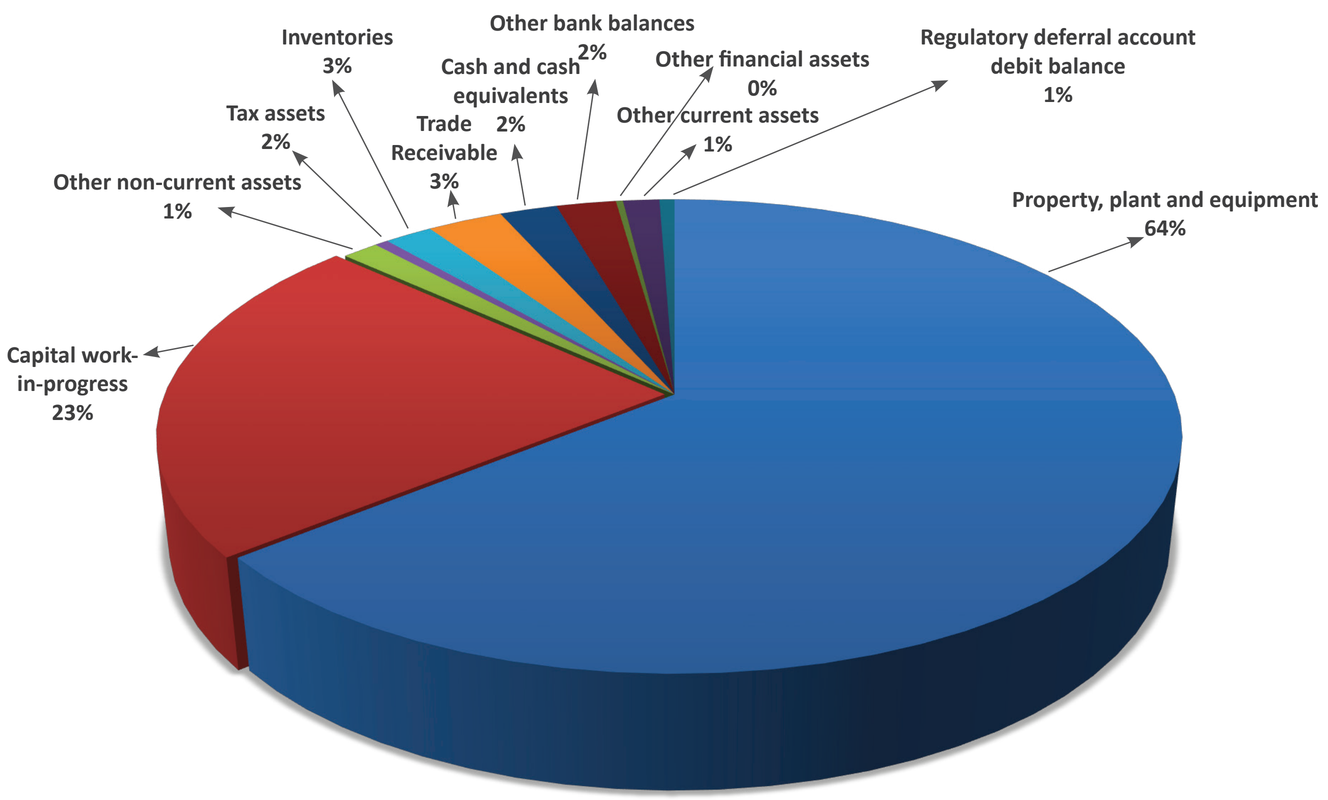
West Bengal State Electricity Transmission Co. Ltd.

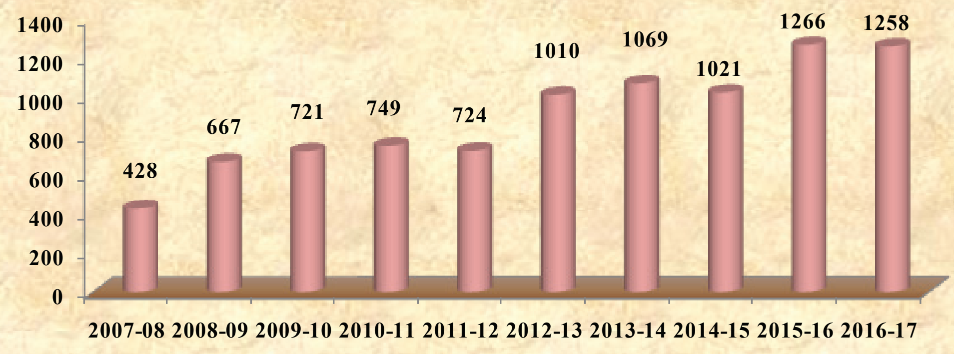

ORGANISATION CHART
Chairman
Managing Director
Company Secretary
CE (CPD)
Addl. CE
CE (Corporate)
ACE (Safety)
ACE (Corp. Mon. Cell)
AGM (F&A) (Internal Audit)
Director (F&A)
GM (F&A)
AGM (F&A)-II
AGM (F&A)-I
Director (Projects)
CE (Projects)-II
Addl. CE
FZO (4)
CE (Projects)-I
Addl. CE
FZO (4)
CE (Engg.)
Addl. CE-II
Addl. CE (QA&I)
Addl. CE-I
CE (Procurement)
Addl. CE
Director (Operations)
CE (Communication)
ACE HQ Com Zone
Unit (2)
Siliguri Com AO
Unit (2)
ACE Howrah Com Zone
Unit (3)
Durgapur Com AO
Unit (1)
CE Testing
Addl. CE (Testing HQ)-II
Area office (7)
HEAD (IT)
Addl. CE (Testing HQ)-I
Area office (7)
CE (O&M)-II
AGM (F&A)
Addl. CE
CE (O&M)-I
Addl. CE Tr.-IV
Area office (7)
Addl. CE Tr.-III
Area office (5)
Addl. CE Tr.-II
Area office (7)
Addl. CE Tr.-I
Area office (8)
Addl. CE (RAC)
CE (SLDC)
Addl. CE-II
Addl. CE-I
Director (HR&A)
Land Acquisition
Corporate Vigilance
GM (HR&A)
AGM (HR&A)-I
AGM (HR&A)-II
AGM-Corp. Communication
Chief Security Officer
Chief Medical Officer

Equity and Liability(%)

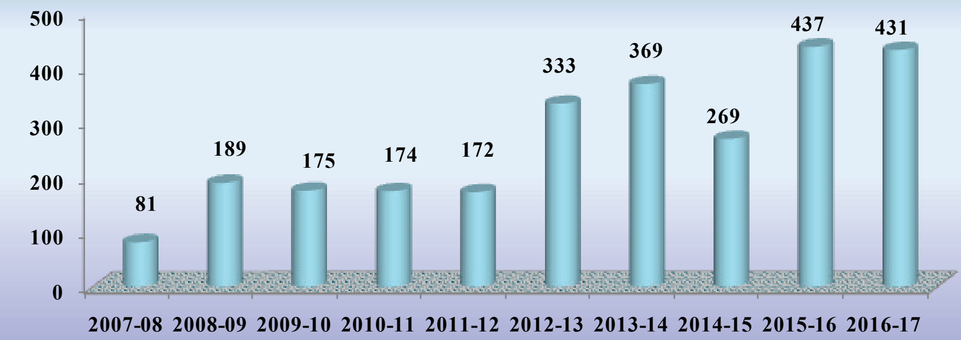


Assets

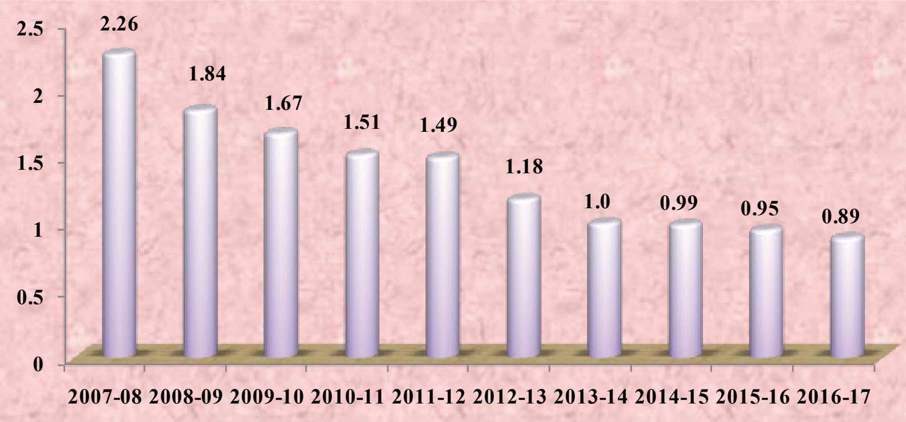




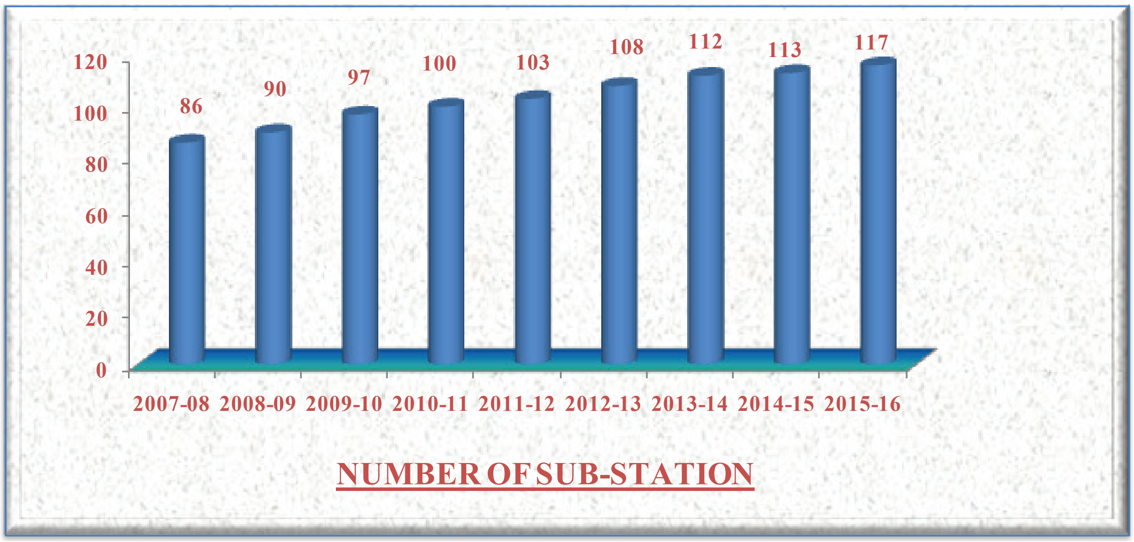
EARNING FROM OPERATIONS (Rs. IN CRORE)

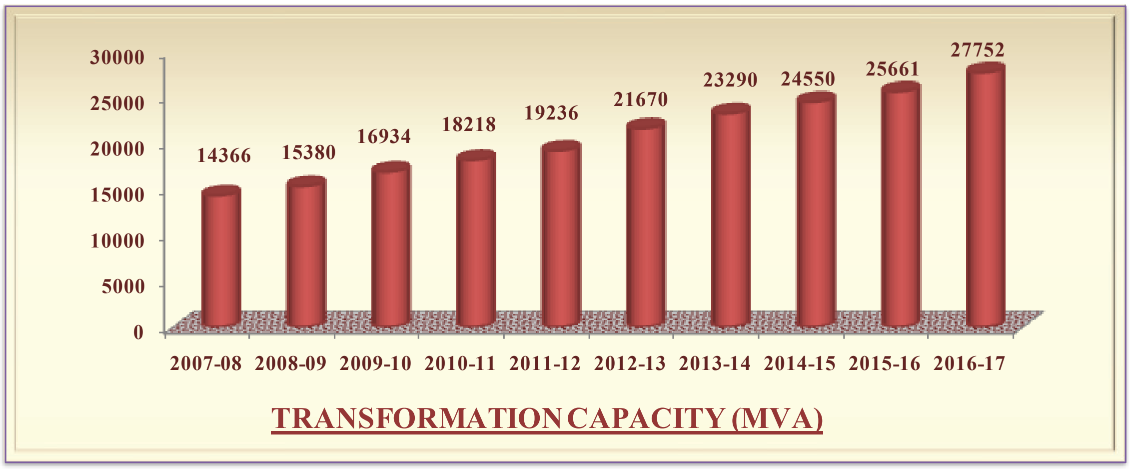


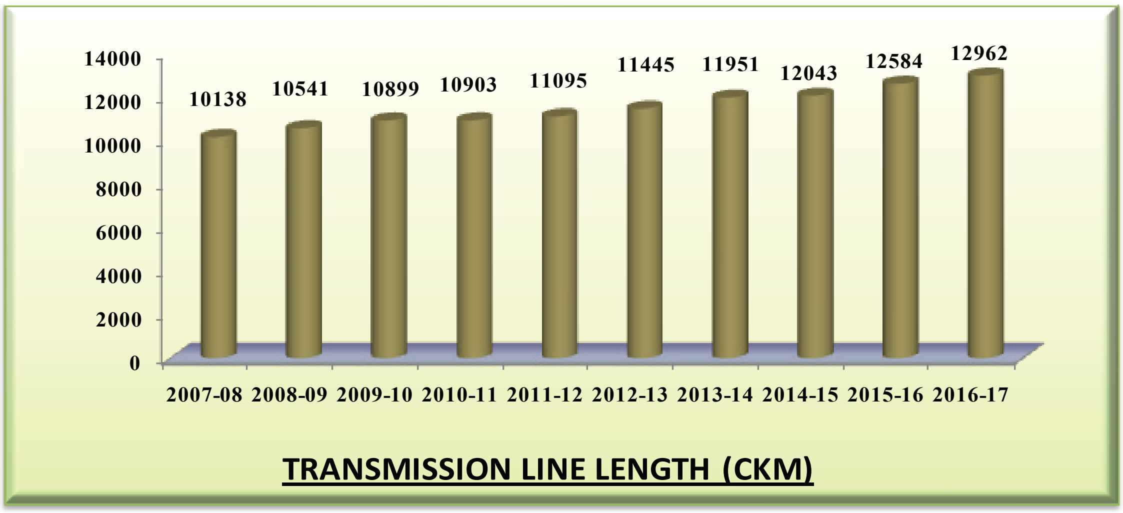
NET PROFIT (Rs. IN CRORE)

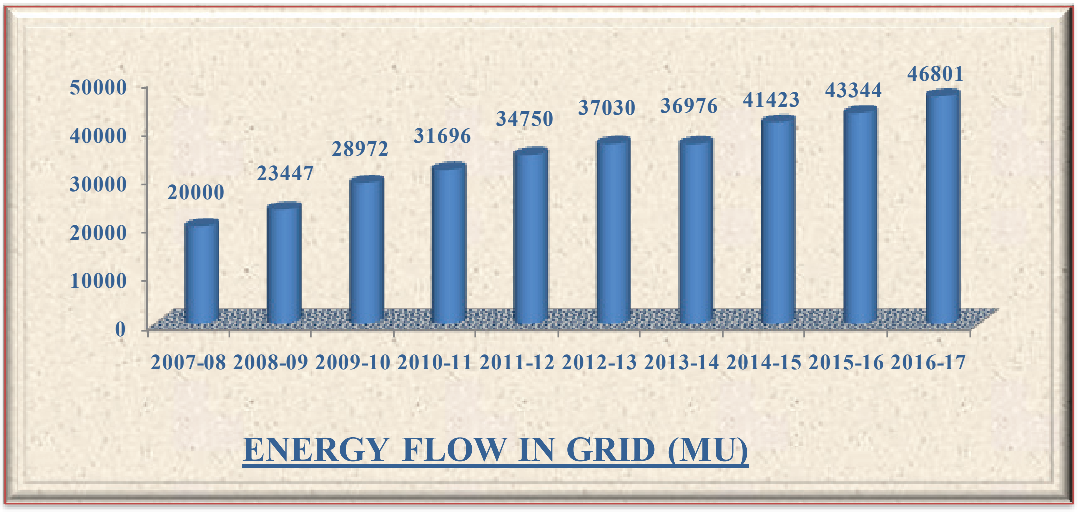


DEBT EQUITY RATIO


120
100
80
60
40
20
0
86
90
97
100
103
108
112
113
117
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16
NUMBER OF SUB-STATION


30000
25000
20000
15000
10000
5000
0
14366
15380
16934
18218
19236
21670
23290
24550
25661
27752
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
TRANSFORMATION CAPACITY (MVA)

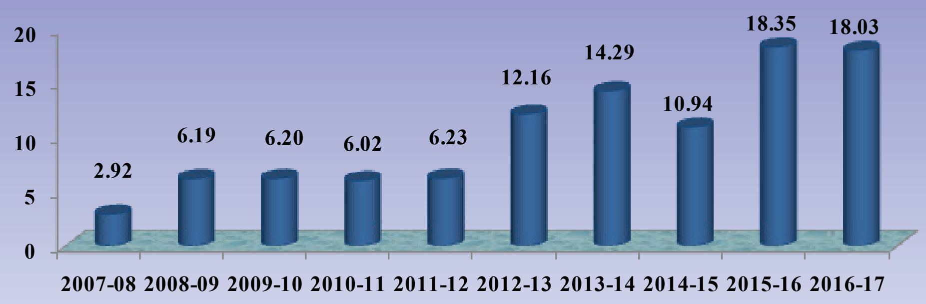

14000
12000
10000
8000
6000
4000
2000
0
10138
10541
10899
10903
11095
11445
11951
12043
12584
12962
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
TRANSMISSION LINE LENGTH (CKM)


50000
40000
30000
20000
10000
0
20000
23447
28972
31696
34750
37030
36976
41423
43344
46801
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
ENERGY FLOW IN GRID (MU)


6
5
4
3
2
1
0
3.63
3.44
3.86
3.76
4.02
4.18
4.59
4.90
5.28
5.42
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
CKM PER EMPLOYEE


12
10
8
6
4
2
0
5.15
5.02
6.01
6.29
6.98
7.91
9.02
9.97
10.77
11.61
2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17
MVA PER EMPLOYEE

REVENUE PER EMPLOYEE (Rs. IN LAKH)



RETURN PER EMPLOYEE (Rs. IN LAKH)

CONTENTS

BOARD OF DIRECTORS

Executive Directors

Rajesh Pandey, IAS
Managing Director
(from 02.09.2016)

Susanta Kumar Das
Managing Director
(till from 01.09.2016)

Somnath Bhattacharya
Director (Projects)

Trilochan Panda
Director (F&A)
(from 06.09.2016)

Anjan Chowdhuri
Director (F&A)
(till 31.08.2016)

Sabyasachi Roy
Director (Operations)
(from 01.08.2016)

Manas Bandyopadhyay
Director (Operation)
(till 31.07.2016)

Non-Executive Directors

S.K. Gupta, IAS
Chairman
(from 14.09.2017)

S. Kishore, IAS
Chairman
(till 13.09.2017)

Saswati Banerjee, IAS (Retd.)
Director

H. K. Dwivedi, IAS
Govt. Nominee Director

Utpal Biswas, WBCS(EXEc.)
Govt. Nominee Director

Independent Director

Biswaranjan Mishra

Srikumar Banerjee
(from 01.09.2017)

Sreekumar Majumder
(till 31.03.2017)

COMPANY SECRETARY

Virendra Singh

STATUTORY AUDITOR

LB Jha & Co, Chartered Accountant,
B-2/1, Gillander House,
8, Netaji Subhas Road,
Kolkata-700001

COST AUDITOR

M/s. DGM & Associates,
Cost Accountants,
64, B.B. Ganguly Street,
Kolkata – 700 012

SECRETARIAL AUDITOR

S. Sarkar & Associates,
Company Secretaries
Bentick Chambers, 2nd Floor,
Room No.216A/1, 37A Bentick Street,
Kolkata-700012

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd,
59 C, Chowringhee Road, 3rd Floor, Kolkata - 70002

CB Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata-700019.

BANKERS

UCO Bank | State Bank of India | United Bank of India

REGISTERED OFFICE :

Vidyut Bhavan, Block – DJ : Sector-II, Bidhannagar, Kolkata 700 091.
Website: www.wbsetcl.in
CIN : U401WB2007SGC113474

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Members of **West Bengal State Electricity Transmission Company Limited (the Company)** will be held at its Registered Office at Vidyut Bhawan, Block-DJ, Sector-II, Bidhannagar, Kolkata- 700-091, on 8th Floor, 'A' Block on 15th September, 2017, at 1.00 P.M., at its registered office, i.e, Vidyut Bhawan, Block-DJ, Sector-II, Bidhannagar, Kolkata-700091 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Financial Statements of the Company for the financial year ended on March 31, 2017, the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.

   To note the appointment and fix remuneration of Statutory Auditor:

2. In pursuance of Section 139(5) of the Companies Act 2013 (the Act), the Statutory Auditors of a Government Company is appointed by the Comptroller and Auditor General of India. In this connection M/s L.B. Jha & Co., Chartered Accountants, having their office at B-2/1 Gillanders House, 8, Netaji Subhas Road, Kolkata-700001 has been appointed by Comptroller and Auditor General of India vide No. CA.V/COY/WEST BENGAL, WBSETCL(1)/1179 dated 17th August, 2017 for the year 2017-18,

   Further, pursuant Section 142 of the Act, the remuneration of the Statutory Auditors of a Company shall be fixed in its General Meeting or in such manner as may be determined therein. Accordingly, the Resolution authorizing the Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company is placed for approval of the shareholders.

   To consider and, if thought fit, to pass, with or without modification(s), the Resolution as an Ordinary Resolution:

   "RESOLVED THAT the appointment of M/s. L.B. Jha, Chartered Accountants, having their office at B-2/1 Gillanders House, 8, Netaji Subhas Road, Kolkata-700001 appointed by the Comptroller and Auditor General of India as the Statutory Auditors for the financial year to be ended on 31st March, 2018 be and is hereby noted. "

   "RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to fix remuneration of Statutory Auditor, appointed by the Comptroller and Auditor General of India for the financial year to be ended on 31st March, 2018."

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act 2013 and any rules or modification(s) or re enactment made there under the remuneration of Rs.1,00,000/- (Rupees one lakh only) plus applicable taxes and usual travelling allowances and daily allowances as per the Rules of the Company, shall be payable to the M/s DGM & Associates, Cost Accountants appointed by the Board of Directors of the Company, for auditing the cost accounts relating to transmission of electricity for the financial year to be ended on March 31, 2018, be and is hereby ratified."

4. Noting of Appointment of Shri Sunil Kumar Gupta, IAS

"RESOLVED THAT appointment of Shri Sunil Kumar Gupta, IAS [07841512], as Govt. Nominee Director and the Chairman of the Company be and is hereby noted."

5. Noting of Appointment of Shri Utpal Biswas, WBCS (Exec.)

"RESOLVED THAT appointment of Shri Utpal Biswas, WBCS (Exec.) [DIN 07821853] as Govt. Nominee Director of the Company be and is hereby noted."

6. Noting of Appointment of Shri Srikumar Banerjee

"RESOLVED THAT appointment of Shri Srikumar Banerjee [DIN 03504452] as Independent Director of the Company be and is hereby noted."

By order of the Board of Directors

(Virendra Singh)
Company Secretary

Dated : 15th September, 2017

Registered Office :
Vidyut Bhawan,
Block-DJ, Sector-II,
Bidhannagar, Kolkata 700 091.

NOTES

1) **A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY.**

2) Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) relating to special business is enclosed.

3) The company is calling this meeting on shorter notice basis in pursuance with first proviso of Section 101 of the Act on the basis of the consent received by the Company from all the shareholders of the Company.

4) Pursuant to Section 112 of the Act, the Hon'ble Governor of the West Bengal is required to appoint a representative to attend the meeting and to vote on behalf of him in the meeting. Further, the person the appointed as representative under Section 112 of the Act shall be deemed to be member of the Company and shall be exercise the same right and powers, including the right to vote by proxy and postal ballot as Hon'ble Governor of the West Bengal could exercise as member of the Company.

5) A route map for the venue of the meeting is enclosed as envisaged under Secretarial Standards 2, issued by the Institute of Company Secretaries of India.

By order of the Board of Directors

(Virendra Singh)
Company Secretary

Dated : 15th September, 2017

Registered Office :
Vidyut Bhawan,
Block-DJ, Sector-II,
Bidhannagar, Kolkata 700 091.

STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 3

On recommendation of the Audit Committee, Board of Directors in its 58th Meeting, held on 25th July, 2017, has approved the appointment of M/s DGM & Associate, Cost Accountants, as Cost Auditor of the Company for the financial year to be ended on 31st March, 2018. Their remuneration was fixed at Rs.1,00,000/- (Rupees one lakh only) plus applicable taxes and are entitled to received usual travelling allowance and daily allowance, as per the rules of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditor for the financial year to be ended on 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company are interested or concerned in the aforesaid resolution.

Item No. 4

Shri Sunil Kumar Gupta, IAS [07841512] has been appointed as the Director and the Chairman of the Company vide Memorandum No. 740/PO/O/C-IV/2E-02/2009 dated 14.09.2017 Shri Gupta is a senior IAS and holding the position of Principal Secretary, Department of Power & NES, Govt. West Bengal.

Item No. 5

Shri Uptal Biswas, WBCS (Exe.) [DIN 07821853] has been appointed as the Govt. Nominee Director of the Company vide Memorandum No. 304-PO/O/C-IV/2E-02/09 dated 10th April, 2017 and holding the position of Special Secretary, Department of Power & NES, Govt. of West Bengal.

Item No. 6

Shri Srikumar Banerjee, [DIN 03504452] has been appointed in the capacity of the Independent Director, vide Memorandum No. 665-PO/O/C-IV/2E-02/09 dated 16th August, 2017. He is a Chartered Accountants and an eminent tax practitioner, having vast knowledge of income tax procedure and intricacies.

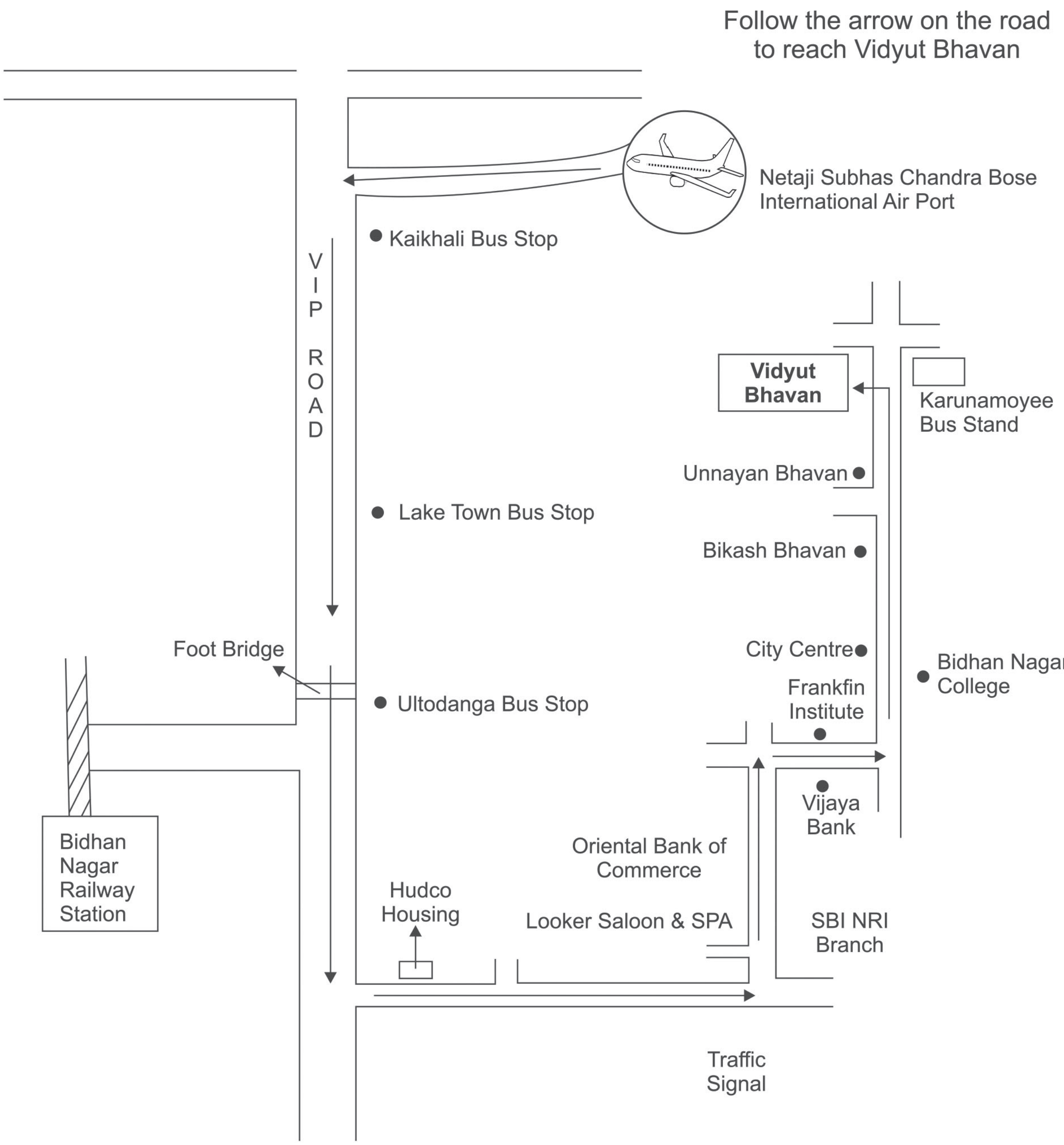
By order of the Board of Directors

(Virendra Singh)
Company Secretary

Dated : 15th September, 2017

Registered Office :
Vidyut Bhawan,
Block-DJ, Sector-II,
Bidhannagar, Kolkata 700 091.

ROUTE MAP OF REGISTERED OFFICE AT VIDYUT BHAVAN



Chairman's Message

Dear Shareholders,

It gives me immense pleasure to share with you the performance of your Company during its tenth year of its operation. Moreover, it is also the year in which your Company has completed its decade of operation, which is a milestone in its history. Since its incorporation it is the objective of your Company to become one of the major Transco in the Nation and to act as a major power backbone of the State of West Bengal. With the continuous growth of the transmission network and high quality system reliability your Company is able to stand on the objective with which it was incorporated.

It has been the tenth year of your Company incorporation, since then it has been constantly profit-making Company and Fiscal 2017 was another growth and profit oriented year for WBSTCL. I am glad to share with you that your Company has recorded an impressive turnover of Rs. 1295 crore out of which revenue from operation is Rs. 1258 and made total comprehensive income under IND AS is Rs. 430.76 crore and profit after tax of Rs. 371.16 crore.

Your Company during the year under review maintains and operates an expansive transmission network of about 12,962 ckm of EHV transmission lines along with 117 sub-stations (400 kV to 66 kV) having total transformation capacity of 27752.23 MVA, spread across the State and maintained at an availability factor of more than 99.79%. During the year, the Company handled energy flows of 46801 MU in the grid, with a growth of 7.97% in comparison with financial year 2015-16 and transmission losses were around 3.1%, against the normative losses of 3.4%, which positioned the Company amongst the best transmission utilities in the country.

Your Company has also prepared a vision document identifying areas of growth and critical intervention till the year 2030.

It is pertinent to mention that Electricity plays a major role in economic growth, for elevating the quality of life and generating employment opportunities. Your Company's emphasis on infrastructure development, for building reliable & sustainable power system across the State, with a philosophy to reduce the divide between rural and urban part of the State. On account of reduction in rate of the line breakdowns and adoption of quickest measure to restore such line outages—which is prerequisite for not only sustaining high growth, but also for ensuring that the growth is inclusive. Your Company under its XIII plan has envisioned an ambitious plan to make a capital expenditure of Rs. 6850 crores to ensure that the transmission infrastructure in the State keeps pace with the growth in energy supply and demand in the future and translate the vision of the State Government to provide quality power to all strata of the society 24X7X365.

Availability of land for setting up new sub-stations or for erection of transmission lines remains a major area of concern across the States and more so in West Bengal due to the high population density and predominant dependence on agriculture due to the fertile nature of land in the State. To reduce the requirement of land, the Company is constantly exploring the possibilities of using advanced technologies. Thus, GIS sub-stations are increasingly being set up in areas where land is a constraint and adopting other methodologies for optimum utilization of the land. Your Company constantly devising new methodology to provide adequate compensation to the land owners for usage of their lands pertaining for erection of transmission lines and construction of sub-stations in order to reduce RoW Issues.

For the purpose of reducing the 'footprint' of transmission lines by way of towers, usage of monopole, multi-circuit and narrow base towers have been encouraged for optimum utilization of land. Underground cables of all voltage levels are also being used in urban and semi-urban areas and in the cases, where corridors for overhead lines are unavailable. While such alternate technologies come at a price, which is considerably more than the conventional technologies adopted earlier, although, in last few years the cost of adopting such high-end technology is showing a reducing trends on account of development of some of such high-end technologies in the Country.

Taking into account the capital intensive nature of transmission industry and regulated reforms over long years, your Company makes every effort to harness appropriate sources of funding to minimize weighted average cost of funds and restrict additional borrowings to the extent possible– its current debt-equity ratio is less than 0.89:1 against normative allowance of 7:3. It continues to enjoy credit rating assignment of "A", indicating adequate degree of safety in meeting debt servicing obligations.

On behalf of the Board of Directors, I would like to thank each stakeholder for the continued support and faith reposed in the Company and its management. I would like to take this opportunity to thank each of our employees whose dedicated efforts and hard work during the last ten years made the Company to gain its present stature. I would also like to thank the Department of Power & NES, Govt. of West Bengal and West Bengal Electricity Regulatory Commission for extending all kinds of support as and when required, the banks and financial institutions and all other esteemed stakeholders for their continued faith, support and patronage in last ten years for achieving all round performance in the Company and confident that they will posses same faith in the near years to come.

With best wishes,

Yours sincerely,

(S.K. Gupta)
Chairman

DIRECTORS' REPORT

Your Board of Directors has the pleasure of presenting the **Tenth Annual Report** on the performance of the Company during the financial year ending on 31st March, 2017 together with the Audited Financial Statement, Auditors' Report and Review of the Financial Statement by the Comptroller and Auditor General of India for the under reporting period.

Change in Board of Directors:

The Board of your Company has reconstituted in the following manner on account of cessation and induction of new Directors, which are stated hereunder:

(i) Shri Rajesh Pandey, IAS, appointed in the capacity of Managing Director of the Company, with effect from 2nd September, 2016 in place of Shri Susanta Kumar Das—who ceases his office on expiry of his tenure on 1st September, 2016;

(ii) Shri Trilochan Panda, appointed as Director (Finance & Accounts) of the Company with effect from 6th September, 2016 in place of Shri Anjan Chowdhuri, who ceases his office on expiry of his tenure on 31st August, 2016.

(iii) Shri Sabyasachi Roy, appointed in the capacity of Director (Operations) of the Company, with effect from 1st August, 2016 in place of Shri Manas Bandyopadhyay, who ceases his office on expiry of his tenure on 31st July, 2016.

***Moreover, Shri Utpal Biswas, WBCS (Exec.) has been appointed in the capacity of Govt. Nominee Director, w.e.f. 1st April, 2017 and Smt. Saswati Banerjee, IAS (Retd.) has been re designated as Independent Director from Part Time Non Executive Director, w.e.f. 1st April, 2017.*

***All such appointments were made in the financial year 2017-18 and therefore, not related to the financial year ended on 31st March, 2017. However, it is mentioned in this report in order to apprise the shareholders of the Company.*

Financial Performance:

WBSETCL has been consistently exhibiting growth in the physical and financial terms since its formation due to a stable tariff regime and timely revisions of tariffs allowed by the Hon'ble West Bengal Electricity Regulatory Commission (WBERC).

The year 2016-17 has been another year of impressive financial performance by your Company. In its tenth year of operation, the Company has recorded a turnover of Rs. 1,259 crore. The operations of the Company, during the year under review, resulted in a Profit before Interest, Depreciation and Tax (PBIDT) of Rs. 906 crore as compared to Rs. 931 crore in the previous year, while the Total Comprehensive Income for the year stood at Rs. 431 crore as against Rs. 445 crore in the previous year.

	Current Year (Rs. in crores)	Previous Year (Rs. in crores)	YOY % Variance
Profit before Interest, Depreciation and Tax	906	931	-2.69 %
Less: Interest & Finance Charges	238	222	7.21 %
Less: Depreciation	196	174	12.64 %
Profit before Taxation	472	536	-11.94 %
Less: Provision for Taxation	101	113	-10.62 %
Profit after Tax	**371**	**423**	**-12.29 %**
Other Comprehensive Income	**60**	**22**	**172.73%**
Total Comprehensive Income	**431**	**445**	**-3.15%**

After appropriation of an amount of Rs. 17.58 crore to Debenture Redemption Reserve and Rs. 5.57 crore to Reserve for Unforeseen Exigencies, the balance profit for the year ended 31st March, 2017 of Rs. 407.61 crore was transferred to Other Equity.

During the FY 2016-17, your Company made a gross investment of Rs. 593.33 crore (as against Rs. 619.89 crore in 2015-16) in various tangible projects. The requisite funds were mobilized from proceeds of ongoing and new loans from funding agencies, namely, Rural Electrification Corporation Ltd, National Bank for Agriculture and Rural Development (NABARD) etc. besides ploughing back of profit.

Taking into account the capital intensive nature of your Company, debt constitutes an important means of finance to supplement the equity investments made in new projects. Despite undertaking substantial capital expenditure since its inception, a part of such cost has been funded from internal accruals and the Company has not availed of any fresh equity infusion from the State Government. The Company makes every effort to harness various sources of funding to minimize weighted average cost of funds, as also exploring cheaper avenue for refinancing of high cost debt. The Company's current debt-equity ratio is 0.89 against a normative debt equity ratio of 7:3 permitted by WBERC for funding capital expenditure.

In view of the need to conserve resources for financing the capital projects program, your Board is not recommending any dividend for the year.

Extract of the Annual Return

Pursuant to section 92 read with section 134(3) and further read with Rule 12 of Companies (Management & Administration) Rule, 2014 an extract of the Annual Return in Form MGT 9 is attached herewith and marked as **Annexure –V.**

Number of the Meeting of the Board of Directors

The Board meets at regular intervals to discuss and decide on the business strategies/policies and review the financial performance and operational performance of the Company. The Notice of the each meeting together with the detailed agenda of the meeting is given in writing to each Director separately and in exceptional circumstances the matter is tabled before the Board meeting, especially the matter pertaining to unpublished price sensitive information. Such measure enabled the Board to take timely and consensus decision.

During the period under review, the Board met for 5 (five) times, details are given in the Corporate Governance report, which form the part of the Annual Report. The interval between the two consecutive Board meetings was not more than 120 days as stipulated under section 173 of the Companies Act, 2013.

Declaration given by the Independent Directors

In pursuance to section 149(6) of the Companies Act, 2013 declaration given by the 2 (two) independent directors to the Company, viz.,Shri Sreekumar Majumdar (till 31.03.2017) and Shri Biswaranjan Mishra, stating they meet the criteria of independence as envisaged under the said provision of the Companies Act, 2013 was noted and taken on record by the Board of the Directors.

Directors & Key Managerial Personnel

The entire equity shareholding of the Company is being held by the Governor of West Bengal and all the Directors (including non executive and independent directors) of the Company are appointed by the Department of Power & NES, Govt. of West Bengal through notifications issued from time to time. Moreover, the section 178(3) of the Companies Act, 2013 is not applicable to the wholly-owned government companies, vide notification no. GSR 463(E) dated 5th June, 2015, issued by the Ministry of Corporate Affairs, Govt. of India - which deals with empowering the Nomination and Remuneration of the Committee, to determine the qualifications, positives attributes, independence, formulation of remuneration policy, pertaining to appointment of Directors in the Company.

Sitting fee is only payable to the Independent Directors, which is within the limit prescribed under the Companies Act, 2013.

Following are the key managerial personnel of the Company during the period under reporting:

Shri Rajesh Pandey, IAS	Managing Director, w.e.f 2nd September, 2016;
Shri Susanta Kumar Das	Managing Director (upto 1st September, 2016);
Shri Anjan Chowdhuri	Director (F&A) & CFO (upto 31st August, 2016);
Shri Trilochan Panda	Director (F&A) & CFO w.e.f 6th September, 2016;
Shri Manas Bandyopadhyay	Director (Operations) (upto 31st July, 2016);
Shri Sabyasachi Roy,	Director (Operations) w.e.f 1st August, 2016;
Shri Somnath Bhattacharya	Director (Projects); and
Shri Virendra Singh	Company Secretary

Deposits

The Company has not accepted any deposit during the year under review and there is no outstanding deposit lying with the Company during the said period.

Particulars of loans, guarantees or investments under section 186

No such loan, guarantees or investments made or given by the Company during the year under review, which falls under the purview of Section 186 of the Companies Act, 2013.

Significant and Material Order Passed by the Regulator

The Hon'ble West Bengal Electricity Regulatory Commission (the Commission) by an order dated 28th October, 2016 has approved the tariff order for the financial year 2016-17, which allowed recovery of Annual Revenue Requirement of Rs. 1,178.45 crore by the Company from its customers for the financial year 2016-17. A copy of the order has been uploaded on the website of the Company, i.e., www.wbsetcl.in

Related Party Transaction

The Company does not fall under the purview of related party transaction as envisaged under section 188(1) read with Regulation 23(5) of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015, wherein it is specified that transaction between two government companies and transaction at arm's length price shall not be treated as related party transaction. The main consumer of the Company is West Bengal State Electricity Distribution Co. Ltd. (WBSEDCL), which is a wholly-owned government company and all the transactions took place in accordance with the rate determined by the Hon'ble West Bengal Electricity Regulatory Commission, which is the sole statutory authority to determine the price of electricity distribution, transmission and generation in the State of West Bengal. Therefore, all the transactions took place at arm's length basis and hence, there is no related party transaction occurred during the period under review.

Reserve and Surplus

The Board of the Company decided not to declare any dividend for the financial year 2016-17 in order to conserve the financial resources and to utilize such surplus for planning and executing new projects of the Company. Therefore, the entire surplus for the year, i.e., Rs 407.61 crore is being transferred to the general reserve.

Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013 (the Act), your Directors confirm to the best of their knowledge and belief that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanations relating to material departures, if any;

b) accounting policies selected have been applied consistently and judgments and 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 of the Company for the period under review;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts has been prepared on a going concern basis.

e) the Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating properly; and

f) the Directors have laid down proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

The Company has a Risk Management Committee (the Committee) in place and the Board of your Company has also adopted a policy on indentified risk and its method of mitigation procedure. The Company has prepared a risk register specifying the various categories of risk and their impact on both operational & financial viability of the Company. Your Board of Directors are also in the process of reviewing present risk management policy for updating the risk register for accommodating the various new risk which have originated on account of changes in legal and operational environments in which the Company operate.

The Committee is comprised of Director (F&A), Director (Operations) and Director (Projects) and the Company Secretary acting as Secretary of the Committee. The Company Secretary is also designated as the Chief Risk Officer of the Company.

Internal Financial Control

The internal control system of the Company is commensurate with the size and nature of the business of the Company. The internal control system is designed to give assurance that correct information is provided and adequate control on all activities is maintained.

The Company has a dedicated Internal Audit department-which carries out risk focused audit across business, enabling identification of areas where risk management process may need to be improved. The Company also engaged outsourced Audit firms to assist the internal audit department of the Company.

The Audit Committee of the Company regularly reviewed the internal financial control system of the Company, so that the main risk (operational, compliance-related, economical and financial) are properly indentified and managed over time. Detailed evaluation is given in the Management Discussion and Analysis Report.

Disclosure of Vigil Mechanism

Your Board of Directors have adopted a vigil mechanism in pursuance to section 177(9) and section 177(10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Power) Rules, 2014 and a Whistle Blower Policy was formulated by the Company. Provisions have been made in the policy for providing adequate safeguard against victimization of persons who use such mechanism.

The details of the “Vigil Mechanism Policy” are given in the website of the Company.

Statutory Auditors

The report of the Statutory Auditors on the financial statement of the Company for the financial year ended on 31st March, 2017 together with the comment given by the CAG is also forming the part of this report. The Management explanation to such qualification has been depicted in this report.

The Comptroller and Auditor General of India (CAG) vide its Order No. CA.V/COY/WEST BENGAL, WBSETCL(1)/1179 dated 17th August, 2017 has appointed M/s L.B.Jha & Co., Chartered Accountants in the capacity of the statutory auditor of the Company for the financial year 2017-18, which is to be noted by the shareholders of the Company in the ensuing Annual General Meeting.

Cost Auditor

In terms with Section 148 of the Companies Act, read with Companies (Cost Records and Audit) Rules, 2014 the Company has appointed M/s DGM & Associate, Cost Accountants in the capacity of the cost auditors of the Company for the financial year 2016-17, and same firm has also been appointed as cost auditor for the financial year 2017-18.

Your Company has filed the Cost Audit Report for the financial year ended on 31st March, 2017 with the Ministry of Corporate Affairs within stipulated time frame.

Secretarial Auditor

In pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 the Board of the Company has appointed M/s S. Sarkar & Associate, Company Secretaries in the capacity of the secretarial auditor for the financial year 2017-18.

The Report of the Secretarial Auditor together with the Management explanation to such qualification pertaining to financial year ended on 31st March, 2017 is forming the part of this report and marked as **Annexure-VI**.

Annual evaluation of the Board of its Committee by the Independent Director.

The independent directors evaluated the performance of the Company's Board of Directors and its Committee. The evaluation of the Board and its Directors was done by the Independent Directors at its meeting held on 22nd March, 2017. Moreover, evaluations of the Board are done in accordance with guideline prescribed by the Institute of Company Secretaries of India as applicable in respect of the Company.

Right to Information Act, 2005 (RTI Act)

The Company has put in place a RTI mechanism for effective implementation of the provision of the RTI Act. Public Information Officer (PIO) has been designated to dispose of the request for information sought under RTI Act. The Company Secretary is appointed in the capacity of the 1st Stage Appellate Authority under section 19 of the RTI Act. There were 38 nos. of RTI application received and disposed of by the Company during the reporting period.

Compliance with Applicable laws

Your Company also maintains a proper system in place to ensure compliance of all applicable laws to the Company. It follows the "Comply or Explain" principle. The Company is in the process to appoint Legal Compliance Auditor for auditing legal provisions that are applicable to the Company and compliances made there under.

Particulars of Employee

In pursuance with Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 it is informed that no employee of the Company draws salary of Rs. 60 lakhs per annum or Rs. 5 lakhs per mensem. Moreover, said section is not applicable to the government companies in terms with the notification no. G.S.R. 463(E) dated 5th June, 2015.

The total strength of the employees of the Company is 2390 as on 31st March 2017 against sanction strength of 3825.

Disclosure on Sexual Harassment of Women at Work Place (Prohibition, Prevention and Redressal) Act, 2013

The Company has zero tolerance on sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment and constituted a committee for reporting by the women employee of the Company on sexual harassment, which is in accordance with provisions of the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. No such incident was reported during the period under review.

Management Discussion & Analysis

This report also contain a section on the Management Discussion & Analysis, which is marked as **Annexure –I**.

Corporate Governance Report

A report on the corporate governance of the Company forming part of this report is marked as **Annexure-II.** The Managing Director (CEO's) Certificate on code of conduct and ethics also forming part of this report is marked as **Annexure-IIA.** Moreover, a certificate on compliance pertaining to corporate governance given by the practicing company secretary in pursuance to Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this report as **Annexure-IIB.**

Code of Business Conduct and Ethics

To enhance ethical and transparency process in managing the affairs of the Company and its compliance in letter and spirit, the Board of Directors adopted **"Code of Business Conduct and Ethics",** (Code) which has been made applicable from 1st April 2011 to all Directors and Senior Management Personnel of the Company. The Code is available on the Company's website. All the members of the Board and Senior Management Personnel have affirmed compliance with the Code for the financial year ended on 31st March 2017. A certificate given by the Managing Director of the Company pertaining to the affirmation of the Code by the Board of Directors and Senior Management Personnel of the Company in pursuance to Part D of Schedule V of SEBI (Listing obligations and Disclosure Requirement Regulations), 2015 is forming the part of the this report as an **Annexure-IIA.**

Operational Performance

Your Company's sustained performance, reflected through continuous asset creation, increasing revenues, and resultant profits, has also led to creation of value and speaks volumes of its growth journey and operational excellence.

In view of the steadily increasing demand for electricity throughout the State arising from both, existing and new consumers added under the rural electrification schemes coupled with the addition of generating capacities in new and existing generating stations in the State, WBSETCL has planned major network up-gradation to ensure that the transmission system in the State, which forms the backbone of the power infrastructure, is stable and ready to transmit energy from the generation/import centres to the load centres. This entails construction of substations and transmission lines over diverse and often, difficult terrain spread all over the State.

During the year under review the Company added 392.100 ckm of EHV Transmission lines, commissioned five EHV Sub-stations with 2518.18 MVA transformation capacity added in its existing Sub-stations. As of 31st March 2017, the Company owns and operates:

- Transmission Network of around 12,962 ckm of EHV (400 kV to 66 kV) Transmission lines;
- Transformation capacity of about 27752.23 MVA, maintaining availability at over 99.91% throughout the year;
- 117 EHV Sub-stations of various voltages.

The result of consistent efforts and round the clock monitoring is demonstrated through your Company's high operational performance during the year in terms of transmission system availability of more than 99%.

Over the past ten years, WBSETCL's transmission losses stood at around 3 per cent, one of the lowest in the country. The Company has been undertaking various initiatives to further lower its losses.

Project Monitoring

WBSETCL has a team of dedicated experts in the field of substation and transmission line engineering equipped with state of the art technology, software capabilities and computer aided facilities for Planning and Design of transmission system. It has a well-established system of continuous feedback from the field and carries on up-grading of the system, wherever required, accordingly.

Based on the feedback as well as in order to economize cost and shorten implementation period, its experts are vigorously pursuing the standardization of schemes and technical parameters of equipment, etc. WBSETCL is now more emphasising for establishment of GIS sub-station at all voltage levels which not only reduces the time line of construction but also minimises the requirement of land for construction of the sub station.

In tandem with the State Government's emphasis on regular monitoring of development projects, WBSETCL has developed a project monitoring system commensurate with the organization structure and complexities/intricacies involved in project implementation and a Management information system based thereupon. A Project Review Team (PRT) meeting is conducted in each month presided over by the top management to monitor the progress of the Projects and to accelerate the decision required for timely execution. The project department has also introduced vendor rating of the EPC contractors engaged with sub-station projects to assess the potential of bidders for forthcoming projects. The system calls for increasing details of planning in all functions such as engineering, project execution at contract sites and corresponding monitoring and control for generating a management summary report for the top management.

Projects Execution

Your Board of Directors is glad to inform that, during the period under review, total nos of 4 (four) Sub-stations and feeder bays have been commissioned with total capacity addition in the system of 1816.50 MVA at a total project cost of Rs.242.22 crore. Further, a total of 403.17 ckm of Transmission lines were also commissioned at a cost of Rs. 145.42 crores.

Further, your Board of Director would like to elucidate that, the Company is in the process of constructing 20 new substations, which includes 2 nos of 400kV, 7 nos of 220kV and 11 nos of 132 kV substations and after the completion of the said substations there will be an addition of 4854 MVA to the existing system. Presently, the Company is also in the process of constructing 42 nos of Transmission line at a cost of Rs. 1498.92 crores, which include 6 nos of 400 kV, 10 nos of 220 kV and 26 nos of 132 kV lines and after the completion of the said projects another 2153.827 ckm will be added to the existing system. Details of such projects and commissioned substations are given in the Management Discussionand Analysis Report.

Perspective transmission plan up to 2021-22

Your Company is committed to improve its performance in terms of availability, reliability and quality.

During XIII plan period (i.e. 2017-18 to 2021-22) establishment of another 44 nos. new EHV sub-stations & 10 nos. up-gradation of sub-station with 18296 MVA transformation capacities addition (including augmentation) and construction of 4894 ckm transmission lines has been contemplated. After implementation of the proposed scheme, total system would be as follows:

Description	Nos. of Sub-Station		Capacity in MVA		Line length in ckm	
	31/03/2017	31/03/2022	31/03/2017	31/03/2022	31/03/2017	31/03/2022
400 kV	5	9	6155	9990	1643	2714
220 kV	22	36	12121	19431	33653604	33654492
132 kV	82	113	9270	16623	7292	10227
66 kV	8	2	204	2	421	140
Total	117	160	27752	46048	12962	17575

After development of the on-going and planned transmission systems the following objectives will be fulfilled:-

a) Improvement in reliability of power supply to the command areas leading to reduction in customer interruption frequency index and customer interruption duration index;

b) Voltage profile will improve considerably with remarkable system stability & reduction of losses;

c) Promote development in Industrial and Agricultural sector;

d) Evacuation of power from State Sector Generators; and

e) Strengthening of the existing transmission network and augmentation of transformer capacity accommodating future load growth.

Total capital expenditure of around Rs 1500 crore for ongoing and upcoming projects has already been approved. In order to achieve the planned growth and objectives your company requires further fund of around Rs. 5000 crore, including construction of new sub-stations, augmentation of transformer capacity of existing sub-stations & Transmission Lines (excluding cost of land, supervision charge & IDC) which are in the pipeline or will be commissioned during XIII plan period. Implementation of the aforesaid schemes will take place over the next three years in a phased manner.

Sustainability

System Design Philosophy

The power evacuation system is designed in the most optimum manner such that losses in the system are minimal. The system and equipment parameters are chosen according to the present trends in technology, the conductors available are such that the losses in them due to internal resistance as well as due to external effects such as corona and RIV are bare minimum. The bus bar materials and the clamps and connectors are chosen after meeting stringent international requirements so that there is least loss of energy in them. The transformers, reactors and other switch gear are also similarly selected and evaluated to ensure most energy efficient and reliable operation.

System Operation Philosophy

Power flow in a particular line varies due to demand variation, failure of equipment, line faults, etc. The system operation philosophy therefore revolves around real time monitoring of power flows across the transmission system on a 365X24X7 basis and immediate corrective action to redistribute energy demand and supply in case of outage of any line or sub-station equipment while ensuring that power disruption is kept at the minimum.

System Maintenance Philosophy

The maintenance management system in vogue in WBSETCL aims at keeping the system under stable conditions while ensuring minimum maintenance cost and safety of equipment and personnel. For the purpose of ensuring the above, conducting predictive tests for anticipating forthcoming equipment or line failure is being increasingly adopted to carry out preventive maintenance of lines and equipment to minimise sudden breakdown.

Technological Initiatives

A well designed and integrated transmission system is a prerequisite for optimum utilisation of energy and achieving the larger goal of environmental sustainability. To this end, WBSETCL undertook various steps to strengthen system availability, including

a) replacement of circuit breakers, current transformers and lightning arrestors across all voltage categories after conducting residual life assessment and condition-based maintenance,

b) application of thermo vision scanning in sub-stations for detecting hot spot in situ and initiating preventive maintenance / repair work before breakdowns;

c) installation of gas-insulated substations to reduce sub-station land requirement;

d) laying of underground XLPE cables at 400, 220 and 132 kV levels in congested urban areas;

e) hybrid transmission lines with combination of OH conductor and UG cable at 400 kV, 220 kV and 132 kV voltage levels to overcome persistent RoW problems in portions of the selected routes;

f) utilisation of modern survey technique for route selection and length optimization;

g) Re-conductoring of old lines on regular basis;

h) application of OPGW for digital communication between the sub-stations;

i) utilization of HTLS conductor for up-grading the power flows in existing transmission lines.

Besides standardisation of inventories for all transmission lines, technical audit at all sub-stations are undertaken on regular basis. Further, as a step towards disaster management, WBSETCL has procured an Emergency Restoration System (ERS) consisting of ten sets of single circuit towers of 400 kV class and other diagnostic tools to reduce restoration time and improve system availability in case of EHV tower failure for 132 kV, 220kV & 400 kV lines.

Moreover, in order to strengthen the existing transmission corridors and reduce line outages due to insulator failure, WBSETCL plans to use partial discharge measurement instruments and replace conventional insulators with polymer insulators in highly polluted areas.

However, like most transmission utilities, WBSETCL is also facing challenges related to Right-of-Way (RoW) and land availability for expanding its network. The utility is installing gas-insulated substations at 400 kV, 220 kV and 132 kV levels in order to minimise land requirement and resolve acquisition issues. To mitigate RoW problems, WBSETCL is selectively using multi-circuit and narrow base towers for transmission lines and laying underground cables at 400 kV, 220 kV and 132 kV levels, in order to reduce land requirement for installing towers in areas where RoW problems are acute.

WEST BENGAL STATE LOAD DESPATCH CENTRE (SLDC)

In accordance with provision 32 under Part V of the Electricity Act 2003, the West Bengal State Load Despatch Centre (WBSLDC) was established, which is the apex body to ensure integrated operation of the power system in the state of West Bengal.

Brief of the Activities of SLDC during period under reporting :

A) Technical functions:

1. Round-the-clock monitoring of the state EHT network maintaining (a) Security; (b) Reliability; and (c) to achieve economy of scale;

2. Balancing Load-Generation through proper scheduling of state as per different requirements of each constituent in each 15 minutes time block throughout the day (i.e 96 blocks) within regulatory framework;

3. Granting proposal for shutdown of network elements as and when required by different licensees to carry out maintenance and augmentation work after detailed network study considering Grid security;

4. Load-flow study and analysis and declaration of Total Transfer Capability (TTC) & Available Transfer Capability (ATC) of West Bengal State Transmission Network considering forecasted load/generation data of all the state entities; and

5. WBSLDC co-ordinates with other statutory bodies like ERLDC, ERPC to ensure healthy operation of the WEST BENGAL system as an integral part of National Grid.

B) Commercial functions:

1. State level Energy Accounting:

a) Preparation of FINAL schedules;

b) Processing ABT compliant meter data for each day;

c) Preparation of Deviation Settlement bills;

d) Preparation of monthly Capacity charge statements and certification of the same;

e) Preparation of variable energy statements and certification; and

f) Preparation of Intra-state Reactive Energy Charge bill.

2. Granting permission for open access power trading, both bilateral and trading through exchanges, keeping ATC/TTC limits in view.

3. Maintaining/Operating the UI pool fund.

4. Computation and collection of Transmission charges, SLDC charges, Meter charges etc. as Nodal agency for Intra-State STOA.

C) Statistical functions:

1. Providing daily statistical report to CEA, ERPC, ERLDC and other State authorities.

2. Different record keeping for daily, monthly and yearly power system report i.r.o:

i) Unit-wise and total power generated by generating agencies

ii) Total energy demand met, load-shedding and demand potential of distribution licensees and the state as a whole

iii) Maximum demand met and maximum demand potential of distribution licensees and the state as a whole

iv) States share in Central generating stations

v) Tie-line exchanges

vi) Details of power trading

vii) Any other relevant power system reports

3. Generating reports as per Regulatory directives.

4. Providing statistical data for future system planning.

D) Other functions:

1. Coordinating and organizing different meetings with state entities as well as with ERLDC and ERPC for properly addressing different techno-commercial issues within the state.

2. Implementing different directives for statutory bodies like: CERC, WBERC, CEA for secured Grid operation and commercial settlement.

Progress & Achievements of SLDC during the year 2016-17 :

1. Successful commissioning of ADMS at 132 kV Bigati, 220 kV Subhasgram & 132 kV Barjora Sub-Station.

2. Successful Mock Black start operation of TLDP-IV on November, 2016.

3. SLDC's pro-active actions for grid security & grid management through real time operations played pivotal role to achieve the transmission availability around 99.9 % for the state.

4. Using available resources SLDC ensured round the clock integrated operation of state power system with ER grid to provide quality power supply across the state through proper management of system parameters (e.g Voltage, VAR etc) throughout the year.

5. Arranged for alternative power for CESC within shortest possible time after failure of CESC's internal generation (totally or partially)

6. Monthly TTC/ATC declaration i.r.o. STU system.

7. Introduction of intra-state proportionate VAR charge calculation between intra-state distribution licensees.

8. Introduction of new intra-state entity TLDP-IV and SgTPP-II and successful incorporation of the same in intra-state Energy Accounting.

9. WBSLDC handled the State network efficiently to transmit the power to meet the demand. During the period 2016-17, State total system (51299 MU) [WBSEDCL + CESC + DPL + IPCL] has increased by 4.19% and peak system (8327 MW) increased by 5.73% w.r.t 2015-16.

Load Management Highlights: 2016-17

A.	ENERGY CONSUMPTION IN WBSEDCL SYSTEM (IN MU)			
	2016-17	2015-16	GROWTH(%)	
	34883	33576	3.89%	
B.	ENERGY CONSUMPTION IN CESC SYSTEM (IN MU)			
	2016-17	2015-16	GROWTH(%)	
	10614	10481	1.27%	
C.	ENERGY CONSUMPTION IN DPL SYSTEM (IN MU)			
	2016-17	2015-16	GROWTH(%)	
	1913	1992	-3.97%	
D.	ENERGY CONSUMPTION IN IPCL(GRID CONNECTED) SYSTEM (IN MU)			
	2016-17	2015-16	GROWTH(%)	
	351	45	680.80%	
E.	ENERGY CONSUMPTION IN WEST BENGAL SYSTEM (IN MU) (Excluding the valley area served by DVC)			
	2016-17	2015-16	GROWTH(%)	
	51299	49238	4.19%	
F.	PEAK DEMAND (IN MW)			
	ENTITY	2016-17	2015-16	GROWTH(%)
	WBSEDCL	6277	5902	6.35%
	CESC	2050	2020	1.49%
	DPL	287	284	1.14%
	IPCL	63	33	91.12%
	WEST BENGAL	8327	7876	5.73%

Communication & Information Technology :

Your Board of Director would like to state that the Company E-Mailing Services (mail.wbsetcl.in) have been extended to all Class I employees of WBSETCL and is used for company's internal and external document management. To further enhance the mail box security of the email users of WBSETCL, a password policy is underway.

Web Hosting Services for WBSETCL (www.wbsetcl.in) has been enhanced as per requirements of various departments, external stakeholders of WBSETCL and to facilitate transparency and work process re-engineering. The process of incorporating the 'Guidelines for Department/District Portals under Government of West Bengal for Similar Look And Feel to the State Portal' is on-going.

Implementation of the bio-metric attendance system for all WBSETCL employees at Vidyut Bhavan has been completed and daily operations and maintenance are carried out with satisfactory results. The process to implement bio-metric attendance system at Abhikshan Bhavan and 23 Area Offices of WBSETCL is underway.

The e-procurement system in WBSETCL along with Digital Signature Certificates has been extended for officials in procuring departments, in co-ordination with NIC.

A JAVA/MySQL based software application system, HRIS (Human Resources Information System) has been developed in-house and deployed at Corporate HR&A, WBSETCL.

Customization of SAP ERP modules have been carried out with implementation partner, M/s. TCS and WBSETCL ERP Implementation Committee members. The final data collection, migration and go-live is awaiting the procurement of appropriate ERP ICT Infrastructure, including hardware, bandwidth, networking equipments.

The renovation of Abhikshan Bhavan 2nd floor Data Centre as an option for housing the ICT infrastructure for ERP implementation of WBSETCL was completed in collaboration with O & M department, WBSETCL.

A committee is exploring the options of acquiring the SAP ERP ICT Infrastructure including cloud base solutions and accordingly finalising the technical & commercial specifications and terms & conditions for necessary procurement.

The technical specifications for procurement of IT Articles are prepared on regular basis along with related tender evaluation and inspection activities.

Engineers of IT department are members of various committees of the company for the following purposes:

- Procurement of IT articles.
- Inspection of procured IT articles.
- Procurement of surveillance systems for four major substations.
- For formulation and recommendation of a policy regarding admissibility of IT articles by different officials of the company.
- Preparing a Disaster Management Policy to be adapted by WBSETCL.
- Procurement–cum-Implementation for LAN connectivity within various Accounting Units at Corporate Office, VidyutBhavan, WBSETCL.
- Selecting the Design, Printing and supply of Corporate Plans.

Health & Safety Management:

Your Company is committed to ensure a safe and healthy at workplace for all employees and contractors' workers by maintaining the highest levels of safety and occupational health standards.

Specifications of workable conditions was prepared and circulated to all Area Offices with reference to BIS Specifications of important PPE's like H.V. Detector, Discharge Rod, Safety Shoe, Full Body Harness, Insulating Mats, Safety Ladder, Insulating Gloves, etc. Most of the units of your Company have 'best-in-class' infrastructure, competent resources and management systems as well as state-of-the-art fire and life safety measures whose efficacy are regularly monitored through rigorous audits. Since transmission of electricity at different voltages, contains an inherent element of danger to life and property, your Company's approach entails inculcation of safety as a value-added concept to bring about a behaviour change and support the creation of safety culture. In line with this philosophy, during the year, Safety Seminars with Live Demo of PPE and Mock Drill of Fire Extinguishers were held at different EHV sub-stations. During the period under reporting 14 nos. Safety Awareness Programs were conducted in major sub-stations by Corporate Safety Cell with employees of the Company together with contractor staff. Sometimes drills are being conducted even with localites. Such constant endeavour of the Company produced a fruitful output and therefore, the number of accidents reduced to 04 nos. during the period under reporting from 06 nos. during the previous reporting period.

Your Company has envisioned a plan to award Certificate & Mementos to the Area Offices, who have achieved the status of ***'Zero Accident'*** in any substation under their jurisdiction during a every financial year.

Corporate Social Responsibility

Your Company acknowledges its obligation to contribute to the economic development of the State and the country while improving the quality of life and environment of the community and society at a large.

The Board of Directors, in terms of the provisions of the Companies Act, 2013 and Rules made there under, has framed its Policy on 'Corporate Social Responsibility' which had come into effect from 1st April 2014.

The CSR activities of WBSETCL, will primarily be applicable to the local areas where it operate, mostly, in the vicinity of the existing substations of different voltages and Transmission Line Projects/substations under execution and to be developed in future by the Company.

The following related activities will be undertaken under Corporate Social Responsibility:

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) rural development projects.

A CSR Committee of the Board comprising of three Directors including one Independent Director has been formed which is responsible for preparing a detailed plan on CSR activities to be undertaken by the Company in each financial year, outlining the expenditure to be incurred, the type of activities to be undertaken, roles and responsibilities of various stakeholders. It shall institute a transparent monitoring mechanism for implementation of CSR Projects / Programmes undertaken by the Company.

A CSR sub-committee at the Corporate level has been constituted which will be responsible for co-ordinating CSR activities in WBSETCL. It shall also be responsible for compilation of information & preparation of annual reports and facilitate the processing of proposals received from Area Offices, FZOs, sub-stations, etc. for approval & allocation of funds by the CSR Committee.

According to the CSR Policy, CSR activities of the Company will be implemented through a nodal officer identified for this purpose and to be appointed at the Area Office level. The head of concerned Area Office/FZO/sub-station will be responsible for monitoring and overseeing implementation of CSR activities in his/her area of jurisdiction.

During the reporting period the Company has incurred expenditure of Rs 10.6 lakhs towards its CSR activities. However, the Company has identified CSR Project worth Rs. 2.19 crore and the expenditure towards the same project has been initiated in the FY 2017-18 . A Report on expenditure is forming the part of this report is marked as **Annexure-IV**.

Energy Conservation, Technology absorption and Foreign Exchange Earning and outgo

In pursuance with section 134 read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information for Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo forming the part of this report is given in **Annexure-III.**

Human Resource Development

Your company believes that, in the current dynamic scenario, the assessment of human resource requirement and the skill sets to meet the emerging business requirements should be an on-going process. Accordingly, the management continuously monitors the situation and puts in place appropriate recruitment and training policies to address the depletion on account of superannuation as well as the need for new skill sets.

Recruitment and manpower addition:-

Aligning with the need of the organization 152 candidates have been selected in different class and cadre posts both Technical and Non- Technical during the period under review.

Promotion :

To cope with the intuitional objectives total 397 nos. employees belonging to various class and cadre under technical and non-technical wings have been promoted during the period under review, which is in accordance with the Promotion Policy of the Company.

Training & Development Programme:

To improve the performance of employees and update them with latest trend in the business scenario, training programme were arranged for total 631 nos. employees, out of which 219 nos. employees were imparted training externally at various training institutes. Moreover, Vocational trainings were also imparted to total 391 Graduate, Post Graduate and Diploma students from various educational institutions.

Employee Relations:

Employee relations continued to be smooth and harmonious across the company. Regular interactions took place among the management, executives and the union/associations.

Welfare activities:

Various welfare programmes were organized for the benefit of employees and their families including programmes addressing specific needs of sections of employees, such as women. Various cultural programmes and sports events have been sponsored for the recreation of the Employees. The employee welfare programmes address not only the need of the employees but also their families. Employees are provided with family accommodation with electricity andwater supply. The employees and their family members, including parents, are entitled to medical treatment anywhere in the Country. The company provides scholarships to the meritorious children of employees.

Acknowledgement

Your Board of Directors acknowledge, with deep appreciation, the co-operation and guidance received from the Government of West Bengal especially from the Department of Power & Non-conventional Energy Sources, the Ministry of Power of Government of India, the West Bengal State Electricity Regulatory Commissions, Central Electricity Authority, Central Transmission Utility and Eastern Regional Power Committee, its valued customers, Bankers and Financial Institutions. The Board places its appreciation for the contribution of contractors, vendors and consultants for their efforts in timely completion of Projects.

The Board places on record its deep appreciation for the co-operation extended by Statutory Auditors, Cost Auditors, Secretarial Auditor and office of the Comptroller and Auditor General of India. The Board also place on appreciation the contribution made by the employees of the Company who are the backbone of the Company and your directors pledge confidence on them that they will continue to contribute into the glorious growth of the Company in near future.

For and on behalf of the Board of Directors,

(S. K. GUPTA)
CHAIRMAN

Dated: 15th September, 2017
Place: Kolkata.

Annexure - I

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy recorded a GDP growth of 7.1% in the financial year 2016-17, which make India as one of the fastest growing economies of the world. Despite the continuing global sluggishness, the economic growth has continued to be robust and inflation has remained very stable in the current year, while Fiscal Deficit and Current Account Deficit as percentage of GDP have improved, even the estimation and sentiment for future growth remain robust. Although on account of such robust growth prospect in the nation but accumulation of huge number of NPA impacting the value chain across the business, which resulted into low creation of capital assets.

India is the third largest electricity producer in world with an installed capacity of 303 GW and out of which almost 30% is coming from renewable energy sources. In order to ensure reliable and stable Power to every house hold by March, 2019 Govt. of India entered into partnership with state governments for attainment of such vision. The constant growth in power consumption has resulted in capacity additions in by the generating companies and strengthening of transmission network of the country.

Presently, massive electrification programe has been envisioned by the Govt. of West Bengal which focuses on 100% electrification within the short span of time as almost 99.99% of the household has already been electrified, which more than the national average of and the remaining to be done completed within very short span of time.

Financial Review

The summary of financial result of the Company for the year ended on 31st March, 2017 is given hereunder:

FINANCIAL HIGHLIGHT		(Rs. in crore)
Operating Income	**2016-17**	**2015-16**
Revenue from Operations	1258.92	1243.96
Other Income	36.62	30.63
Total (A)	**1295.54**	**1274.59**
Paid and Provided for		
Transmission & ULDC charges	51.88	56.41
Repair & Maintenance	48.94	45.16
Employees Cost	235.62	198.97
Administration & General Expenses	52.88	42.70
Sub – Total (B)	**389.32**	**343.24**
Profit before Depreciation, Interest and Tax(A – B)	**906.22**	**931.35**
Depreciation	195.78	174.26
Interest & Finance Charges	238.56	221.57
Profit before Tax	**471.88**	**535.52**
Provision for Tax (PAT)	100.71	112.53
Profit for the Year	**371.17**	**422.99**
Other Comprehensive Income	59.60	22.38
Total Comprehensive Income	**430.77**	**445.37**
Appropriations:		
Reserve for Unforeseen Exigencies	5.57	5.64
Debenture Redemption Reserve (DRR)	17.58	17.58
Balance Transferred to Other Equity	**407.62**	**422.15**

The year under review resulted in a Profit before Interest, Depreciation & Tax (PBDIT) of Rs. 906.22 crore compared to Rs. 931.35 crore in the previous year while the Total Comprehensive Income for the year stood at Rs. 430.76 crore as against Rs. 445.37 crore in the previous year. After appropriation of an amount of Rs. 17.58 crore to Debenture Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013 and Rs. 5.57 crore on account of appropriation of accrued interest on Reserve for Unforeseen Exigencies investments to that Reserve, the balance surplus for the year 2016-17 of Rs. 407.61 crore was transferred to Other Equity.

- Transmission Charges for the year 2016-17 was Rs. 1256.37 crore against Rs. 1242.67 crore in the previous year – an increase of around 1.10 % on a y-o-y basis.
- Long Term Transmission Charges increased from Rs. 1149.72 crore in 2015-16 to Rs. 1178.18 crore on account of revision in tariff, while STOA revenues decreased to Rs. 59.11 crore from Rs. 75.95 crore in the previous year.
- Other Income amounted to Rs 36.62 crore as against Rs 30.63 crore earned in the previous year. The increase was mainly attributable to increase of Interest on Fixed Deposit of Rs 7.45 crore, from sale of scrap Rs 1.15 crore which was offset to some extent by decrease in income from Supervision Charge of Rs 2.57 crore.
- PBT for 2016-17 decreased to Rs. 471.88 crore from Rs. 535.52 crore in 2015-16 or by about 12 % primarily on account of increase in Depreciation and Interest Charges.
- Employee Costs at Rs. 235.62 crore was higher than the previous year by around 18 %. This was attributable mainly to increase in employees benefit contributions by around Rs. 27.94 crore in comparison to 2015-16.
- Finance Costs prior to capitalization increased considerably from Rs. 271.35 crore in 2015-16 to Rs. 297.24 crore in 2016-17. However, due to significant increase in ongoing capital expenditure, the capitalised interest during construction (IDC) has also been increased to Rs 58.68 crore from Rs 49.78 crore in 2015-16, leading to an increase of finance costs on revenue account to Rs. 238.56 crore in 2016-17 from Rs. 221.57 crore in 2015-16.
- Of the above, interest on working capital borrowings registered a decrease of 33.60% in comparison to the previous year from Rs. 18.48 crore to Rs. 12.27 crore while interest on long term borrowings on capital account dipped from Rs. 203.09 crore in 2015-16 to Rs. 226.29 crore in 2016-17 on repayment of existing loans and reduction of interest rates on current borrowings.
- In terms of the Tariff Order for 2016-17, transmission charges payable to WBPDCL decreased sharply by Rs. 6.67 crore to Rs. 46.76 crore from Rs. 53.43 crore payable in 2015-16.
- Out of the Total Comprehensive income of Rs. 430.77 crore earned during 2016-17, after appropriation of Rs. 17.58 crore to Debenture Redemption Reserve and Rs. 5.57 crore to Reserve for Unforeseen Exigencies, the balance of Rs.407.62 crore has contributed to increase the amount of Other Equity.

Some indicative financial ratios are provided below:

Ratios	2016-17	2015-16
Current Ratio (excl. current maturities of long term debt)	0.80	1.02
Debt to Equity Ratio	0.89	0.91
Debt Service Coverage Ratio (DSCR) (incl. current maturities of long term debt)	1.68	1.75
Interest Service Coverage Ratio (ISCR)	3.08	2.89
Earnings per Share (EPS) (Rs.)	3.36	3.83

Your Company is placed in a comfortable position in terms of resource mobilization, as it enjoys an excellent credit rating. India Rating & Research Ltd. (formerly Fitch Ratings) assigned a rating of "IND A" with stable outlook for all Bond Programme / Bank facilities / Commercial Paper and Issuer Rating including additional short term bank facilities/Cash Credit. Credit Analysis & Research Limited (CARE) maintained its "A" rating for the year 2017.

OPERATIONAL EXCELLENCE

The transmission assets owned and operated by your Company stood at about 12962 ckm of transmission lines and 117 sub-stations with about 27752.23 MVA transformation capacity. Maintaining such a large and highly complex transmission network has been an extremely difficult and challenging task. This has been achieved through deployment of state-of-the-art operation and maintenance techniques including proactive and preventive breakdown maintenance which includes modern technique of condition Monitoring, which are at par with international standards. Maintenance activities are planned well in advance and an "Annual Maintenance Plan" is chalked out for every asset such that 'Preventive maintenance' takes precedence over 'breakdown maintenance'. Your Company has adopted state-of-the-art condition monitoring techniques, such as 'Thermo-vision scanning' etc. The Company has also started on-line monitoring of transformers and reactors for measurement of critical parameters.

Your Company has also taken initiative for development of Emergency Restoration System (ERS) for transmission lines of 400 kV level. The result of consistent efforts and round the clock monitoring is demonstrated through your Company's high operational performance during the year in terms of transmission system availability more than 99.79%.

PROJECT EXECUTION

During the year, your Company continued to implement its projects with economy and largely within stipulated time frames to derive maximum economic benefits. Project implementation activities involves total project review and monitoring including standardization of designs, holding of Project Review Meetings at regular intervals, pre-emptive measures and advance actions on various project linked activities such as land acquisition, survey and soil investigations, tendering activities, funding tie-ups, etc. in parallel with project investment approval process.

The projects completed during 2016-17 and made available to the transmission system of WBSETCL are detailed below:

- **Sub-stations:**

Five our new sub-stations comprising 400 kV sub-station at Gokarno (630 MVA), 220 kV sub-station at Egra (320 MVA), 220 kV GIS sub-station at Vidyasagar Park (420 MVA), 132 GIS sub-station at Ujanu (31.5 MVA), 132 kV GIS sub-station at Bazkul (100 MVA) and one number of 315 MVA transformer bay commissioned at Kharagpur. Total capacity addition in 2016-17 stands at 1816.5 MVA. Total project cost was Rs. 242.22 crores.

- **Line/ Feeder Bays**

2 Nos. 400 kV bays at Kharagpur sub-station for Chaibasha Line and 1 no of 132 kV at TCF PS-III have been commissioned and put into the system.

- **Transmission Lines:**

A total of 403.17 Circuit Kilometres (ckm) covering 2 nos 220 kV & 6 nos 132 KV transmission lines have been added to the system at an estimated cost of Rs. 145.42 crores 3 nos long pending lines i.e. Jeerat- Mohispota 132 kV D/C line, Domjur- Chanditala 132 kV D/C line and Birsingha – C. K. Road 132 kV D/C line, which were stuck up for long time due to severe ROW problems have been commissioned during period under reporting.

Ongoing Projects

- **Sub-stations & Bay:**

Work of following 20 nos new sub-stations (2 nos 400 KV, 7 nos 220 KV & 11 nos 132 KV substation), various bays at existing substations are under execution. The completion of above mentioned work will result addition of a further 4845 MVA to the system. The cost is estimated to be Rs. 1000.09 crores.

Sl No.	Name of the substation/ bays	Installed Capacity (MVA)
1	New Chanditala 400/220 KV substation	945
2	New PPSP 400 KV including 2 nos. 33 kV Bays at Bagmundi 132/33 kV Substation.	
3	Sadaipur 220/132 KV substation	420
4	Alipurduar 220/132 KV substation	320
5	Sagardighi 220/132 KV GIS	320
6	Barasat 220/132 KV GIS including Two (2) nos. 132 kV AIS Line Bays at Basirhat Substation	320
7	New Town IIC 220/132 KV GIS and 2 nos 220 KV AIS feeder bays at Domjur 220/132 KV substation	520
8	Rejinagar 220/132/33 KV AIS	420
9	Gazole 220/132/33 KV GIS including 1 no 132 KV AIS feeder bays at Balurghat 132/33 KV substation.	420
10	Domkol 132/33 KV GIS and 2 nos. 132 kV GIS Feeder Bays at Nazirpur 132 kV Substation.	100
11	Sonakhali 132/33 KV GIS	100
12	Keshiary 132/33 KV AIS and 2 nos. 132 kV Line Bays at Jhargram 132 kV Substation.	100
13	Islampur 132/33 KV AIS	100
14	Indus 132/33 KV GIS including 2 nos. 132 kV Line Bays at New Bishnupur 220/132 kV Substation.	100
15	Mohitnagar 132/33 KV GIS	100
16	Panagarh 132/33 KV GIS and 2 nos. 132 kV Line Bays (AIS) each at Mankar 132 kV Substation & Durgapur 220 KV substation.	100
17	Dinhata 132/33 KV GIS	100

18	Bhadrapur 132/33 KV GIS including 2 nos 132 KV extension line bays at Rampurhat 132/33 KV substation.	100
19	Salt Lake Stadium 132/33 KV GIS	160
20	Burdwan 132/33 KV GIS including 2 nos. 132 KV GIS bay at Bagnan 132 KV GIS substation.	100
21	2 nos. 220 kV AIS feeder bays at Domjur 220/132 kV substation	0
22	2 nos. 132 kV feeder bays each at Moinaguri 132/33 KV substation	0
23	2 nos. 132 kV GIS Feeder Bays at Nazirpur 132 kV substation	0
24	2 nos. 132 kV Line Bays at Jhargram 132 kV substation	0
25	2 nos. 132 kV Line Bays (AIS) at Makar 132 kV substation	0
26	2 nos. 132 kV Line Bays (AIS) at Durgapur 220 kV substation	0
27	2 nos. 132 kV Line Bays at New Bishnupur 220/132 kV substation	0
28	2 nos. 33 kV Bays at Bagmundi 132/33 kV substation	0
29	2 nos. 132 kV AIS Line Bays at Basirhat Substation	0
30	2 nos. 132 kV extension line bays at Rampurhat 132/33 kV substation	0
31	1 no 132 kV AIS feeder bays at Balurghat 132/33 kV substation	0

Transmission Lines:

A total of 44 nos. transmission lines (6 nos 400 KV, 12 nos 220 KV & 26 nos. 132 KV lines) are under execution whose completion will result in addition of a further 2157.127 ckm to the system at a total estimated cost of Rs. 1528.31 crores. Details of the lines are furnished hereunder:

Sl No.	Name of the transmission line	CKM
1	400 KV quad moose transmission line from Gokarna to Sagardighi TPS	82
2	400 KV transmission line from New Chanditala 400 KV to Kharagpur 400 KV substation.	266
3	400 kV D/C & M/C Transmission line with Twin Moose ACSR conductor from New Chanditala 400 kV Substation to Gokarna 400 kV Substation.	340
4	400 kV D/C Transmission line for LILO of Arambag – Durgapur 400 kV S/C line at New Chanditala Substation.	93.6
5	LILO of KTPS – Jeerat 400 kV S/C Transmission line at New Chanditala 400 kV Substation.	11.6
6	LILO of PPSP – Arambag 400 kV D/C Transmission line at New PPSP 400kV Substation.	1
7	TLDP-III –TLDP-IV 220 KV S/C line	21.1
8	220 KV D/C line from Alipurduar 220 kV (PGCIL) substation to proposed Alipurduar 220 kV GIS (WBSETCL).	13
9	220 kV D/C Line from Rajarhat 400 kV Substation (PGCIL) to New Town-IIC 220 kV Substation.	28
10	220 kV D/C transmission line (UG cable part with OFC) from Rajarhat S/S of PGCII (under construction) to proposed New Town II C 220 kV substation	3.6
11	D/C LILO of 220 kV D/C Gokarna – Sagardighi Line at Sagardighi Substation.	11

12	220 kV D/C LILO of Jeerat – Kasba 220 kV Line at Barasat 220 kV Substation.	7.6
13	D/C LILO of Howrah – Foundry Park 220 kV D/C Line at New Chanditala 400 kV Substation.	34
14	S/C LILO of Arambagh – Rishra 220 kV S/C Line at New Chanditala 400 kV Substation	33
15	220 kV D/C Line from Subhashgram (PGCIL) Substation to Baruipur 220 kV Substation.	58
16	Subhasgram (PG) 400 kV substation – Baruipur 220 kV D/C transmission line (UG cable part)	1.4
17	220 kV D/C Line from Domjur substation to Domjur- Arambagh 220 KV D/C line.	9.46
18	220 kV D/C Line from New Chanditala 400 KV S/Stn. to Domjur- Arambagh 220 KV D/C line.	8.02
19	132KV D/C Transmission line from KTPS-Uluberia tapping point near Bagnan to proposed Foundry park substation	49.766
20	132KV D/C transmission line from Food Park substation to Ambuja Cement Factory	6.078
21	132 KV S/C line on D/C tower from Coochbehar 132 KV S/Stn to proposed Pundibari traction S/Stn.	10
22	132 KV S/C line on D/C tower from TCF PS-I 132 KV S/Stn to proposed Rangapani Traction S/Stn.	7.648
23	132 KV S/C line on D/C tower from TCF PS-III, 132 KV S/Stn to proposed Gunjaria traction S/Stn.	42.605
24	132KV D/C Line from Coochbehar Substation. to Mathabanga Substation.	94
25	132KV D/C Line from Moinaguri Substation. to Mathabhanga Substation.	15.95
26	Construction of 132 kV D/C Transmission line with ACSR Panther conductor from Nazirpur 132 kV Substation to Domkal 132 kV Substation and Laying of 132 kV UG XLPE Cable from end composite tower to proposed 132 kV GIS equipment including composite tower for Nazirpur – Domkal 132 kV D/C line.	62.4
27	Construction of 132 kV D/C Transmission line from composite tower near Durgapur Substation to proposed Panagarh 132 kV Substation along with its associated works and Laying of 132 kV UGXLPE cable in between composite tower and gantry tower at Durgapur Substation	61.3
28	132 kV D/C & M/C Transmission line on D/C & M/C tower from Kharagpur 400 kV Substation to Jhargram 132 kV Substation and laying of 132 kV UG Cable within Kharagpur 400 kV Substation.	93.2
29	132 kV D/C Transmission line from Kharagpur 400 kV Substation to proposed Keshiary 132 kV Substation.	50
30	132 kV D/C & M/C Transmission Line from Ukhra 132 kV Sub-station to proposed Sonepur Bazari 132 kV GI Substation and laying of 132 kV UG Cable within Ukhra 132 kV Substation.	30.4
31	132 kV D/C & M/C Transmission line from Subhasgram 220/132 kV Substation to Sonakhali 132/33 kV GI Substation.	82

32	LILO of Domjur – Uluberia 132 kV D/C Transmission Line at Foundry Park 220 kV Substation.	7.32
33	132 kV D/C Line for LILO of one circuit of Coochbehar – Mathabhanga 132 kV D/C Line at Dinhata	94
34	D/C LILO of both 132 kV NJP – Moinaguri and NJP – Chalsa – Moinaguri S/C Transmission Line at Mohitnagar 132 kV GIS.	29
35	132 kV D/C Line from Gokarna 220/132 kV substation to Bhadrapur 132 kV GIS using existing 132 kV D/C Gokarna – Raghunathganj Line	31
36	132 kV D/C Line from Bashirhat 132 kV substation to nearest point of existing Barasat - New Town AA-III 132 kV line.	70
37	132 kV D/C Transmission Line from New Bishnupur 220 kV Sub Station to Indus 132 kV GIS.	76
38	132 kV D/C Line from Raghunathganj - Gokarna 132 kV D/C Line to Sagardighi 220 kV GIS to establish Sagardighi - Raghunathganj 132 kV D/C link.	8
39	2 x S/C LILO of TCF-III – Dalkhola 132 kV Line at Islampur 132 kV Substation.	0.4
40	132 KV D/C line from TL no. 21 of Midnapur- Kharagpur WBIDC 132 KV D/C line to proposed Debra 132 KV GIS.	52
41	132 KV D/C line from Bagmundi 132/33 KV substation to proposed Jhalda 132 KV GIS.	98
42	132 KV D/C line from Rampurhat to Bhadrapur.	48
43	132 KV S/C line on D/C tower from Serakol - Hotor TSS.	15
44	Conversion of Kasba- Salt Lake 132 KV D/C line to KLC-Salt Lake 132 KV D/C line by erecting 2 (Two) nos. towers.	0.68

Some of the future Projects are also furnished hereunder :

- Baruipur 220/132/33 kV GIS and associated lines.
- Jhalda 132/33 kV GIS and associated lines.
- Debra 132/33 kV GIS and associated lines.
- Salar 132/33 kV GIS and associated lines.
- Renia 132/33 kV GIS and associated lines.
- Minakhan 132/33 kV GIS and associated lines.
- Sonepur Bazari 132 kV GIS and associated lines.
- Jagatballavpur 132/33 kV GIS and associated lines.
- Mangalpur 220kV Sub-station and associated lines.

Incomplete / Stalled Project

Progress of quite a few projects, either sub-stations or transmission lines, are getting affected on account of local problems / right of way issues. Rigorous interactions with the administration and statutory bodies undertaken to complete such stalled projects. Details of such projects are depicted hereunder:-

- Work of 132 kV D/C transmission line from Food Park to Ambuja Cement Factory could not be completed due to acute Right of Way (ROW) problem in spite of constant persuasion with local and district administration.

- 132 kV D/C line from KTPS-Uluberia tapping point near Bagnan to Foundry Park substation cannot be completed due to acute ROW problem. However, a separate scheme is being formulated, which is under progress.

- Work of 132 kV S/C line on D/C tower from Coochbehar 132 kV Substation to proposed Pundibari Traction Substation is suffering due to acute ROW problems.

- 132 kV S/C line on D/C tower from TCF PS-I 132 kV Substation to proposed Rangapani Traction Substation is also getting delayed due to resistance by the landowners.

Achievements:

- Sadaipur 220/132/33 kV substation suffered from local issues with the land compensation of the Govt. acquired land at the starting of the project and no work was progressed for a period of 6 months. Despite loss of such precious time the project could be expedited to restrict the loss of time within 90 days. This was achieved with all-out effort of Project Dept., Engineering Dept. and turn-key vendor ABB Ltd.

- After completion of Dharampur 220/132 kV GIS substation at existing Dharampur 132/33 kV premises a separate project was materialized for implementation of SCADA / SAS scheme with 220 kV GIS substation to operate it from the existing 132 kV substation without keeping any operating personal at 220 kV GIS substation.

- Project Dept. of WBSETCL is executing the construction of 3 nos. of 400 kV substation at a time in West Bengal to connect it with the National Grid for the benefit of enhancement of Total Transfer Capacity of the power of the State Grid. The names of the substations are Gokarna 400 kV substation, New Chanditala 400 kV substation and New PPSP 400 kV GIS substation. The connectivity's are Purnia-Farakka-Gokarna-Rajarhat 400 kV D/C connectivity, New Chanditala – Kharagpur-Chaibasa connectivity and New PPSP-Ranchi 400 kV connectivity. At the same time with the construction of 2 nos 400 kV feeder bays at existing Kharagpur 400 kV substation and commissioning of the same, the connectivity of the State Grid through 400 kV Kharagpur – Chaibasa 400 kV line, the Total Transfer Capacity of the State Grid could be enhanced during 2016-17.

- WBSETCL Project Dept. has accepted the challenge to build–up one 132/33 kV GIS substation at Salt Lake Stadium with a record time of 5 months in 1st phase and 12 months in the final phase for provision of stable back-up power to the stadium during 'The 2017 FIFA 2017 U-17 World Cup' in India and such sports extravaganza is one of its kind in India as of date.

Risks and concerns:

The power utility electricity sector in India has one National Grid with an installed capacity of 330.26 GW, out of which Renewable power plants constituted 30.8% of total installed capacity. During the fiscal year 2016-17, the gross electricity generated by utilities in India was 1,160.141 Billion Units (BU). India is the world's third largest producer and fourth largest consumer of electricity. However, per capita electricity consumption is low compared to many other countries despite cheaper electricity tariff in India.

Under the present scenario the average Aggregated Technical & Commercial (A&TC) Losses across the nation about 20.20%-- which has impacted the financial health of the DISCOMs across the country and in turn stressing the financial position of the banking system in the economy, which is further creating bottleneck for fresh capital infusion in this sector?

Fortunately, so far as West Bengal is concerned, the power scenario in the State is not as bleak as in most of the Country, since existing and planned generation capacity is likely to be able to comfortably meet the foreseeable future demand of the State. Coupled to the above, a pragmatic tariff review and revision regime followed by the State Electricity Regulator in the case of all power utilities in the State has been able to ensure their economic viability.

Like most transmission utilities, your Company is also facing challenges related to right-of-way (ROW) and land availability for expanding its network. The situation is more acute in the State due to the high population density and fertile nature of most of the land in the State, due to which, the percentage of population dependant on agriculture is comparatively high, leading to greater reluctance to provide land for establishment of electricity infrastructure. In order to mitigate this situation to the extent possible, the utility is installing GIS substations at 400 kV, 220 kV and 132 kV levels in order to minimize land requirement and resolve acquisition issues.

Revenue from transmission charges is collected based on the tariff fixed by WBERC, which stipulates the Aggregate Revenue Requirement (ARR) to be recovered from the consumers by way of tariff during the year under consideration. Any radical change in the terms and conditions of tariff determination as well as disallowance of any of the ARR components may have a significant impact on the profitability of WBSETCL.

Since transmission business is capital intensive in nature and renders a feeder service to generation and distribution utilities, major changes in the business plans of such entities will have a significant impact on the business plan of WBSETCL. Any delay in commissioning / abandoning of new generating unit or downstream power distribution networks might result in stranded investment in associated transmission infrastructure.

Internal Control Systems and their Adequacy:

WBSETCL has a comprehensive internal control system to verify accounting and financial management system, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. The internal control system is improved and modified continuously to meet changes in business conditions, statutory reporting and accounting requirements.

The Company has a small in-house Internal Audit department whose work is supplemented by the internal audit carried out by independent professional firms of Chartered Accountants/Cost Accountants to verify compliance with the policies and procedures framed by the management across the key areas of business. The Chief of Internal Audit develops an annual audit plan based on the risk profile of business processes/sub-processes of various functions and the audit activities are undertaken accordingly. The audit plan is approved by the Audit Committee which regularly reviews compliance with the Plan. During the year, the Audit Committee met regularly to review the Internal Audit reports. All significant audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee's observations and suggestions were acted upon by the Management.

Statutory Auditors are periodically apprised of the internal audit findings and compliances. The Internal Audit department covered all areas of operations of the Company as per the Annual Internal Audit plan during the year under review.

The Company has also formulated Technical Audit Guidelines and rolled out technical audit. Technical Audit of 103 EHV sub-stations have been conducted during the year. The technical audit findings and action arising out of technical audits are placed before the Audit Committee periodically.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Audit Committee also meets the Statutory Auditors to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports.

The Company has also designated a Chief Risk Officer and constituted a Risk Management Committee which reviews the various risk associated with the operation of the Company from time to time for explicit risk management of both business and strategic expectations and suggests appropriate measures in order to mitigate risks associated with the Company.

Forward – Looking Statements

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be deemed to be *"forward looking statements"* within the meaning of applicable laws and regulations. Although we believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by changes in Government regulations, tax laws and other statutes and incidental factors.

Annexure-II

Corporate Governance

Corporate governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in the Company. It is the system of rules, practices and processes by which business corporations are directed and controlled. WBSETCL believes that good governance shall entail trusteeship, empowerment and accountability of the management while remaining proactive to Government Policies.

Corporate Governance Philosophies of WBSETCL

WBSETCL views Corporate Governance principles as important pivots to decision making process. It forms part of business strategy which includes, *inter-alia*, creating an organization intended to maximize benefit & prosperity of the stakeholders and establish productivity with emphasis laid on fulfilling the responsibility towards entire community and society. Being a value driven organization, WBSETCL envisages attainment of the highest level of transparency, efficiency and accountability in all facets of its operations,which includes everyone it works with, the community it is in touch with, the environment it has an impact on and the Government who has invested in it. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provides the Management with the strategic direction catering to exigency of long-term shareholders value. The Company's initiatives towards adhering to highest standards of governance include self-governance, professionalization of the Board, fair and transparent processes and reporting systems, going beyond the mandated Corporate Governance requirements of SEBI. The Corporate Governance practices have rewarded WBSETCL in achieving improved financial performance, stakeholders` confidence and high credit ratings.

A brief report on Corporate Governance is given below.

Board of Directors

WBSETCL is a Government Company within the meaning of section 2(45) of the Companies Act, 2013 and its entire equity share capital is held by the Governor of West Bengal and his nominees. As per the Articles of Association, the power to appoint Directors rests with the Governor of West Bengal. The whole time Directors are appointed usually for a period of three years from the date of taking over of charge or till further instruction from the Government of West Bengal. Independent Directors are also appointed by the Governor of West Bengal and hold such position in accordance with instruction/order issued by the Government of West Bengal from time to time.

The Board of WBSETCL comprises of optimum combination of Executive and Non-Executive Directors as required under the various applicable provision of the Companies Act, 2013. Independent Directors are persons with rich experience indiverse areas like energy, finance administration, etc.The shortage of an Independent Director in the Board of the Company as on 31st March 2017 as per the requirement of Listing Regulations, has been intimated to the Government and the process for appointment has already been initiated by the Department of Power & NES, Govt. of West Bengal.

During the year under review, due to new induction / cessation of term, the composition of the Board has undergone changes. As on 31st March, 2017, the Board comprised of nine Directors

- Three Non-Executive Directors including the Chairman;
- Four Whole-time Directors including the Managing Director; and
- Two Independent Director

The following was the composition of the Board of Directors as on 31st March, 2017.

Category	No. of Directors	Percentage to total number of Directors
Executive Director	4	44.45%
Non-Executive Director	3	33.33%
Independent Director	2	22.22%
Total	9	100%

The details of the Directors and their attendance in the Board Meetings held during the year 2016-17 are tabulated hereunder. However, the appointment and retirement of the Directors after 31st March, 2017 have been included in order to inform the shareholders about the present Board composition of the Company:

Name of Directors	Category	DIN	Tenure		Number of Board Meetings attended during 2016-17
			From	To	
**Shri S.K. Gupta, IAS	Chairman (Non-executive)	07841512	14.09.2017	Continuing	One
Shri S. Kishore, IAS	Chairman (Non-executive)	00062396	02.02.2016	13.09.2017	Five
Shri Rajesh Pandey, IAS	Managing Director	03569753	02.09.2016	Continuing	Three
Shri Susanta Kumar Das	Managing Director	05167280	02.09.2013	01.09.2016	Two
Shri Anjan Chowdhuri	Director (F & A) & Chief Financial Officer	03144031	01.07.2010	31.08.2016	Two
Shri Trilochan Panda	Director (F&A)	00836793	06.09.2016	Continuing	Three
Shri Manas Bandyopadhyay	Director (Operations)	06661158	01.08.2013	30.07.2016	Two
Shri Sabyasachi Roy	Director (Operations)	07599524	01.08.2016	Continuing	Three
Shri Somnath Bhattacharya	Director (Projects)	07097990	26.12.2014	Continuing	Five
Shri Hari Krishna Dwivedi,IAS	Govt. Nominee Director	01952502	03.02.2012	Continuing	None
Shri Sreekumar Majumdar	Independent Director	00004726	01.04.2008	31.03.2017	Five
^Smt. Saswati Banerjee, IAS	Independent Director	05141833	08.05.2014	Continuing	Three
Shri Biswaranjan Mishra	Independent Director	06455252	30.07.2014	Continuing	Four
**Shri Utpal Biswas, WBCS (Exec.)	Govt. Nominee Director	07821853	01.04.2017	Continuing	None
**Shri Srikumar Banerjee	Independent Director	03504452	16.08.2017	Continuing	One

***Appointed in the financial year 2017-18.*

^Smt. Saswati Banerjee, IAS (Retd.) appointed in the capacity of the Independent Director on 1st April, 2017, as the provision of Section 149(6)(c) of the Companies Act, 2013 is not applicable being a wholly owned Govt. Company. Moreover, said appointment purport to financial year 2017-18.

Other Directorship of Board Members as on 31.03.2017

<table>
<tr><th rowspan="2">Director</th><th rowspan="2">Category</th><th colspan="2">Other Directorship</th></tr>
<tr><th>Name of the Company</th><th>Position held</th></tr>
<tr><td rowspan="4">Shri S. Kishore, IAS</td><td rowspan="4">Chairman
(from 02.02.2016)</td><td>The Durgapur Projects Ltd.</td><td>Chairman</td></tr>
<tr><td>West Bengal Housing Infrastructure Development Corporation Ltd.</td><td>Director</td></tr>
<tr><td>West Bengal Highway Development Corporation Ltd.</td><td>Director</td></tr>
<tr><td>West Bengal Infrastructure Development Finance Corporation Ltd.</td><td>Director</td></tr>
<tr><td rowspan="2">Shri Susanta Kumar Das</td><td rowspan="2">Managing Director (from 02.09.2013 to 01.09.2016)</td><td>West Bengal Green Energy Development Corporation Ltd.</td><td>Managing Director</td></tr>
<tr><td>Neelanchal Power Transmission Corp. Pvt. Ltd.</td><td>Director</td></tr>
<tr><td rowspan="4">Shri Rajesh Pandey, IAS</td><td rowspan="4">Managing Director
(from 02.09.2016)</td><td>West Bengal State Electricity Distribution Co. Ltd.</td><td>CMD</td></tr>
<tr><td>West Bengal Green Energy Development Corporation Ltd.</td><td>Chairman</td></tr>
<tr><td>New Town Electricity Supply Co.Ltd.</td><td>Chairman</td></tr>
<tr><td>The Durgapur Projects Ltd.</td><td>Director</td></tr>
<tr><td>Shri Anjan Chowdhuri</td><td>Director(F&A)
(till 31.08.2016)</td><td>None</td><td>-</td></tr>
<tr><td>Shri Trilochan Panda</td><td>Director(F&A)
(from 06.09.2016)</td><td>None</td><td>-</td></tr>
<tr><td>Shri Manas Bandyopadhyay</td><td>Director (Operations)
(till 31.07.2016)</td><td>None</td><td>-</td></tr>
<tr><td>Shri Sabyasachi Roy</td><td>Director (Operations)
(from 01.08.2016)</td><td>None</td><td>-</td></tr>
<tr><td>Shri Somnath Bhattacharya</td><td>Director (Projects)</td><td>None</td><td>-</td></tr>
<tr><td>Shri Sreekumar Majumdar</td><td>Independent Director</td><td>Powergrid IL&FS Transmission Private Limited</td><td>Director</td></tr>
<tr><td rowspan="3">Shri Srikumar Banerjee</td><td rowspan="3">Independent Director</td><td>Beekay Steel Industries Limited</td><td>Independent Director</td></tr>
<tr><td>The West Bengal Power Development Corporation Ltd.</td><td>Independent Director</td></tr>
<tr><td>Accountant's Library</td><td>-</td></tr>
<tr><td rowspan="4">^ Smt. Saswati Banerjee, IAS</td><td rowspan="4">Director</td><td>The Durgapur Projects Ltd.</td><td>Director</td></tr>
<tr><td>The West Bengal Power Development Corporation Ltd.</td><td>Director</td></tr>
<tr><td>The West Bengal State Electricity Distribution Company Ltd.</td><td>Director</td></tr>
<tr><td>DPL Coke Oven Ltd.</td><td>Director</td></tr>
</table>

# Shri Biswaranjan Mishra	Independent Director	Madhya Pradesh Power Transmission Company Ltd.	Director
		Powergrid Vemagiri Transmission Ltd.	Director
		Power Transmission Company Nepal Ltd. (A Company incorporated in Nepal)	Director
Shri H. K. Dwivedi, IAS	Govt. Nominee Director	Eastern Distilleries & Chemical Ltd.	Director
		West Bengal Medical Services Corporation Ltd.	Director
		West Bengal Swarojgar Corporation Ltd.	Director
		West Bengal Highway Development Corporation Ltd.	Director
		West Bengal Infrastructure Dev. Finance Corporation Ltd.	Director
		West Bengal State Beverage Corporation Ltd.	Director
		Goods & Service Tax Network	Director
**Shri Utpal Biswas, WBCS (Exe.)	Govt. Nominee Director	None	

^Smt. Saswati Banerjee, IAS (Retd) has been appointed as Independent Director, w.e.f. 01.04.2017 which purport to FY 2017-18
[#]Appointed in the financial year 2017-18, only mentioned for information of the shareholders.

None of the Directors is a Member in more than 10 Mandatory Committees or acts as a Chairman in more than 5 Mandatory Committees across all listed companies in which he/she is a Director.

Meetings and Attendance

The Company has adhered to all statutory provisions laid down in respect of conducting and convening the Board meetings and accordingly, the Board met 5 (five) times during the year and the intervening period between any two Board meetings has not exceed the maximum gap of 120 days.

Board Procedure

The Board of Directors defines the Company's policies and oversees its implementation in attaining its goal. The Board has constituted various committees to expedite the process of decision making.

The meetings of the Board of Directors are normally held at the Registered Office of the Company. The dates of Board meetings are fixed well in advance and intimated to the Board members so as to enable them to plan their schedule accordingly. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain proposals are tabled at the Board Meeting with the approval of the Chairman especially the items which are price sensitive in nature. The agenda items for the Board meetings and other meetings of various statutory and non-statutory matters are comprehensive and informative in nature to facilitate informed deliberations and appropriate decision taking. Sometimes, certain business transactions take place by way of passing Resolution by Circulation in order to address urgent issues. Your Company has undertaken every measure to adhere with the applicable secretarial standards issued by the Institute of Company Secretaries of India pertaining to the Board Meeting and General Meeting.

All statutory, significant and material information are placed before the Board. The members of the Board have complete access to all information of the Company. Sometimes, senior management officials are also invited to the Board meetings to provide additional inputs on the items being discussed by the Board.

Presentations are made to the Board on various functional and operational areas of the Company like financial highlights, major projects and their progress, operations, etc. The agenda placed before the Board *inter alia* includes the following:

- Report on action taken on last Board Meeting decisions;
- Minutes of meeting of the Board and Board Committees and Resolutions passed by circulation;
- Periodical operational and financial results of the Company;
- Disclosures received from Directors;
- Regular business updates;
- Annual operating & capital expenditure budgets and any updates;
- Half-yearly and Annual financial results, Auditors' Report (which includes Cost Audit and Secretarial Audit Report), Directors' Report, etc.
- Award of contracts;
- Project proposals;
- Report on the status of various ongoing projects/Schemes and Budget utilization;
- Borrowings and Investments;
- Any significant development in Human Resources/Industrial Relations;
- Compliance Certificates with the Exception Reports which includes non-compliance(s), if any, of any regulatory, statutory nature or listing requirements.
- Any other matter which the Management feels to inform the Board and to take concurrence thereon.

The Board Minutes are prepared at the earliest, after the Board Meetings and thereafter approval of Whole-time Functional Directors and the Chairman is obtained. Relevant Minutes are then circulated to the concerned department / group for implementation and to all Directors for comments. Action Taken Report (ATR) on the decisions of the Board are obtained and placed for review in the succeeding Board meeting.

During the financial year ending 31st March 2016, five Board meetings were held on 12thMay, 28th July, 26th September, 7thDecember in the year 2016 and22nd March in the year 2017. The interval between any two successive meetings was less than 120 days.

The details of attendance in Board meetings held during 2016-17are tabulated hereunder:

Sl. No.	Date of meeting	Board strength	No. of Directors present	% of Attendance in the Board
1	12.05.2016	9	7	77.78
2	28.07.2016	9	7	77.78
3	26.09.2016	9	7	77.78
4	07.12.2016	9	8	88.89
5	22.03.2017	9	8	88.89

Post-meeting follow-up system

The Governance process in the Company includes an effective post- meeting follow-up, review and reporting process for action taken/ pending on decisions of the Board andBoard Committees.

General Body Meeting :

The details of General Meetings held during last three years with details of passing of any **Special Resolution**:

Date	Venue	Type of Meeting	Resolutions adopted
14.11.2014	Registered Office	Seventh A.G.M.	To enhance the borrowing limit of the Board to Rs. 5000 crores by the shareholders of the Company, approved by **Special Resolution** To create charge, mortgage, hypothecation on the assets of the Company both present and future in favour of the financial institution, banks, etc, adopted as **Special Resolution**
28.09.2015	Registered Office	Eighth A.G.M.	**No Special Resolution was passed in this meeting**
26.09.2016	Registered Office	Ninth A.G.M.	No Special Resolution was passed in this meeting

Committees of the Board

There are 4 statutory committees in the Company and 2 committees, which has been constituted as per the Delegation of Power (DoP) adopted by the Company from time to time. The names of the committees are given hereunder:

Statutory Committees

- Audit Committee;
- Board Committee for Corporate Social Responsibility;
- Nomination and Remuneration Committee;
- Risk Management Committee; and
- Stakeholder Relationship Committee

DoP Committee

- Board Committee for Contracts, Purchases and Procurements; and
- Board Committee for Projects Appraisal and Monitoring.

The terms of reference of the Board Committees are determined by the Board from time to time. The meetings of each Board Committee are convened by the Company Secretary under the instruction of the Chairman of the respective Committees. Minutes of the meetings of the Board Committees are placed before the Board for the purpose of information.

Details scope of work, composition and attendence of the Committees are given hereunder :-

(a) Audit Committee

The Audit Committee of the Board, *inter alia*, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance of all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, *inter alia*, to;

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following:

(a) Overseeing the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statements are correct, credible and adequate to explain its financial activities or activities having financial implications;

(b) Recommending the fixation of audit fee and payment of fees for any other services rendered by the auditors;

(c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices
- The going concern assumption
- Major accounting entries based on exercise of judgment by management
- Significant adjustments, if any, arising out of audit
- Compliance with Accounting Standards
- Compliance with Stock Exchange and legal requirements concerning financial statements
- Related party transactions
- Qualifications, if any, in draft audit report
- Report of the Directors & Management Discussion and Analysis; and
- Review the Internal Audit Report as submitted the Internal Audit Department.

(d) Recommending the appointment and removal of external firm of accountants as outsourced internal auditors and fixation of their audit fees;

(e) Recommending the appointment and removal of Cost Auditors and Secretarial auditor and fixation of their fees;

(f) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;

(g) Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, reporting structure, coverage and frequency of internal audit;

(h) Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon.

(i) Reviewing the findings of any internal investigations by the internal auditors where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

(j) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;

(k) Reviewing the Company's financial and risk management policies;

(l) Reviewing the Company's Cost Audit and Secretarial Audit reports and discussing on the concerns raised by such auditors in their report and suggest appropriate remedial measures accordingly;

(m) Looking into the reasons for substantial defaults, if any, in payment to creditors;

(n) Reviewing of status of legal cases of the Company;

(o) Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Regulations, Companies Act and other statutes, as amended from time to time.

(p) Review of functioning of Vigil mechanism.

(q) Obtaining legal and other independent professional advice and to secure the attendance of outsider with relevant experience and expertise, when considered necessary

(r) Considering such other matters as may be required by the Board;

Composition

The Audit Committee during the period under review comprises of two Independent Director and one Non Executive Director. The Chairman of the Audit Committee is an Independent Director. The Audit Committee meetings are attended by the Managing Director, Director (Finance & Accounts), Director (Operations), Director (Projects), Head of Internal Audit and Chief Engineer (Corporate) as permanent invitees. The representatives of the Statutory Auditors are also invited to each Audit Committee Meeting where financial results are placed. The Cost Auditors and Secretarial Auditor are also invited when the Cost Audit and Secretarial Audit Reports are considered by the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to the members of the Audit Committee and to all concerned for necessary action, and are also placed before the Board for information. The ATR on decisions of the Audit Committee are also submitted to the Committee as a follow-up action.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance

During the financial year ended 31stMarch 2017, five meetings of the Audit Committee were held on 12th May, 28th July and 26thSeptember and 7th December in the year 2016 and 22nd March, 2017.

Attendance at Audit Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Shri Sreekumar Majumdar, Chairman	5	5
Smt. Saswati Banerjee, IAS, Member	5	3
Shri Biswaranjan Mishra, Member	5	4

b) Board Committee for Nomination and Remuneration:

The Board of Directors of the Company constituted the Nomination and Remuneration Committee under section 178 of the Companies Act, 2013 on 14th November, 2014.The Company being a wholly owned Government Company, exempted from compliance with certain provisions that has been granted to the Nomination and Remuneration Committee, vide Notification no. 463(E) dated 5th June, 2015.

No meeting of Nomination and Remuneration Committee was held during the period under reporting.

The Nomination and Remuneration Committee is constituted of the following members:

1) Shri Sreekumar Majumdar, Chairman

2) Smt. Saswati Banerjee, IAS, Member

3) Shri Biswaranjan Mishra, Member

The Company Secretary is the Secretary of the Committee.

c) Board Committee for Corporate Social Responsibility (CSR Committee)

During the financial year ended on 31st March, 2017, five meetings of the CSR Committee were held on 25th July, 3rd October, 21st December in the year 2016 and 3rd March and 8th March, in the year 2017and were attended by:

Sl. No.	Name	No. of Meeting	Attendance
1.	Shri Sreekumar Majumdar, Chairman	5	5
2.	Shri Anjan Chowdhuri (till 31.08.2016)	1	1
3.	Shri Trilochan Panda (from 06.09.2016)	4	4
4.	Shri Manas Bandyopadhyay (till 31.07.2016)	1	1
5.	Shri Sabyasachi Roy (from 01.08.2016)	4	4
6.	Shri Virendra Singh (Member Secretary)	5	5

General Manager (HR&A) is the permanent invitee in the Committee.

Company Secretary acts as Secretary and Member-convener of the Committee.

d) Risk Management Committee:

The Company constituted the Risk Management Committee, vide office order no. CS/82 dated 24th February, 2016 in order to perform the following functions:

1. To identify the risks associated with the Company;
2. To make evaluation of present and future risks associated with the Company's business;
3. To suggest methods/modalities for mitigation of the same;
4. To make periodic assessment of the effectiveness of the risk management procedures adopted and applicable to the Company;
5. The Committee may departmental and / or inter departmental sub committees for the identification and assessment of risk and proposing mitigation measured; and
6. To take report from the Chief Risk Officer in respect of implementation and compliance of risk management policy in the Company.

The Risk Management Committee comprised of the three Executive Directors of Shri Anjan Chowdhuri (till 31.08.2016), Shri Manas Bandyopadhyay (till 31.07.2016), Shri Somnath Bhattacharya, Shri Sabyasachi Roy (from 01.08.2016) Shri Trilochan Panda (from 06.09.2016). The Company Secretary has been appointed as the Chief Risk Officer of the Company and the Secretary of the Committee.

No meeting of the Risk Management Committee took place in 2016-17.

e) Board Committee for Contracts, Purchases and Procurements:

Keeping in mind the best practices of corporate governance, ensuring transparency and to expedite the process of decision making, the Board Committee for Contracts, Purchases and Procurements was constituted to exercise powers for award of contracts and other procurement related activities exceeding Rs 30 crore and up to Rs 50 crore and beyond which Board approval is required. During period under reporting, four meetings of the Board Committee for Contracts, Purchases and Procurements were held on 12th May, 28th July, 26thSeptember and 7thDecember, in the year 2016.

The members of the Committee and their attendance are recorded below:

Name of the Directors	Meetings	
	Held	Attended
Shri Susanta Kumar Das, Member & Chairman (till 01.09.2016)	2	2
Shri Rajesh Pandey, Member & Chairman (from 02.09.2016)	2	2
Shri Anjan Chowdhuri, Member (till 31.08.2016)	2	2
Shri Trilochan Panda, Member (from 06.09.2016)	2	2
Shri Manas Bandyopadhyay, Member (till 31.07.2016)	2	2
Shri Sabyasachi Roy (from 01.08.2016)	2	2
Shri Somnath Bhattacharya, Member	4	4
Shri Sreekumar Majumdar, Member	4	4
Smt. Saswati Banerjee, IAS, Member	4	2
Shri Biswaranjan Mishra, Member	4	3

The Company Secretary acts as the secretary of the Committee.

f) Board Committee for Projects Appraisal and Monitoring

The Board Committee for Projects Appraisal and Monitoring exercises powers in relation to investment decisions related to new projects/schemes for modernization/renovation including administrative and technical approvals and monitoring status of various ongoing projects/schemes and budget utilization. During the period under reporting, four meetings of the

Board Committee for Projects Appraisal and Monitoring were held on 28th July, 26th September, 7th December in the year 2016 and 22nd March, in the year 2017.

The members of the Committee and their attendance are depicted below:

Name of the Director	Meetings	
	Held	Attended
Shri Susanta Kumar Das, Member & Chairman (till 01.09.2016)	1	1
Shri Rajesh Pandey, Member & Chairman (from 02.09.2016)	3	3
Shri Anjan Chowdhuri, Member (till 31.08.2016)	1	1
Shri Trilochan Panda, Member (from 06.09.2016)	3	3
Shri Manas Bandyopadhyay, Member (till 31.07.2016)	1	1
Shri Sabyasachi Roy, Member (from 01.08.2016)	3	3
Shri Somnath Bhattacharya, Member	4	4
Shri Sreekumar Majumdar, Member	4	4
Smt. Saswati Banerjee, IAS, Member	4	3

The Company Secretary acts as the secretary of the Committee.

g) Stakeholder Relationship Committee:

The Board Constituted a Stakeholder Relationship Committee vide order CS/90 dated 21st September, 2016 with following Scope of activities:

(i) To receive the complains from the security holder pertaining to transfer of securities, non receipt of Annual Report, Non Receipt of Interest and any other matter relating to investor's grievances; and

(ii) To specifically look into the mechanism of Redressal of Grievance of shareholders, debenture holders and other security holders.

The Stakeholder Relation Committee is comprised of Shri Sreekumar Majumdar, Chairman; the Director (Finance) and The Company Secretary acting as the Member and the Secretary of the Committee. No meeting of this committee held during the period under reporting. Moreover, the Investors' Grievance placed before the Board for perusal and during the period under reporting NO investors' Grievance was received by the Company.

Detailed Issued of Bonds

The issued bonds are listed on BSE Ltd. (formerly known as Bombay Stock Exchange) in Wholesale Debt Market (WDM). Apart from the applicable provisions of the Companies Act 2013, the issues of

Bonds are also governed by SEBI (Debenture Trustees) Regulations 1993 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreements executed with BSE Ltd. and with IDBI Trusteeship Services Ltd., who is the trustee of the aforesaid bonds issued by the Company.

The half-yearly unaudited and annual audited financial results of the Company are published in leading news papers. The financial results are also hosted on Company's website, viz., www.wbsetcl.in.

The Company has complied with all the statutory requirements relating to debt securities issued and listed with BSE Ltd.

Shri Virendra Singh, Company Secretary, has been designated as the 'Compliance Officer'for complying with all the statutory requirement applicable to the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Compliance with Applicable Laws:

The Company has complied with the statutory provisions that are applicable to the Company,which is informed to the Board on a regular basis and the same are reviewed by the Board of Directors.

Means of Communications

The half yearly/annual unaudited/audited financial results together with limited review report given by the Statutory Auditor and Annual Financial results together with Auditor's report were submitted to the stock exchange, within the statutory time frame of 45 days from the end of the half year. Also, the said financial results are published in the news papers within 48 hours from the conclusion of the Board Meeting in which the same is approved.

Such financial results are published in (i) The Statesman [English- All Edition]; (ii) Business Standard [English- All Edition]; (iii) Bartaman[Bengali-All edition]

The financial results are also available in the website of the Company, i.e., www.wbsetcl.in.

General Shareholders Information:

Details of the 10th Annual General Meeting for the financial year 2016-17

Date & Time	15th September, 2017 at 1.00 pm
Venue	Chamber of the Managing Directors, WBSETCL, at its Registered Office at Vidyut Bhavan, Block-DJ, Sector, II, 8th Floor, 'A' Block, Bidhannagar, Kolkata-700091

Stock exchange where the bonds are listed:

BSE Ltd.,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Website: www.bseindia.com

There 2 (two) series of Bonds of the Company which are listed on BSE Ltd. The details of the same are furnished hereunder:

Scrip Code & ISIN	Amount (in Rs.)	Rate of Interest	Date of payment of interest	Date of Maturity of the face value	Record date
972552 & INE631K07010	183 crores	9.75%	16th April & 16th October of every year	1/10 on 16th October of every year	14 days before the date of payment
947578 & INE631K07028	250 cores	10.29%	26th January & 26th July of every year	One time bullet payment on 26th July, 2021	14 days before the date of payment

Disclosures:

Materially significant related party transaction

The Company is a wholly owned Government power utility and its main customer is West Bengal State Electricity Distribution Company Ltd. (WBSEDCL), which is another power utility wholly owned by Government of West Bengal. Apart from this, the Company has transactions with other power utilities which are owned by State or Central Government. The rate at which the transactions take place between the Company and users of its transmission system is determined either by Hon'ble West Bengal Electricity Regulatory Commission or by Hon'ble Central Electricity Regulatory Commission, two statutory bodies established under the provisions of The Electricity Act, 2003.

In view of the same, the transaction between the different entities occur on arms' length basis and do not qualify as related party transaction as defined under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, no materially significant related party transactions have occurred during the period under review.

In accordance with IND AS 24 issued by the Ministry of Corporate Affairs, Govt. of India, disclosures pertaining to managerial remuneration are made in the notes to financial results.

a) Details of penalties imposed, if any, during the year

There were no penalties or strictures imposed on the Company by any statutory authority(ies) for non-compliance on any matter during the year.

b) Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

Compliance Officer

Shri Virendra Singh
Company Secretary
Vidyut Bhavan, 8th Floor, 'A' Block,
Block-DJ, Sector-II, Bidhannagar,
Kolkata-700091

Registrar & Share Transfer Agents (RTA)

RTA for 9.75% Bonds of Rs. 183 crores	RTA for 10.29 % Bonds of Rs. 250 crores
Link-in-Time India Pvt. Ltd. **59C, Chowringhee Road, 3rd Floor,** **Kolkata-700020**	**CB Management Services Pvt. Ltd.** **P-22 Bondel Road,** **Kolkata-700019**

ANNNEX_IIA

MANAGING DIRECTOR (CEO) CERTIFICATE ON CODE OF BUSINESS CONDUCT AND ETHICS

As required under Part D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, it is hereby confirmed that all the Board of Directors and Senior Management Personnel have affirmed the compliance on Code of Business Conduct and Ethics during the year 2016-17.

Place: Kolkata
Date: 15th September, 2017

(Rajesh Pandey)
Managing Director

Annexure - IIB

S. SARKAR & ASSOCIATES
Company Secretaries

37A Bentinck Street, Kolkata-700012
Mob: (+91) 9231699339, 7278563812
Email: cssandip.sarkar@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of
West Bengalstate Electricity Transmission Company Limited
Bidyut Bhavan, Block - DJ,
Sector - II, Bidhannagar
India – 700091

We have examined the compliance of conditions of corporate governance by West Bengal State Electricity Transmission Company Limited (the Company) for the year 31st March 2017 for the period of 1st April,2016 to 31st March, 2017 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 [Listing Regulations] as referred to in Regulation 15(2) of the Listing Regulation for the said period.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has compiled with the conditions of corporate governance as stipulated in the above mentioned listing regulations as applicable.

We further state that such compliance is neither an assurance as to future viability of the Company, nor the efficiency and effectiveness with which the management has conducted the affairs of the Company.

For S. SARKAR & ASSOCIATES
Company Secretaries

SANDIP SARKAR
(Proprietor)
Membership No-FCS 7524
CP No-9483

Date :
Place: Kolkata

Annexure - III

DECLERATION OF ENERGY CONSERVATION, TECHNOLOGICAL ABSORBTION AND FOREGIN EXCHAGE EARNING AND OUTGO UNDER THE SECTION 134(m) OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

A. CONSERVATION OF ENERGY:

Towards energy conservation / reduction of loss, your Company has taken following measures :

i) Conversion of 66 kV transmission lines to 132 kV lines and laying of more 220 kV and 400 kV lines, wherever possible and economically justifiable.

ii) Installation of developed variety of Capacitor Banks for improvement of system voltage, resulting in loss reduction.

iii) Transmission Capacity Enhancement by installation of additional transformers.

iv) Upgradation of 31.5 MVA transformer to 50 MVA transformer at different sub-stations with associated bays for system improvement, where required.

v) Use of CFL replacing incandescent lamps and tube lights.

vi) Replacement of old electrical equipments with new energy efficient equipments.

vii) Installation of numerical relays at different Sub-stations.

B. RESEARCH & DEVELOPMENT :

The Company keeps abreast of technological improvements in transmission system so as to enhance its in-house capabilities for design and engineering of state-of-the-art transmission system.

C. TECHNOLOGY ABSORPTION:

Efforts in brief, towards technology absorption, adaptation and innovation made by the Company and notable among them are:

i) Construction of 220 kV and 132 kV GIS substation to reduce land requirement;

ii) Continuous up-gradation of the State Load Despatch Centre through technologies like Intelligent Grid comprising wide area monitoring, adoptive islanding, voltage security assessment, for effective grid management;

iii) Utilisation of modern survey techniques for route selection and length optimisation;

iv) Utilisation of high ampicity conductor in new and existing lines;

v) In special areas, Mono-pole towers and narrow based Lattice towers requiring lesser space are being used. Multi-circuit towers are also used to combat right-of-way problems;

vi) Hybrid Transmission line with combination of OH conductor & UG cable at 400 kV, 220 kV and 132 kV voltage level;

vii) Application of OPGW for Digital Communication between the substations;

viii) Application of HTLS Conductor for uprating the power flow on the existing Transmission Lines;

ix) Special insulators like Polymer composite insulators have been adopted in transmission lines particularly in polluted areas;

x) Residual Life Assessment testing of sub-station equipments is done to decide on replacement of old and defective equipments / machines;

xi) Thermo Vision Scanning is conducted in sub-stations for detecting Hot Spot and to take up repair work before breakdown;

xii) Procurement of emergency restoration system (ERS) and other diagnostic tools & equipments is being considered to reduce the down time and increase the system availability.

D. FOREIGN EXCHANGE EARNING & OUTGO :

i) Foreign Exchange Earning ……………………… Nil

ii) Foreign Exchange Outgo ……………………… Nil

Annexure – IV

FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD REPORT BY QUALIFYING COMPANIES

1. A brief outline of the Company's CSR Policy including the statement of intent reflecting the ethos of the Company, Broad areas of CSR interest and on overview of activities proposed to be undertaken.

   The approach of WBSETCL towards Corporate Social Responsibility would hence be to identify and formulate CSR projects/programmes for the well being of the society in which the Company operate. The CSR Activities of WBSETCL, will primarily be applicable to local area(s) around where it operate.

   As a corporate entity, WBSETCL acknowledges its obligation to contribute to the economic development of the State and the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large.

2. The Company's Policy on CSR is posted at http://www.wbsetcl.in/docs/WBSETCL%20CSR.pdf

3. The composition of the CSR Committee as on 31st March, 2017

   The CSR Committee consists of Shri Sreekumar Majumder Independent Director (upto 31.03.2017); Smt. Saswati Banerjee, Independent Director (from 11.05.2017 till date) Shri Manas Bandyopadhyay, Director (Operation) [upto 31.07.2016]; Shri Sabyasachi Roy, Director (Operations) [from 01.08.2016], Shri Anjan Chowdhuri, Director (F&A) [upto 31.08.2016] Shri Trilochan Panda, Director (F&A) [from 06.09.2016]

4. Average Net Profit of the Company for last 3 financial years: Rs. 454.31 Crores

5. Threshold Limit (2% of this amount as in 4 above). Rs. 9.08 crore

6. Details of CSR activities/projects undertaken during the year:

   a. Total amount to be spent for the year; Rs. 9.08 crore

   b. Amount spent during the year as below; Rs. 10.06 Lakhs. However, the Company has identified a project worth Rs. 4.5 crore for the financial year 2016-17 and the expenditure towards the same has already initiated in the financial year 2017-18

Sl. No.	CSR Project/ activity identified	Sector in which the Project is covered	Projects / programmes 1.Local area / others. 2.Specify the State / District (Name of the District/s, State/s where project / programme was under- taken	Amount outlay (Budget) Project / programme-wise (Rs. in crore)	Amount spent on the Project/ programme Sub-heads: Direct expenditure on project, Overheads: (Rs in Crores)	Cumulative spend up to the reporting period	Amount spent: Direct / through implementing agency*
1	Construction of road from Shibtala Kheya Ghat to Chaduria Ghat under Nadia Zilla Parishad	Infrastructure	Krishnanagar, Nadia	2.52	-	0	Through Nadia Zilla Parishad
2.	Providing furniture, water purifier etc to 19 Govt. Aided schools in rural backward areas	Infrastructure	Through out the different backward areas of West Bengal	0.65	-	-	Directly thorough school authorities
3.	Providing power tillers to the project affected farmers of Mahishpota Village for enhancement of rural livelihood	Rural Livelihood	North 24 Parganas	0.10^	0.10^	0	Through North 24 Parganas Zilla Parishad
4.	Construction of road from Panchghara Mondal Pharmacy to Bidyadharpur Malipur Road Via Daspara adjacent to Subhasgram 220 kV Sub-station under Mallickpur Gram Panchayet, P.S-Baruipur in the District of South 24 Parganas	Infrastructure		1.23	-	0	Through South 24 Parganas Zilla Parishad
	TOTAL			**4.50**	**0.10**	**0**	

^ Budgeted and actual amount spent on power triller projects was Rs. 10.06 lakhs.

7. In case the Company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, please provide the reasons for not spending the amount.-

   The Company during the year has made earnest endeavors to spend the allotted sum of Rs 9.08 Crore into various social schemes so as to fulfill its obligation towards the society at large preferably to local area(s) around where it operate. Although, after thorough scrutinization, proposals worth Rs 4.50 Crore were approved by the Board of Directors in the FY 2016-17 and the expenditure towards such approved CSR initiate has already begun in the 1st half of the financial year 2017-18.

8. A responsibility statement, of the CSR Committee, that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives-

WBSETCL's objective in discharging its corporate social responsibility obligations will primarily be oriented towards identifying and formulating CSR projects in response to felt societal needs of the state, aiming to enhance the overall quality of life in a time bound manner.

The CSR Policy has been complied in letter and spirit.

(Rajesh Pandey)	**(Trilochan Panada)**
Managing Director	**Director (F&A) & Member CSR Committee**

N.B: The report is signed on the date of the 59th Board meeting held on 15th September, 2017, after cessation of term of Shri Sreekumar Majumdar, Independent Director and Chairman of the CSR Committee on 31st March, 2017 (FY 2016-17). It has been found prudent and justified that Shri Trilochan Panda, Director (F&A) and the Senior Member & Oldest Serving Member of the Committee to sign this report together with Shri Rajesh Panadey, IAS Managing Director on behalf of the Board of Directors. However, the Company has appointed Smt. Saswati Banerjee, IAS (Retd.) Independent Director as the Chairman of the Committee at its 57th meeting held on 11th May, 2017.

Annexure- V

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details :

i) CIN	:	U40101WB2007SGC113474
ii) Registration Date	:	16/02/2007
iii) Name of the Company	:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LTD.
iv) Category / Sub-Category of the Company	:	Govt. Company/Limited by Shares
v) Address of the Registered office and		Vidyut Bhavan, Block-DJ, Sector II, Salt Lake, Kolkata-700091
vi) Whether listed company	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	1. CB Management Pvt. Ltd. P-22, Bondel Road, Kolkata- 700 019

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission of Electricity, State Transmission Utility	99691110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual /HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
C) State Govt	-	1105520000	1105520000	100	-	1105520000	1105520000	100	Nil
D) Bodies Corporate	-	-	-	-	-	-	-	-	-
E) Banks/FI	-	-	-	-	-	-	-	-	-
F) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	1105520000	1105520000	100	-	1105520000	1105520000	100	Nil
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	1105520000	1105520000	100	-	1105520000	1105520000	100	Nil
B. Public Shareholder									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts**	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No.of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others Specify	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1105520000	1105520000	100	-	1105520000	1105520000	100	-

*** The Govt. of West Bengal is the promoter of the company and its entire equity share capital is being held by the Governor of West Bengal and its nominees.*

ii) Shareholding of Promoters

Sl. No.	Shareholders' name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holdingduring the year
		No. of Shares	% of the Total Shares of the Company	% of Shares pledge / encum-bered to total shares	No. of Shares	% of the Total Shares of the Company	% of Shares pledge / encum-bered to total shares	
1.	Governor of West Bengal and its nominees	1105520000	100	Nil	1105520000	100	Nil	No Change
	TOTAL	**1105520000**	**100**	**Nil**	**1105520000**	**100**	**Nil**	**No Change**

iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year				
2	Date wise increase /Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g., allotment/ transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
3	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than directors, promoters and holders of GDR's andADR's):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	NA	NA	NA	NA
2.	Date wise increase /Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g., allotment/transfer/ bonus/sweat equity etc)	-	-	-	-
3.	At the end of the year (or on date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel^^

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri S. Kishore, IAS	40,100	>1%	40,100	>1%
2.*	Shri Susanta Kumar Das	9,500	>1%	9,500	>1%
3.	Shri Sabyasachi Roy	100	>1%	100	>1%
4.*	Smt. Saswati Banerjee, IAS	100	>1%	100	>1%
5.	Shri Sanatan Gayen, WA&AS	100	>1%	100	>1%
6.	Shri Dr. A.N. Biswas, WBCS(Exe.)	100	>1%	100	>1%
	At the end of the year	50,000	>1%	50,000	>1%

^^ All the equity shares are being held by the aforesaid person on behalf of the Governor of West Bengal as his nominee.

**The aforesaid equity shares has already been transferred to the other nominees on account of cessation of their office to other nominees after 31st March, 2017*

V. INDEBTEDNESS

A) Indebtedness of the Company including interest outstanding /accrued but not due for payment

[Rs. in Lakh]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	185,530.76	106,564.16		292,094.92
Interest due but not paid	0	0	0	0
Interest accrued but not due	1145.24	337.68	0	1,482.92
Total (i + ii + iii)	186,676.00	106,901.84	0	293,577.84
Change in Indebtedness during the financial year				
Addition	45,547.45	0	0	45,547.45
Reduction	13,939.93	10,051.68	0	23,991.61
Net Change	31,607.52	-10,051.68	0	21,555.84
Indebtedness at the end of the financial year				
Principal Amount	217,138.28	96,512.48	0	313,650.76
Interest due but not paid	0	0	0	0
Interest accrued but not due	1,144.96	310.17	0	1,455.13
Total (i + ii + iiii)	218,283.24	96,822.65	0	315,105.89

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager (Rs. in Lakh)			
		Managing Director*	Director (F&A)#	Director (Operations)##	S. Bhattacharya Director (Project)
1	Gross Salary a) Salary as per provisions Contained in Section 17(1) of the Income Tax Act, 1961	8.23	17.03	18.36	19.45
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	0	0	0	0
	c) Profits in lieu of Salary under Section 7(3) of Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of Profit	0	0	0	0
	- Others, Specify	0	0	0	0
5	Others, Please specify	0	0	0	0
	Total (A)	8.23	17.03	18.36	19.45
	Ceiling as per the Act				

** Reflecting only the salary of Shri S.K.Das, Ex-Managing Director.*

 # Shri Anjan Chowdhury Portion is Rs. 908,050 lakhs and Shri Trilochan Panda Portion is Rs. 795,683 lakhs.

Shri Manas Bandyopadhyay portion is Rs. 479,285 lakhs and Shri Sabyasachi Roy portion is Rs. 1356,857 lakhs.

B. Remuneration to other directors :

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount (Rs in Lakh)
		Sreekumar Majumdar	Biswaranjan Mishra	
1	• Independent Directors • Fee for attending board & committee meetings • Commission • Others, Please Specify	2.40	0.90	2
	Total (1)	2.40	0.90	2.40
		S. Kishore	S. Bamerjee	-
2	Other Non-Executive Directors • Fee for attending board & committee meetings • Commission • Others, Please Specify	0	0	0
	Total (2)	0	0	0
	Total (B)= (1+2)	3.30		
	Total Managerial * Remuneration	0	0	2
	Overall ceiling as per the Act			

* Sitting Fees paid to Non-Executive Directors does not form part of the Total Managerial Remuneration.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD*

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total (Rs.)
1	Gross Salary a) Salary as per provisions Contained in Section 17(1) of the Income Tax Act, 1961	0	15.48	11.13	26.61
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	0	0	0	0
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of Profit	0	0	0	0
	Others, Specify	0	0	0	0
5	Others, Please specify	0	0	0	0
	Total	0	15.48	11.13	26.61

*Company Secretary is the only Key Managerial Person other than MD and WTD. However, the General Manager (F&A) appointed in the capacity of the CFO from 5th August, 2016 to 5th December, 2016.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	None	-	-
Punishment	-	-	None	-	-
Compounding	-	-	None	-	-
B. DIRECTORS					
Penalty	-	-	None	-	-
Punishment	-	-	None	-	-
Compounding	-	-	None	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	None	-	-
Punishment	-	-	None	-	-
Compounding	-	-	None	-	-

On behalf of the Board

(S. K. Gupta)
Chairman

S. SARKAR & ASSOCIATES
Company Secretaries

37A Bentinck Street, Kolkata-700012
Mob: (+91) 9231699339, 7278563812
Email: cssandip.sarkar@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
WEST BENGALSTATE ELECTRICITY TRANSMISSION COMPANY LIMITED
BIDYUT BHAVAN, BLOCK - DJ, SECTOR - II
BIDHANNAGAR
KOLKATA,WEST BENGAL
INDIA – 700091

We have conducted the Secretarial Audit in compliance with the applicable statutory provisions and adherence to good corporate practices by West Bengal State Electricity Transmission Company Limited, (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the West Bengal State Electricity Transmission Company Limited (name of the company’s) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Assam Company India Limited (“the Company”) for the financial year ended on 31/03/2017 according to the provisions of:

I) The Companies Act, 2013 (the Act) and the rules made there under(As per Annexure);

II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not applicable):

(i) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.(Not Applicable)

(III) The following Regulations and Guidelines prescribed under the Securities and Exchange board of India, act 1992

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable)

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable)

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable)

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Secretarial Standard 1 & II has been complied by the company during the reporting period

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable)

(IV) Factories Act 1948

(V) Electricity Act 2003

(VI) Provident Fund Act 1952.

(VII) Payment of Gratuity Act 1972.*In substantial cases the payment has been made beyond 30(Thirty) days of the date of relinquishment of the service.*

(VIII) Sexual Harassment (Prevention and Redressal) Act 2013

(IX) Environmental laws

We have also examined compliance with the applicable clauses of the following:

(X) Listing obligation and Disclosure Requirements Regulation, 2015 entered into by the Company with Bombay Stock Exchange for listing it's Debt Securities.(As per Annexure)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

We further report that

The Board of Directors of the Company is not duly constituted with proper balance, since as per provisions of section 149(4) of the companies Act 2013 there is shortfall of one Independent Director in Board. The changes in the composition of the Board of Directors that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act .

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For S.SARKAR & ASSOCIATES
Company Secretaries

SANDIP SARKAR
(Proprietor)
Membership No-FCS 7524
CP No-9483

Date : 18th July, 2017
Place: Kolkata

S. SARKAR & ASSOCIATES
Company Secretaries

37A Bentinck Street, Kolkata-700012
Mob: (+91) 9231699339, 7278563812
Email: cssandip.sarkar@gmail.com

Annexure-1

1. In terms of the various provisions of the Companies Act, 2013,

(i) There is one Director (DIN-01952502) has not attained a single Board Meeting during the Financial Year 2016-17 and in spite of that continuing as a Director in the Company in contravention of Section 167 of the Act.

(ii) The Company was not being able to spend the entire prescribed amount in relation to Corporate Social Responsibility expenditure as per section 135 of the Act. There was a shortfall in this regard.

(iii) The composition of Nomination and Remuneration committee for the period ended 30.06.2016 was in contravention of Section 178(1) of the Companies Act 2013. Since majority Directors were not independent.

MANAGEMENT EXPLANATION TO THE SECRETARIAL AUDIT REPORT

Sl No.	Qualification	Explanation
1.	The Board of Directors of the Company is not duly constituted with proper balance, since as per provisions of section 149(4) of the companies Act 2013 there is shortfall of one Independent Director in Board.	The Company has already written a letter to the Department of Power & NES, Govt. of West Bengal, vide memo no. TCL/CS/74/3147 dated 25th January, 2016 and vide TCL/CS/74/3583 dated 13th April, 2017 for appointing another Independent Director into the Board of the Company in order to comply with requirements of the various applicable statutory provisions.
2.	There is one Director with DIN 01952502 has not attained any Board meeting in spite of that continuing as a Director in the Company in contravention of Section 167 of the Companies Act, 2013	The Company is a wholly owned Govt. Company as defined under section 2(45) of the Companies Act, 2013 and therefore, all the appointment and removal of the Board of Directors are being made by the controlling department of the Company, i.e., Department of Power & NES, Govt. of West Bengal and the state government. Hence, the Company is not in position either to appoint or remove any Director from the Board of the Company, without the direction from the Govt. of West Bengal.
3.	The Company was not being able to spend the entire prescribed amount in relation to Corporate Social Responsibility expenditure as per section 135 of the Companies Act, 2013. There was a shortfall in this regard	The Company has made best endeavor to utilize the approved budgetary allocation for the CSR during the period under reporting. However, due to slow progress of the approved projects, the Company was not able to spend the fund allocated during the aforesaid period. Moreover, details of the allocation towards CSR initiative will form the part of the Director's Report of the Company for the financial year ended 31st March, 2017.
4.	The composition of Nomination and Remuneration committee for the period ended 30.06.2016 was in contravention of Section 178(1) of the Companies Act 2013. Since majority Directors were not independent.	The Nomination and Remuneration Committee of the Company was reconstituted on 21st September, 2016 in accordance with section 178(1) of the Companies Act, 2013

कार्यालय महालेखाकार
(आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा)
पश्चिम बंगाल

OFFICE OF THE
ACCOUNTANT GENERAL
(Economic and Revenue Sector Audit)
West Bengal

सत्यमेव जयते

No.: OA(ESA-II)/Acctts/WBSETCL/2016-17/918
Date : 14 September, 2017

To
The Managing Director,
West Bengal State Electricity Transmission Company Limited
''Vidyut Bhavan'', Bidhannagar
Block - DJ, Sector - II
Kolkata-700091

Sub : Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the Financial Statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March, 2017

Sir,

I am to forward herewith the Comments under Section 143(6) of the Companies Act, 2013 on the Financial Statement of West Bengal State Electricity Transmission Company Limited for the year ended 31 March, 2017.

Yours faithfully,

Encl : As stated.

Deputy Accountant General (ESA-II)
West Bengal

सी. जी. ओ. कम्प्लेक्स, डी. एफ. ब्लॉक, साल्ट लेक, कोलकाता–700 064
3rd MSO Building, 5th Floor, CGO Complex, DF Block, Salt Lake, Kolkata-700 064
Phone : (033) 2337-4916, FAX : (033) 2337-6966, e-mail : AglbaWestbengal@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expression opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25.07.2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)9a) of the Act of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory aucitors' report.

For and on behalf of the
Comptroller & Auditor General of India

Nameeta 14/9

(Nameeta Prasad)
Accountant General (E&RSA)

Date : 14 September, 2017
Place : Kolkata West Bengal

INDEPENDENT AUDITOR'S REPORT

To the Members of
WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

5. 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.

6. We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

Basis for Qualified Opinion

9 (a) Segregation between freehold and leasehold land being unavailable, period's charge towards amortisation of the cost of leasehold land in compliance with Indian Accounting Standard (Ind AS) 17 Leases has neither been ascertained nor recognised in these accounts and accordingly, the consequential impact thereof on the period's profit could not be ascertained. The impact on the profit of the year and the year-end Shareholders' fund is unascertainable at this stage.

9 (b) Identification of slow-moving / non-moving / obsolete inventories is under process. The adjustments, if any, in the accounts will be provided post completion of the aforesaid assessment. The impact on the profit of the year and the year-end Shareholders' fund is unascertainable at this stage.

9 (c) Non Provision of consolidated demand of Rs. 98.09 lakhs raised by the Income Tax authorities related to Tax Deducted at Source (TDS) against the PAN of the Company pertaining to all the Accounting Units spread across the state of West Bengal for the period from the financial year 2007-08 to 2016-17 resulting in overstatement of profit by the said amount.

9 (d) The Company is in the process of identifying significant components of its Property, Plant and Equipment keeping with the requirements of Indian Accounting Standard (Ind AS) 16 Property, Plant and Equipment. Depreciation for the period has been charged on the total cost of the items of Property Plant and Equipment without allocating such total costs to the significant and other parts of the items, which have different rates notified by the West Bengal Electricity Regulatory Commission (Terms & Condition of Tariff) Regulations, 2011. The impact of such depreciation accounting on the profit for the period is not readily ascertainable.

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

11. We draw attention to the following matters in the notes to financial statements:

(a) The formalities of registration of transfer of land and building re-vested in favour of the Company are pending since adequate information is not yet available. (Refer note no. 1.1 (b)).

(b) Due to non-receipt of confirmations of certain balances of Capital Advances, Loans and Advances, Trade payables etc. the consequential adjustments, if any, are to be made on receipt thereof. (Refer note no. 34).

(c) In absence of any agreement between WBSEDCL and the Company, no counter claim/ reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the Companies. (Refer note no. 8.4).

(d) The Company has conducted physical verification of inventories lying at various locations. Reconciliation of the inventory as per books and stock physically found is currently under process. Adjustments, if any, will be made after completion of such reconciliation. The Management is of the opinion that the adjustments will not be material. (Refer note no. 4.1).

(e) The Company is in the process of reconciling advances received from customers for construction of transmission assets with the status of the related projects. Pending such reconciliation, no adjustments have been made in the accounts. (Refer note no. 17.2).

(f) The Company is in the process of reviewing and evaluating amounts withheld from contractors. Adjustments, if any, will be made after completion of such assessment. (Refer note no. 16.2).

(g) Capital Work-in-Progress includes Rs.1307.53 lakhs relating to projects whose progress have been affected due to severe Right of Way issues and the matter is being pursued early resolution. (Refer no. 1.2).

Report on Other Legal and Regulatory Requirements

12. As required under section 143(5) of the Act, replies to the directions and sub-directions issued by the office of the Accountant General (Economic and Revenue Sector Audit) West Bengal, are furnished in "Annexure - A" to this report.

13. 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-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. 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 purposes of our audit except any report as might have been made by the Vigilance department of the Company and for the effects of the matters described in the Basis for Qualified Opinion paragraph above.

b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the units not visited by us.

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 and with the returns received from the units not visited by us.

d) Except for the effects of the matters prescribed in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

e) The provisions of section 164(2) are not applicable to the Company as it is a Government Company.

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

g) 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".

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. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements refer Note 33.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 refer Note 43 to the Ind AS financial statements and these are in accordance with the books of accounts maintained by the Company.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No.: 301088E

(Diptendra Narayan Roy)
Partner
(Membership No. 300389)

Place : Kolkata
Date : 25th July, 2017

ANNEXURE-A: TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of West Bengal State Electricity Transmission Company Limited

[Referred to in paragraph 12 of the Independent Auditor's Report of even date]

I. General Directions under Section 143(5) of the Companies Act, 2013.

<table>
<tr><th></th><th>Description</th><th>Auditor's Response</th></tr>
<tr><td>(I)</td><td>Valuation of Assets & Liabilities</td><td></td></tr>
<tr><td></td><td>If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liablities (including Committed and General Reserves) may be examined, includng the mode and present stage of disinvestment process.</td><td>The company has not been selected for disinvestment.</td></tr>
<tr><td>(II)</td><td>Waiver/write-off of debts/loan/interest</td><td></td></tr>
<tr><td></td><td>Whether there are any cases of waiver/write-off of debts/loans/interests etc. If yeas, the reasons thereof and the amount involved.</td><td>No such cases have come to our notice during the course of our audit and no such cases have been reported.</td></tr>
<tr><td>(III)</td><td>Inventories</td><td></td></tr>
<tr><td></td><td>Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Government or other authorities?</td><td>Proper records are maintained for inventories issued to third parties/contractors.
No asset has been received as a gift from Government or other authorities.</td></tr>
<tr><td>(IV)</td><td>Legal/arbitration cases</td><td></td></tr>
<tr><td></td><td>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 (forreign and local) may be given.</td><td>Total 65 numbers of cases were pending as on 31st of March, 2017 at different forums. The age wise analysis of the same is given below :
<table>
<tr><th>No. of years pending</th><th>No. of Cases</th></tr>
<tr><td>< 1 year</td><td>16</td></tr>
<tr><td>1 - 5 years</td><td>29</td></tr>
<tr><td>6 - 10 years</td><td>12</td></tr>
<tr><td>11 - 15 years</td><td>3</td></tr>
<tr><td>16 & above</td><td>5</td></tr>
</table>
Out of the above, it has been reported that only ten cases have a monetary involvement of Rs. 3259.68 lakhs.
The Company has a separate Legal Cell under the administrative control of the Company Secretary for effective monitoring of the cases.</td></tr>
</table>

(V)	Title/Lease Deeds	
	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	The Company presently procures land for its Projects through Long Term settlement as per LR Manual, 1991 and purchases private land by following defined procedures. In case of acquired land there is no requirement for execution of deed. The details as provided to us in respect of the availability of title deeds for land is given below :

Particulars	Total Area (acre)	Deed Executed (acre)
Leasehold Land	130.08	31.55
Purchased/Gifted Land	31.90	15.88
Land transferred from other organization (except WBSEDCL)	338.14	41.19
Land transferred from WBSEDCL	49.63	–
Acquired Land (under Land Acquisition Act)	1067.75	–
Land for which no documentation is available	23.25	–

II. Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013

	Description	Auditor's Response
1.	Where land acquisition is involved in setting up new project, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The case of deviation may please be detailed.	As reported to us, in case of Land Acquisition, the respective District Authority acquires the land for the project of WBSETCL and hands over possession of the land. The payment of LA cost by WBSETCL is made to the District Authority as per demand made by the District Authority. The payment to the Land Owners is made by the District Authority.
2.	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.	No asset has been completed or handed over to other agencies during the year.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No.: 301088E

(Diptendra Narayan Roy)
Partner
(Membership No. 300389)

Place : Kolkata
Date : 25th July, 2017

ANNEXURE- B: TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of West Bengal State Electricity Transmission Company Limited

[Referred to in paragraph 13 of the Independent Auditor's Report of even date]

1. (a) The Company is in the process of updating its Fixed Asset Register which will contain full particulars including quantitative details and situation of fixed assets.

   (b) As per the information and explanations given to us, the transmission equipments and lines have been physically verified by the management. Other fixed assets of the Company could not be physically verified during the year. The discrepancy, if any, could not be ascertained.

   (c) As per the information and explanation given to us, the details of title deeds for the land is given below:-

Particulars	Total Area (acres)	Deed Executed (acres)	Deed pending to be executed (acres)
Leasehold Land	130.08	31.55	98.53
Purchased/ Gifted Land	31.90	15.88	16.02
Land transferred from other organization (except WBSEDCL)	338.14	41.19	296.95
Land transferred from WBSEDCL	49.63		49.63
Acquired Land (under Land Acquisition Act)	1067.75		
Land for which no documentation is available	23.25		

**In case of acquired land there is no requirement for execution of deed.*

2. As explained to us, inventories (other than material lying with third parties) of the Company have been physically verified by the management at all locations. As stated in Note -4.1 of the financial statements, reconciliation of physical stock and book stock is under process and the Management is of the opinion that the discrepancies, if any, will not be material and will be properly dealt with in the books post such reconciliation.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.

4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others during the year.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and any other statutory dues, as applicable, with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, service tax, duty of excise and value added tax as at 31st March 2017 which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	241.34	2008-09	Calcutta High Court
		41.30	2009-10	
		464.91	2009-10	C.I.T (Appeals)
		0.02	2010-11	
		20.20	2012-13	
		0.62	2013-14	
		3.55	2014-15	
	Interest	1.18		

8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings due to financial institutions, banks, Government or debenture holder during the year.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The related statutes are not applicable as the Company is not a Nidhi Company.

13. According to the information and explanations given to us and the records of the Company examined by us, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in Note-27 of the financial statements as required by the applicable Ind AS.

14. The Company has neither made any preferential allotment of shares nor fully or partly convertible debentures during the year under audit.

15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company and the holding Company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.

16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No.: 301088E

(Diptendra Narayan Roy)
Partner
(Membership No. 300389)

Place : Kolkata
Date : 25th July, 2017

ANNEXURE- C TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of West Bengal State Electricity Transmission Company Limited

[Referred to in paragraph 14 (h) of the Independent Auditor's Report of even date]

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

1. We have audited the internal financial controls over financial reporting of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED ("the Company") as of 31st March, 2017 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 Control

2. The Company's management is responsible for establishing and maintaining internal financial control 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 (the "Guidance Note'') 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

3. 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" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable. 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.

4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. 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 Control over Financial Reporting

6. 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization 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 statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31st March, 2017:

   a) The Company could not comply with the relevant provisions of the Companies Act, 2013 relating to composition of Board of Directors in the prescribed manner. Further, one of the Directors was absent from the Meetings of the Board of Directors for a period of more than twelve months and hence the same is in contravention of section 167(1) of the Act. This deficiency in the control environment may affect governance function and hinder attainment of management objective.

   b) No ERP Software or any integrated software is being used for preparation of accounts and financials which may result in possibility of incorrect grouping and presentation in accounts, more chances of errors and frauds, inability of continuous monitoring of salary and loans & advances to employees, delayed capitalization of fixed assets, continuous non updation of discarded assets, possibility of ineffective review and monitoring of Bank Reconciliation Statements due to manual intervention, inability to continuously monitor the inventory.

c) There is no process of physical verification of cheques in hand which need to be implemented at least on quarterly basis when financials are prepared.

d) Considering the volume of business of the Company and the nature of compliance to be ensured, It is felt that manpower set up at corporate head office and units need to be further increased and strengthened to ensure better compliances. Further the units are also required to be adequately manned so that three tier checking is ensured.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2017, 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 ICAI.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2017 financial statements of the Company and these material weakness does not affect our opinion on the financial statements of the Company.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No.: 301088E

(Diptendra Narayan Roy)
Partner
(Membership No. 300389)

Place : Kolkata
Date : 25th July, 2017

COMMENTS OF STATUTORY AUDITOR'S & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
9(a)	Segregation between freehold and leasehold land being unavailable, period's charge towards amortisation of the cost of leasehold land in compliance with Indian Accounting Standard (Ind AS) 17 Leases has neither been ascertained nor recognised in these accounts and accordingly, the consequential impact thereof on the period's profit could not be ascertained. The impact on the profit of the year and the year-end Shareholders' fund is unascertainable at this stage.	Most of the leasehold land is on lease for a period of over 99 years which do not need to be amortized. The Company is of the opinion that value and volume of leasehold land with a lease of less than 99 years are not material. Process of identifying land with lease periods of shorter tenure is ongoing.
9(b)	Identification of slow-moving / non-moving / obsolete inventories is under process. The adjustments, if any, in the accounts will be provided post completion of the aforesaid assessment. The impact on the profits of the year and the year-end Shareholders fund is unascertainable at this stage.	Identification of slow/non moving, obsolete inventories are in progress. On completion of the process, provision for loss, if any, will be made. However, balance of the provision made in earlier years against the estimated value of obsolete items amounting to Rs. 760.96 lakhs, has been reduced from the value of stock.
9(c)	Non Provision of consolidated demand of Rs. 98.09 lakhs raised by the Income Tax authorities related to Tax Deducted at Source (TDS) against the PAN of the Company pertaining to all the Accounting Units spread across the state of West Bengal for the period from the financial year 2007-08 to 2016-17 resulting in overstatement of profit by the said amount.	A consolidated demand of Rs.98.09 lakhs raised by the Income tax authorities related to Tax Deducted at Source (TDS) against the PAN of the Company pertaining to all the Accounting Units spread across the state of West Bengal for the period from financial year 2007-08 to 2016-17 is under process of reconciliation with the facts. The Company is of the opinion that a major portion of the demand is on account of failure to update correct payee particulars and/or mismatch of PAN numbers and on proper reconciliation being made, no material demand would be payable. Pending ascertainment of the actual liability the entire amount is considered as contingent liability
9(d)	The Company is in the process of identifying significant components of its Property, Plant and Equipment keeping with the requirements of Indian Accounting Standard (Ind AS) 16 Property, Plant and Equipment. Depreciation for the period has been charged on the total cost of the items of Property Plant and Equipment without allocating such total costs to the significant and other parts of the items, which have different rates notified by the West Bengal Electricity Regulatory Commission (Terms & Condition of Tariff) Regulations, 2011. The impact of such depreciation accounting on the profit for the period is not readily ascertainable.	The Company has already indentified major components of Property, Plant and Equipment keeping with the requirements of Indian Accounting Standard (Ind AS) 16 for current financial year. However, Management believes the depreciation impact on unidentified portion of such Property, Plant and Equipment pertaining to earlier years and its impact on financials will be not material.

COMMENTS OF STATUTORY AUDITOR'S on ICoFR & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment on ICoFR	Management Replies
(a)	The Company could not comply with the relevant provisions of the Companies Act, 2013 relating to composition of Board of Directors in the prescribed manner. Further, one of the Directors was absent from the Meetings of the Board of Directors for a period of more than twelve months and hence the same is in contravention of section 167(1) of the Act. This deficiency in the control environment may affect governance function and hinder attainment of management objective.	The power to appoint directors of the Company vested with Department of Power and NES, Govt. Of West Bengal and the Company has already intimated the said Department about the deficiency in composition of the Board.
(b)	No ERP Software or any integrated software is being used for preparation of accounts and financials which may result in possibility of incorrect grouping and presentation in accounts, more chances of errors and frauds, inability of continuous monitoring of salary and loans & advances to employees, delayed capitalization of fixed assets, continuous non updation of discarded assets, possibility of ineffective review and monitoring of Bank Reconciliation Statements due to manual intervention, inability to continuously monitor the inventory.	Management is in the process of implementation of the of ERP software. Moreover, as a process of stop gap measure, Tally accounting package has been implemented in all accounting units of the Company and from April 2017 all accounting units are using Tally.
(c)	There is no process of physical verification of cheques in hand which need to be implemented at least on quarterly basis when financials are prepared.	All units maintain memorandum cheque register. However, as suggested quarterly physical verification of cheques in hand will be introduced from current financial year.
(d)	Considering the volume of business of the Company and the nature of compliance to be ensured, it is felt that manpower set up at corporate head office and units need to be further increased and strengthened to ensure better compliances. Further the units are also required to be adequately manned so that three tier checking is ensured.	The accompany is under process of reviewing the manpower position and will take up the matter with Department of Power & NES, Govt, of West Bengal.

Balance Sheet as at March 31st, 2017

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	1	5,04,015.76	4,64,260.86	4,19,941.99
(b) Capital work-in-progress	1	1,78,167.68	1,23,350.82	95,715.82
(c) Other non-current assets	2	10,851.73	12,221.66	9,407.18
(d) Tax assets	3	4,076.45	5,714.58	5,843.89
Total Non-current assets		**6,97,111.62**	**6,05,547.92**	**5,30,908.88**
Current assets				
(a) Inventories	4	14,302.87	10,890.19	9,244.18
(b) Financial assets				
(i) Trade Receivable	5	22,365.55	29,498.02	25,095.15
(ii) Cash and cash equivalents	6	17,090.79	17,035.36	12,071.02
(iii) Other bank balances	6(i)	17,733.29	13,098.76	10,783.89
(iv) Other financial assets	7	2,070.19	2,286.54	4,094.33
(c) Other current assets	8	10,802.56	9,968.87	5,656.06
Total Current assets		**84,365.25**	**82,777.74**	**66,944.63**
Total Assets		**7,81,476.87**	**6,88,325.66**	**5,97,853.51**
Regulatory deferral account debit balance	**9**	**4,471.26**	**4,471.26**	**4,471.26**
Total Assets and Regulatory deferral account debit balance		**7,85,948.13**	**6,92,796.92**	**6,02,324.77**
Equity				
(a) Equity share capital	10	1,10,552.00	1,10,552.00	1,10,552.00
(b) Other Equity		2,46,748.88	2,03,672.49	1,59,135.70
Total Equity		**3,57,300.88**	**3,14,224.49**	**2,69,687.70**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	2,81,529.61	2,59,452.68	2,36,850.37
(b) Provisions	12	7,330.29	5,737.74	1,252.74
(c) Other non-current liabilities	13	10,919.16	9,504.92	4,764.29
Total Non-current liabilities		**2,99,779.06**	**2,74,695.34**	**2,42,867.40**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	10,751.74	10,627.74	20,550.22
(ii) Trade payables	15	6,464.70	6,956.13	5,956.22
(iii) Other financial liabilities	16	78,312.70	57,260.41	43,070.78
(b) Provisions	12(i)	772.64	743.22	59.17
(c) Other current liabilities	17	32,566.41	28,289.59	20,133.28
Total Current liabilities		**1,28,868.19**	**1,03,877.09**	**89,769.67**
Total Equity and Liabilities		**7,85,948.13**	**6,92,796.92**	**6,02,324.77**

The accompanying notes and significant accounting policies are an integral part of the financial statements.
In terms of our report of even date attached herewith.

For L B Jha & Co
Chartered Accountants
Firm Registration No :- 301088E

For and on behalf of the Board of Directors

(D.N Roy)
Partner
Membership No :-300389
Kolkata
Date July 25, 2017

(Virendra Singh)
Company Secretary

(Trilochon Panda)
Director (F&A)

(Rajesh Pandey)
Managing Director

Statement of Profit and Loss for for the year ended March 31st, 2017

(Rs. in Lakhs)

	Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	18	1,25,891.57	1,24,396.03
II	Other Income	19	3,661.73	3,062.76
III	**Total Income (I + II)**		**1,29,553.30**	**1,27,458.79**
IV	**EXPENSES**			
	(a) Employee benefits expense	20	23,561.75	19,897.47
	(b) Finance costs	21	23,856.49	22,157.24
	(c) Depreciation expense	22	19,577.81	17,425.63
	(d) Other expenses	23	15,369.65	14,426.63
	Total Expenses (IV)		**82,365.70**	**73,906.97**
V	**Profit before tax (III - IV)**		**47,187.60**	**53,551.82**
VI	**Tax Expense**			
	(1) Current tax		10,070.71	11,252.77
	(2) Deferred tax			
	Total tax expense		**10,070.71**	**11,252.77**
VII	**Profit for the year (V - VI)**		**37,116.89**	**42,299.05**
VIII	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined Benefit plan		7,576.28	2,844.93
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,616.78	607.15
	(B) (i) Items that may be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	**Total Other Comprehensive Income for the year (A + B)**		**5,959.50**	**2,237.78**
X	**Total Comprehensive Income for the year (VII + IX)**		**43,076.39**	**44,536.83**
XI	**Earnings per equity share (Face value Rs. 10 each):**			
	(1) Basic (in Rs)		3.36	3.83
	(2) Diluted (in Rs)		3.36	3.83

The accompanying notes and significant accounting policies are an integral part of the financial statements.

In terms of our report of even date attached herewith.
For L B Jha & Co
Chartered Accountants
Firm Registration No :- 301088E

For and on behalf of the Board of Directors

(D.N Roy)
Partner
Membership No :-300389
Kolkata
Date July 25, 2017

(Virendra Singh)
Company Secretary

(Trilochon Panda)
Director (F&A)

(Rajesh Pandey)
Managing Director

Statement of Cash Flow for the year ended March 31st, 2017

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Cash flows from operating activities		
Profit before tax	**47,187.60**	**53,551.82**
Adjustment for :-		
Depreciation and amortisation	19,577.81	17,529.64
Finance cost	29,724.12	27,134.85
Interest Income	(2,740.70)	(1,995.69)
Amortisation in respect to depreciation of consumer asset	(254.58)	(129.08)
	93,494.25	**96,091.54**
Movement in working capital:-		
Increase in Inventories	(3,412.68)	(1,646.01)
(Increase)/ Decrease in Trade Receivable	7,132.47	(4,402.87)
Decrease in Other Financial Asset	-	2,158.86
Increase in Other Current Asset	(833.69)	(4,312.81)
Increase/ (Decrease) in Trade payable	(491.43)	999.91
Increase in other Financial liability	12,044.35	1,246.69
Increase in Other Current Liability	4,276.82	8,156.31
Increase in provision	9,198.25	8,013.98
Increase in Deposit and Retention Money	8,618.55	8,042.34
Cash generated from operation:-	**1,30,026.89**	**1,14,347.94**
Income taxes paid	(10,049.38)	(11,730.60)
Net cash generated by operating activities	**1,19,977.51**	**1,02,617.34**
Cash flow from investing activities		
Payment for property, plant and equipment	(57,678.80)	(58,083.13)
Payment for capital work in progress	(53,446.93)	(30,449.48)
Increase in other bank balances	(4,634.53)	(2,314.87)
Interest received	2,957.06	1,644.56
Grant received from Gov WB	14.92	1,104.34
Net cash (used) in investing activities	**(1,12,788.28)**	**(88,098.58)**
Cash flow from Financing Activity		
Proceeds from borrowings	22,494.12	28,051.33
Interest paid	(29,751.92)	(27,683.27)
Net cash (used in) /generated by Financing activities	**(7,257.80)**	**368.06**
Net (decrease)/ increase in cash and cash Equivalent	**(68.56)**	**14,886.82**
Cash and cash equivalents at the beginning of the year	**6,407.62**	**(8,479.20)**
Cash and cash equivalents at the end of the year	**6,339.05**	**6,407.62**

Note

1. The above cash flow statement has been prepared under "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
2. Cash and Cash Equivalent:

Cash and Cash Equivalent	(Note 6)	17,090.79	17,035.36
Cash Credit Facility	(Note 14)	10,751.74	10,627.74
Total		**6,339.05**	**6,407.62**

In terms of our report of even date attached herewith.
For L B Jha & Co
Chartered Accountants
Firm Registration No :- 301088E

For and on behalf of the Board of Directors

(D.N Roy)
Partner
Membership No :-300389
Kolkata
Date July 25, 2017

(Virendra Singh)
Company Secretary

(Trilochon Panda)
Director (F&A)

(Rajesh Pandey)
Managing Director

Statement of changes in equity as at March 31st, 2017

a. Equity share capital

(Rs. in Lakhs)

Particulars	Amount
Balance as at April 1, 2015	1,10,552.00
Changes in equity share capital during the year	-
Balance as at March 31, 2016	1,10,552.00
Changes in equity share capital during the year	-
Balance as at March 31, 2017	1,10,552.00

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	General reserve	Debenture Redemption Reserve	Reserve for Unforeseen Exigencies Fund	Retained earnings	Total
Balance as at April 1, 2015	**1,46,084.28**	**7,736.70**	**5,776.04**	**(461.32)**	**1,59,135.70**
Profit for the year	-	-	-	42,299.05	42,299.05
Total comprehensive income for the year	-	-	-	2,237.78	2,237.78
Transfer to Debenture Redemption Reserve	-	1,757.50	-	(1,757.50)	-
Transfer to Unforeseen Exigencies fund	-	-	563.95	(563.95)	-
Transfer to General Reserve	41,754.06	-	-	(41,754.06)	-
Balance as at March 31, 2016	**1,87,838.30**	**9,494.20**	**6,339.99**	**-**	**2,03,672.49**
Profit for the year	-			37,116.89	37,116.89
Total comprehensive income for the year net of tax				5,959.50	5,959.50
Transfer to Debenture Redemption Reserve		1,757.50		(1,757.50)	-
Transfer to Unforeseen Exigencies fund			556.74	(556.74)	-
Transfer to General Reserve	40,762.15			(40,762.15)	-
Prior period Expenditure					-
Balance as at March 31, 2017	**2,28,600.45**	**11,251.70**	**6,896.73**	**-**	**2,46,748.88**

1. The company maintains reserve for Unforeseen Exigency to the extent of amount allowed under tariff.
2. The company is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures as per the provision of Companies Act 2013. During the year an amount of Rs 1,757.50 Lakhs (Previous Year Rs 1,757.50 Lakhs) was transferred to Debenture Redemption Reserve.
3. Other Comprehensive income arises due to re-measurement of post employment benefit obligation and the same is recognized directly to retained earnings.

In terms of our report of even date attached herewith.
For L B Jha & Co
Chartered Accountants
Firm Registration No :- 301088E

For and on behalf of the Board of Directors

(D.N Roy)
Partner
Membership No :-300389

(Virendra Singh)
Company Secretary

Trilochan Panda

(Trilochon Panda)
Director (F&A)

(Rajesh Pandey)
Managing Director

Kolkata
Date July 25, 2017

Notes forming part of the Financial Statements

Note 1 - Property, Plant and Equipment and Capital Work in Progress

(Rs in Lakhs)

	As at March 31,2017	As at March 31,2016	As at April 1,2015
(A) Carrying amounts of:			
Freehold land	8,775.99	6,006.86	6,006.86
Lease hold Land	232.79	232.79	232.79
Building	27,006.30	23,139.67	22,874.16
Plant and Machinery	4,66,936.58	4,33,879.07	3,90,006.14
Furniture and Fixtures	646.81	596.83	512.46
Vehicle	6.01	6.01	6.01
Office Equipment's	322.13	308.55	210.57
Spare units and Service units	89.15	91.08	93.00
	5,04,015.76	**4,64,260.86**	**4,19,941.99**
(B) Capital Work in progress	**1,78,167.68**	**1,23,350.82**	**95,715.82**
	6,82,183.44	**5,87,611.68**	**5,15,657.81**

Cost or Deemed Cost

(Rs in Lakhs)

Description	Freehold land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicle	Office Equipment's	Spare units and Service units	Total
Cost or Deemed Cost									
Balance as at April 1, 2015	6,006.86	232.79	22,874.16	3,90,006.14	512.46	6.01	210.57	93.00	4,19,941.99
Addition	-	-	897.54	60,839.77	124.00	-	127.82	-	61,989.13
Disposals	-	-	-	(928.08)	-	-	-	-	(928.08)
Balance as at March 31, 2016	**6,006.86**	**232.79**	**23,771.70**	**4,49,917.83**	**636.46**	**6.01**	**338.39**	**93.00**	**4,81,003.04**
Addition	2,769.13	-	4,560.59	51,848.69	96.59	-	57.71	-	59,332.71
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**8,775.99**	**232.79**	**28,332.29**	**5,01,766.52**	**733.05**	**6.01**	**396.10**	**93.00**	**5,40,335.75**
Accumulated Depreciation and Impairment									
Balance as at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	632.03	16,726.96	39.63	-	29.84	1.92	17,430.38
Eliminated on Disposal of assets	-	-	-	(688.17)	-	-	-	-	(688.17)
Balance as at March 31, 2016	-	-	632.03	16,038.79	39.63	-	29.84	1.92	16,742.21
Depreciation	-	-	693.96	18,791.18	46.61	-	44.13	1.93	19,577.81
Eliminated on Disposal	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**-**	**1,325.99**	**34,829.97**	**86.24**	**-**	**73.97**	**3.85**	**36,320.02**
Carrying amounts									
Balance as at April 1, 2015	**6,006.86**	**232.79**	**22,874.16**	**3,90,006.14**	**512.46**	**6.01**	**210.57**	**93.00**	**4,19,941.99**
Additions	-	-	897.54	60,839.77	124.00	-	127.82	-	61,989.13
Disposals	-	-	-	(928.08)	-	-	-	-	(928.08)
Depreciation expense	-	-	(632.03)	(16,038.79)	(39.63)	-	(29.84)	(1.92)	(16,742.21)
Balance as at March 31, 2016	**6,006.86**	**232.79**	**23,139.67**	**4,33,879.07**	**596.83**	**6.01**	**308.55**	**91.08**	**4,64,260.86**
Additions	2,769.13	-	4,560.59	51,848.69	96.59	-	57.71	-	59,332.71
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(693.96)	(18,791.18)	(46.61)	-	(44.13)	(1.93)	(19,577.81)
Balance as at March 31, 2017	**8,775.99**	**232.79**	**27,006.30**	**4,66,936.58**	**646.81**	**6.01**	**322.13**	**89.15**	**5,04,015.76**

Note 1.1

(a) The Government of West Bengal vide Notification No. 313-PO/O/III/3R-29/2006 dated 19th. September 2008 issued in terms of the Sub-section (5) of Section 131 of the Electricity Act 2003 read with Clause 4(4) and 8(1) of West Bengal Power Sector Reforms Transfer Scheme 2007, re-vested the assets and liabilities in respect of transmission activities of the erstwhile WBSEB to the Company with effective date on 01.04.2007.

(b) Except for the acquired land where there is no requirement of execution of deed, the formalities for registration of transfer of balance land measuring 461.13 acres & buildings re-vested in favour of the Company are still under process since adequate information is not yet available.

(c) In accordance with the verdict of Hon'ble Supreme Court on 31.08.2016 and subsequent notification no 293-LRC & Pr. Secy./2016 dated 01.09.2016 of Govt. Of West Bengal, Land & Land Reforms Department, Singur 220 KV Substation was dismantled. Reconciliation and valuation of dismantled assets is under process and loss if any, arising out of dismantling of Substation would be given effect in subsequent year.

Note 1.2

Capital Wok in progress includes an amount of Rs. 1307.53 lakhs incurred upto 31.03.2017 on 132KV D/C Transmission line from KTPS-Uluberia tapping point near Bagnan to proposed Foundry park substation and 132KV D/C transmission line from Food Park substation to Ambuja Cement Factory, the progress of work in respect of these two lines is affected due severe Right of Way problems. The matter is being pursed with the EPC contractor as well as the District Adminstration for early resolution of the issues.

Note 1.3

Cost of land includes both freehold and leasehold lands, the segregation of which is not available in certain cases. As such, no adjustment has been made for amortizing the cost of leasehold land over the lease period. However, most of the leasehold lands are on lease for a period of over 99 years, costs of which do not need to be amortized. The Company is of the opinion that the value and number of such leasehold premises with a lease of less than 99 years are not material. The management has decided in principle to amortize leasehold rights upto 30 years of tenure only. However, no amount has been charged to the Statement of Profit & Loss as the requisite details of such leasehold land were not available. The under charge due to this change in the basis of accounting is unascertainable.

Notes forming part of the Financial Statements

Note 2- Other Non Current Asset (Rs in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	10,851.73	12,221.66	9,407.18
Total	**10,851.73**	**12,221.66**	**9,407.18**

Note 3- Tax assets (Rs in Lakhs)

Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Income tax paid in Advance net of provision	4,076.45	5,714.58	5,843.89
Total	**4,076.45**	**5,714.58**	**5,843.89**

Note 4- Inventories (Rs in Lakhs)

Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
Inventories (At Lower of cost and net realisable value)			
Stores and Spares	14,302.87	10,890.19	9,244.18
Total	**14,302.87**	**10,890.19**	**9,244.18**

Note 4.1

(a) Physical verification of stocks was conducted by engaging external agencies at all Store Units under the jurisdiction of Area Offices and under further process of reconciliation. Pending such reconciliations no adjustments was given in the books of accounts.

(b) Identification of slow/non moving, obsolete inventories are in progress. On completion of the process, provision for loss, if any, will be made. However, provision made in earlier years (Prior 2014-15) against the estimated value of obsolete items amounting to Rs. 760.96 lakhs, has been reduced from the value of stock.

Notes forming part of the Financial Statements

Note 5-Trade Receivable

(Rs in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	22,365.55	29,498.02	25,095.15
(c) Doubtful	-	-	-
Less: Allowance for doubtful receivable	-	-	-
Total	**22,365.55**	**29,498.02**	**25,095.15**

5.1 Trade Receivable

(a) As per agreement dated 4th January 2011 between "WBSEDCL" and "WBSETCL", in case the payment of bills of transmission charges are through Letter of credit on presentation, WBSETCL shall allow a rebate of 2%, Where the payment is made other than through a Letter of credit within a period of one month of presentation of bills, WBSETCL shall allow a rebate of 1%. Similarly in case the payment of the transmission charges by the beneficiary or beneficiaries are delayed beyond the period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month or prorated for part of the month thereof shall be levied by WBSETCL for the defaulted period reckoning from the due date.

(b) Trade receivables comprises of Rs 26,540.91 lakhs as at March 31, 2017 (Rs 25,456.10 lakhs as at March 31, 2016) due from West Bengal State Distribution Company Limited. The state amount includes Regulatory Account debit balance.

(c) Amount receivable in respect to trade receivable includes dues receivable from WBSEDCL for the month of February 2014 and March 2014 amounting to Rs. 4,160.10 lakhs. The stated matter has been represented to the Department of Power and NES, Government West Bengal for issuing direction to WBSEDCL to release the amount involved and seeking permission of raising demand on delayed payment surcharge on WBSEDCL as per Transmission Service Agreement. While the deducted amount of Rs. 4160.10 lakhs is being reflected as receivable in the accounts as on 31 March 2017 and March 31 2016.

(Rs in Lakhs)

(d) Age of receivables	As at March 31, 2017	As at March 31,2016	As at April 1, 2015
Within credit period days			
1-30 days past dues			
31-60 days past dues			
61-90 days past due		40.83	
More than 90 days past dues	4,200.93	4,160.10	4,160.00

(e) The concentration of credit risk is limited due to the fact the amount are recovered from customers based on the orders of WBERC.

Notes forming part of the Financial Statements

Note 6- Cash and cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balance with banks	2,297.50	3,486.14	2,973.08
(b) Cheques, drafts in hand	-	-	650.00
(c) Cash in hand	12.84	12.60	11.25
(d) Others			
(1) Short-term deposits			
Other term deposits including deposits under auto facilities	14,780.45	13,536.62	8,436.69
Total	**17,090.79**	**17,035.36**	**12,071.02**

Note 6(i) Other bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Earmarked Balances with banks			
(i) In deposit accounts			
a. Term deposits held against redemption of debentures	11,251.70	7,736.70	5,979.20
b. Term deposits held against Unforeseen exigencies	6,481.59	5,362.06	4,804.69
Total	**17,733.29**	**13,098.76**	**10,783.89**

6.1 Represent deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the balance sheet date.

Note 7- Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
Advances			
Receivable from WBPDCL (Note 7.1)	-	-	2,158.86
Others			
Interest accrued on term deposits	2,070.19	2,286.54	1,935.47
TOTAL	**2,070.19**	**2,286.54**	**4,094.33**

Note 7.1: As per tariff order No TP/60/13-14 dated 04.03.2015 of Hon'ble WBERC for the F.Y 2014-15 the amount payable to WBPDCL for Bakreshwar transmission system was Rs 3563.78 lakhs. In the absence of tariff order for the F.Y 2014-15 amount paid to WBPDCL as per the last tariff order No TP/50/11-12 dated 26.12.2013 was Rs 5,722.62 lakhs. Hence the excess payment of Rs 2,158.86 lakhs was recognised as receivable which was adjusted against subsequent payment to WBPDCL.

Notes forming part of the Financial Statement

Note 8- Other Current Asset (Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
(a) Advances to employees	234.36	374.62	352.10
(b) Advances to contractors and suppliers	196.92	333.60	270.04
(c) Receivable from WBSEDCL	6,613.47	6,596.82	2,281.82
(d) Advance to CPF Trust-WBSEDCL	79.16	71.58	67.12
(e) Advance to GPF Trust-WBSEDCL	90.18	9.03	145.88
(f) Advance to Pension Trust-WBSEDCL	2.24	-	-
(g) Advance to Gratuity Trust-WBSEDCL	0.73	-	-
(h) Advance to Pension Trust-WBSETCL	1,011.72	-	-
(i) Advance to Gratuity Trust-WBSETCL	54.03	-	-
(j) Advances to Durgapur Power Limited	2,500.00	2,500.00	2,500.00
(k) Other Assets	19.75	83.22	39.10
Total	**10,802.56**	**9,968.87**	**5,656.06**

8.1 An amount of Rs 2500 Lakhs has been paid as advance to Durgapur Projects Limited (DPL) as per directives vide letter no 50-PO/O/C-I/5M-01/08 dated 12th March 2015 issued by Department of Power and NES, Government of West Bengal against future acquisition of transmission asset of DPL on later date, which is under active consideration of the Government of West Bengal. The amount is hence included in Other Current Asset.

8.2 Advance to employees include medical and leave travel advance as per their entitlement, the stated amount is adjustable on submission of bills. Similarly receivable from WBSEDCL is on account of deputed employees for whom the amount in respect to leave travel advance and medical is paid by WBSETCL and subsequently the same is being recovered from WBSEDCL.

8.3 Receivable from GPF and CPF trust is on account excess amount paid on account of actuarial valuation to the trust maintained in respect to gratuity and pension.

8.4 In absence of any agreement between WBSEDCL and the Company, no counter claim/re-imbursement of expenditure have been recognized or accounted for in the books of account with respect to use of buildings, infrastructure and other facilities enjoyed by WBSEDCL or vice-versa. The actual expenditures of such facilities are borne by the company owning such facilities.

Notes forming part of the Financial Statements

Note 9- Regulatory deferral account debit balance

(Rs. in Lakhs)

Particulars	April 01, 2015	Balances arising during the period	Recovery / Reversal	March 31, 2016
Electricity Transmission				
Regulatory assets	4,471.26	-	-	4,471.26
Total	**4,471.26**	**-**	**-**	**4,471.26**

(Rs. in Lakhs)

Particulars	April 01, 2016	Balances arising during the period	Recovery / Reversal	March 31, 2017
Electricity Transmission				
Regulatory assets	4,471.26	-	-	4,471.26
Total	**4,471.26**	**-**	**-**	**4,471.26**

9.1 Regulatory deferral account is recognized on the expectation that the future economic benefit associated with it will flow to the company as a result of actual expected actions of the Regulator under the applicable regulatory framework and the amount is measured reliably.

9.2 As per Ind AS 114 accounting of Regulatory Deferral balance has been considered in the accounts of 2016-17. The same method of accounting was followed consistently in previous years as per the Guidance Note of ICAI on 'Accounting for Rate Regulated Activities'.

9.3 It is presumed that favourable order for the full amount will be available. In the event of any variation in the order of WBERC, adjustment of net profit, regulatory deferral balance & Cash Flow may be necessitated to the extent of such variation.

9.4 The above amount represents balance recoverable against APR order dated 09.09.2013 for 2011-12. The recovery order from WBERC is yet to be received.

Notes forming part of the Financial Statements

Note 10-Equity Share Capital (Rs. in Lakhs)

Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
Authorised:	2,00,000.00	2,00,000.00	2,00,000.00
200,00,00,000 fully paid equity shares of Rs. 10 each			
(As at March 31, 2017: 200,00,00,000)			
(As at March 31, 2016: 200,00,00,000)			
(As at April 01, 2015: 200,00,00,000)			
Total	**2,00,000.00**	**2,00,000.00**	**2,00,000.00**
Issued Subscribed and Paid Up:-			
110,55,20,000 Equity shares of Rs 10 each fully paid	1,10,552.00	1,10,552.00	1,10,552.00
(As at March 31, 2017: 110,55,20,000)			
(As at March 31, 2016: 110,55,20,000)			
(As at April 01, 2015: 110,55,20,000)			
Total	**1,10,552.00**	**1,10,552.00**	**1,10,552.00**

Note 10.1 Fully paid equity shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Balance as April 1, 2015	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00
Issue of shares during the year	-	-	-	-	-	-
Balance as at March 31, 2016	**1,10,55,20,000**	**1,10,552.00**	**1,10,55,20,000**	**1,10,552.00**	**1,10,55,20,000**	**1,10,552.00**
Issue of shares during the year	-	-	-	-	-	-
Balance as at March 31, 2017	**1,10,55,20,000**	**1,10,552.00**	**1,10,55,20,000**	**1,10,552.00**	**1,10,55,20,000**	**1,10,552.00**

The Company has paid equity shares, which have a par value of Rs. 10. Each holder of the equity shares is entitled to one vote per share.

Note 10.2 Details of shares held by each shareholder holding more than 5% shares

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares held	% age of holding of equity shares	No. of shares held	% age of holding of equity shares	No. of shares held	% age of holding of equity shares
Government of West Bengal	1,10,54,70,000	99.99%	1,10,54,70,000	99.99%	1,10,54,70,000	99.99%
	1,10,54,70,000	**99.99%**	**1,10,54,70,000**	**99.99%**	**1,10,54,70,000**	**99.99%**

Notes forming part of the Financial Statements

Note 11- Borrowings- Non current

(Rs in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Long Term	Current Maturities	Long Term	Current Maturities	Long Term	Current Maturities
A Secured Borrowings - at amortised Cost						
(1) Bonds / Debentures						
Non-convertible						
(i) 9.75 % Market Bonds	3,660.00	1,830.00	5,490.00	1,830.00	7,320.00	1,830.00
(ii) 10.29% Market Bonds	25,000.00		25,000.00		25,000.00	
(2) Term Loans						
(a) From Banks						
(i) Allahabad Bank	7,255.08	1,668.00	8,924.80	1,668.00	10,592.12	1,668.00
(ii) ICICI Bank	245.07	1,000.00	1,245.07	1,000.00	2,245.07	1,000.00
(b) From Financial Institutions & Others						
(i) Power Finance Corporation Ltd (PFCL)	2,048.87	-	2,048.87		783.37	
(ii) Rural Electrification Corporation (RECL)	1,14,128.88	5,394.22	81,277.29	5,394.22	57,148.86	5,394.22
(iii) Life Insurance Corporation of India (LIC)	8,618.56	615.61	9,849.78	615.61	11,081.00	1,231.22
(iv) National Bank for Agricultural and Rural Developments	34,708.80	2,074.48	29,502.03	1,458.47	16,115.79	594.80
B Unsecured Borrowings - at amortised Cost						
(1) Bonds / Debenture						
(i) 8.5% Pension Trust Bonds	16,200.00	5,400.00	21,600.00	5,400.00	27,000.00	
(ii) 12.00% Public Bo						0.25
(2) From Financial Institution						
(i) State Government Loan	69,664.35	4,850.50	74,514.84	4,850.50	79,365.00	4,850.50
(ii) Power Finance Corporation limited (PFCL)				198.82	198.82	397.61
Total	**2,81,529.61**	**22,832.81**	**2,59,452.68**	**22,415.62**	**2,36,850.37**	**16,966.60**

11.1 Security:-

(a) 9.75%, Market Bonds are secured by hypothecation of the entire asset at 132/33/11 KV Sub Station at Belmuri, Raghunathpur, Barjora and Amtola and Asset of Krishnanagar-Ranaghat 132 K.V D/C Transmission line (67 KM)

(b) The 10.29% Market bond 2011 are secured by hypothecation of the existing moveable asset comprising buildings, plant and machinery of the 132/33 KV substation at Bishnupur, Jhargram, New Town AA-1, Contai, Mahispota 220/132 KV substation and associated sub station lines at Subasgram, Dalkhola.

(c) Loans from Banks are secured by;-

(i) Term loan from ICICI Bank is secured by hypothecation of entire present and future fixed assets lying at Jeerat 400 KV Sub station including control room, Switch yard Plant and Machinery, entire building, construction and other asset and equitable mortgage land & building situated at Jeerat 400 KV Sub Station having around 32.1697 hectares of land at Mouza Urla, Kasipara, Kaipukaria with RS Daga 265.1.21.179

(ii) Term loan from Allahabad bank is secured by hypothecation of entire present and future fixed asset of 132/33 K.V sub station at Kalna, Lalgola and their associated transmission line at Birsingha, Chandrakona road and 132 KV DC Transmission line from Gokorna line at Birsingha, Chandrakona road and 132 KV DC Transmission line from Gokorna to lalgola

(iii) Term loan PCFCL are secured by hypothecation of various present and future moveable assets of sub station and transmission lines for which the loan has been granted

(iv) Term loan from LIC is secured by hypothecation of all present and future moveable asset at Kharagpur 400 KV Sub -Station and associated lines for which the loan has been granted

(v) Term loan from NABARD are secured by hypothecation of present and future assets of the sub station and transmission lines for which loan has ben granted

(vi) Term loan RECL are secured by hypothecation of all present and future moveable assets of sub station and transmission lines for which the loan has been granted

Notes forming part of the Financial Statements

Note 11.2- Non Current Borrowings

The terms of repayment of term loan and other loans are stated below

(a) Balance of 9.75% Market Bonds are repayable in three equal yearly instalments of Rs 1830.00 lakhs each ending in 2019-20.

(b) 10.29% Market Bonds are repayable in a single instalment in 2021-22.

(c) Balance of 8.50% Pension Trust Bonds are repayable in 4 equal yearly instalments of Rs 5400.00 lakhs ending in 2020-21.

(d) Balance of Term Loan from ICICI Bank Ltd (Formerly Bank of Rajasthan) (@11.85%) is repayable in further 5 quarterly instalments, 4 instalmments of Rs 250 lakhs each and balance of Rs 245.07 lakhs in the last instalment ending on June 2018.

(e) Balance of Term Loan from Allahabad Bank (@Base Rate + 1.50% or 11.20 % on reporting date) balance is repayable in 22 quarterly instalments, 21 instalments of Rs 417.00 lakhs and balance of Rs 166.08 lakhs in the last instalment ending in Aug 2022.

(f) Secured Loan from PFCL of Rs 2048.87 lakhs (partially disbursed) @ 12.00% - 12.25% is repayable in 40 quarterly instalments of Rs 51.22 lakhs ending in 2027-28

(g) Secured Loans from REC have been received for various projects in different tranches. The repayment schedule is as follows:

Loan No.	Loan Amount (in lakhs)	No. of balance instalments (Yearly)	Instalments Amt.(in lakhs)	Maturity year	Average Interest Rate(%)
210919	442.80	1.00	442.80	2017-2018	10.74%
210928	634.30	1.00	634.30	2017-2018	11.81%
210931	361.12	3.00	120.37	2019-2020	11.32%
210001	3,253.95	4.00	813.49	2020-2021	11.70%
210002	1,494.71	4.00	373.68	2020-2021	11.67%
210003	1,126.52	4.00	281.63	2020-2021	11.98%
210004	1,103.13	4.00	275.78	2020-2021	11.66%
210005	701.63	6.00	116.94	2022-2023	11.24%
210007	10,545.39	5.00	2,109.08	2021-2022	11.02%
210942	1,130.77	5.00	226.15	2021-2022	11.68%
1397137 (partially disbursed)	17,015.80	15.00	1,134.39	2032-2033	11.15%
1397723 (partially disbursed)	6,342.91	10.00	634.29	2027-2028	11.20%
1398197 (partially disbursed)	21,453.90	10.00	2,145.39	2027-2028	10.92%
1398244 (partially disbursed)	4,703.76	10.00	470.38	2028-2029	10.83%
1398242 (partially disbursed)	3,089.83	10.00	308.98	2028-2029	10.85%
1397724 (partially disbursed)	987.68	10.00	98.77	2028-2029	10.95%
1397725 (partially disbursed)	5,213.68	10.00	521.37	2028-2029	10.50%
1397698 (partially disbursed)	8,019.50	10.00	801.95	2029-2030	10.45%
1398198 (partially disbursed)	8,507.86	10.00	850.79	2029-2030	10.50%
1399143 (partially disbursed)	300.22	10.00	30.02	2029-2030	10.50%
1398241 (partially disbursed)	380.40	10.00	38.04	2029-2030	10.50%
1399635 (partially disbursed)	4,319.98	12.00	360.00	2031-2032	10.05%
1399649 (partially disbursed)	6,051.51	12.00	504.29	2031-2032	10.05%
1399650 (partially disbursed)	2,465.00	12.00	205.42	2031-2032	10.05%
13910640 (partially disbursed)	1,094.60	12.00	91.22	2032-2033	10.05%
13910643 (partially disbursed)	939.44	12.00	78.29	2032-2033	10.05%
13910644 (partially disbursed)	6,113.12	12.00	509.43	2032-2033	10.05%
13910645 (partially disbursed)	1,729.61	12.00	144.13	2032-2033	10.05%

(h) LIC loan balance (@ 10.10%) is repayable in 15 equal half-yearly instalment's, ending in 2024-25.

(i) Secured Loan from NABARD has been received for various projects. The Loan wise repayment schedule is as follows:

Loan No.	Loan Amount (In lakhs)	No. of balance instalments (Quarterly)	Instalments Amt. (in lakhs)	Maturity year	Interest Rate(%)
NABARD (NIDA) I (partially drawn)	5,422.03	39.00	139.03	2026-27	10.25%
NABARD (NIDA) II (partially drawn)	7,838.09	43.00	182.29	2027-28	10.40%
NABARD (NIDA) III (partially drawn)	9,276.76	47.02	197.31	2028-29	10.40%
NABARD (NIDA) IV (partially drawn)	14,246.41	48.00	296.80	2030-31	10.40%

Repayments of NABARD (NIDA) I, NABARD (NIDA) II, NABARD (NIDA) III and NABARD (NIDA) IV loans starting from 2014-15, 2015-16, 2016-17 and 2018-19 respectively.

Unsecured Loan from State Government (@8.50%) is repayable as follows:

Particulars	Loan Amount (in lakhs)	No. of balance instalments. (Yearly)	Maturity year	Instalments Amt. (in lakhs)
Opening Loan transferred from WBSEB	66,328.79	16.00	2032-33	4,145.69
05(sanction)-PO/P/C/ II/1B-10/2004	471.22	11.00	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004	463.14	11.00	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004	614.07	11.00	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004	890.83	11.00	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006	45.46	11.01	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(pt)	1,067.86	11.00	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004	1,160.29	12.00	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004	717.09	12.00	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004	1,997.51	12.00	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	90.53	12.01	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004	668.07	13.00	2029-30	51.39

Repayment Schedule March 2016

(a) Balance of 9.75% Market Bonds are repayable in four equal yearly instalment's of Rs 1830 lakhs each ending in 2019-20.

(b) 10.29% Market Bonds are repayable in a single instalment in 2021-22.

(c) 8.50% Pension Trust Bonds are repayable in 5 equal yearly instalment's of Rs 5400 lakhs beginning from 2016-17 and ending in 2020-21.

(d) Balance of Term Loan from ICICI Bank Ltd (Formerly Bank of Rajasthan) (@12.50%) is repayable in further 9 quarterly instalment's of Rs 250 lakhs upto June 2018.

(e) Balance of Term Loan from Allahabad Bank (@Base Rate + 1.50% or 11.20 % on reporting date) balance is repayable in 34 quarterly instalment's of Rs 417.00 lakhs ending in 2023-24.

(f) Secured Loan from PFCL of Rs 2048.87 lakhs (partially disbursed) @ 12.00% - 12.25% is repayable in 40 quarterly instalment's of Rs 51.22 lakhs ending in 2027-28

(g) Secured Loans from REC have been received for various projects in different tranches. The repayment schedule is as follows:

Loan No.	Loan Amount (in lakhs)	No. of balance instalments (Yearly)	Instalments Amt. (in lakhs)	Maturity year	Interest Rate(%)
210919	885.61	2.00	442.80	2017-2018	8.00% to 14.00%
210928	1,268.59	2.00	634.30	2017-2018	8.00% to 14.00%
210931	481.50	4.00	120.37	2019-2020	10.50% to 12.00%
210001	4,067.44	5.00	813.49	2020-2021	11.60% to 12.00%
210002	1,868.38	5.00	373.68	2020-2021	11.60% to 12.00%
210003	1,408.15	5.00	281.63	2020-2021	12.00%
210004	1,378.91	5.00	275.78	2020-2021	11.60% to 12.00%
210005	818.57	7.00	116.94	2022-2023	11.60%
210007	12,654.47	6.00	2,109.08	2021-2022	11.25% to 12.00%
210942	1,356.92	6.00	226.15	2021-2022	11.60% to 12.00%
1397137 (partially disbursed)	14,203.41	10.00	1,420.34	2027-2028	10.85% to 11.25%
1397723 (partially disbursed)	6,342.91	10.00	634.29	2027-2028	10.85% to 11.25%
1398197 (partially disbursed)	19,060.06	10.00	1,906.01	2027-2028	10.50% to 11.25%
1398244 (partially disbursed)	3,805.95	10.00	380.59	2027-2028	10.50% to 11.25%
1398242 (partially disbursed)	3,089.83	10.00	308.98	2027-2028	10.50% to 11.25%
1397724 (partially disbursed)	987.68	10.00	98.77	2027-2028	11.25%
1397725 (partially disbursed)	2,430.68	10.00	243.07	2028-2029	10.50%
1397698 (partially disbursed)	5,525.09	10.00	552.51	2028-2029	10.50%
1398198 (partially disbursed)	5,037.39	10.00	503.74	2028-2029	10.50%

(h) LIC (partially disbursed) loan balance (@ 10.10%) is repayable in 17 equal half-yearly installments, ending in 2024-25.

(i) Secured Loan from NABARD has been received for various projects. The Loan wise repayment schedule is as follows:

Loan No.	Loan Amount (in lakhs)	No. of balance instalments (Quarterly)	Installment Amt. (in lakhs)	Maturity year	Interest Rate(%)
NABARD (NIDA) I (partially drawn)	5,978.13	43.00	139.03	2026-27	0.10
NABARD (NIDA) II (partially drawn)	8,567.25	47.00	182.29	2027-28	10.40% to 10.75%
NABARD (NIDA) III (partially drawn)	8,313.68	48.00	173.20	2028-29	10.40% to 10.75%
NABARD (NIDA) IV (partially drawn)	8,101.44	48.00	168.78	2030-31	0.10

Repayments of NABARD (NIDA) I, NABARD (NIDA) II, NABARD (NIDA) IIIand NABARD (NIDA) IV loans start from 2014-15, 2015-16, 2016-17 and 2018-19 respectively.

(j) Unsecured loan from PFC (@ 9.00% to 12.50%) is repayable in further 2 equal quarterly instalment's of Rs 99.40 lacs upto 2016-17. Tranche-wise disbursement of each loan bear interest rate prevailing at the time of disbursement and are subject to reset after 10 years from such date.

(k) Unsecured Loan from State Government (@8.50%) is repayable as follows:

Particulars	Loan Amount (in lakhs)	No. of balance instalments. (Yearly)	Maturity year	Instalments Amt. (in lakhs)
Opening Loan transferred from WBSEB	70,474.48	17.00	2032-33	4,145.69
05(sanction)-PO/P/C/II/1B-10/2004	514.06	12.00	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004	505.24	12.00	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004	669.89	12.00	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004	971.81	12.00	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006	49.59	12.01	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(pt)	1,164.94	12.00	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004	1,256.98	13.00	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004	776.85	13.00	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004	2,163.97	13.00	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	98.07	13.01	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004	719.46	14.00	2029-30	51.39

There were no defaults during the year and no continuing default at the year end in repayment of principal or payment of interest on any of the long term borrowings referred to hereinabove.

Note 12- Provisions

(Rs in Lakhs)

Particulars	Long Term		
	As at March 31,2017	As at March 31,2016	As at April 1,2015
Employees Benefits Leave Encashment and Leave Travel Allowance	7330.29	5,737.74	1252.74
Total	**7,330.29**	**5,737.74**	**1252.74**

Note 12(i)

Particulars	Short Term		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employees Benefits Leave Encashment and Leave Travel Allowance	772.64	743.22	59.17
Total	**772.64**	**743.22**	**59.17**

Notes forming part of the Financial Statements

Note 13- Other non-current liabilities

(Rs in Lakhs)

Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
1. Deferred revenue arising from Government grant (Refer Note 13.1)	2,283.25	2,268.34	1,164.00
Less:- Adjustment in respect to Govt Grant	26.30	0.18	-
Net Outstanding Government Grant	**2,256.95**	**2,268.16**	**1,164.00**
2. Deferred revenue consumer cost towards the asset (Refer Note 13.2)	9,254.26	7,600.35	3,834.98
Less :- Amortisation of amount received from asset provided by customer	592.05	363.59	234.69
Net Deferred revenue for consumer cost towards the asset	**8,662.21**	**7,236.76**	**3,600.29**
Total	**10,919.16**	**9,504.92**	**4,764.29**

13.1 The deferred revenue arising from government grant amounting to Rs 2,283.25 lakhs includes the following:-

(a) ERP System Implementation amounting to Rs 514 lakhs.

(b) Emergency Restoration System Tower Procurement amounting to Rs 650 lakhs. Of the stated amount which Rs 6.09 lakhs is recognised as a deferred revenue in the current year, previous year Nil.

(c) Power sector Development Fund amounting to Rs 1,104.34 lakhs Of the stated amount of Rs 19.97 lakhs is recognised as defered revenue in the current year ,(previous year 2015-16 Rs 0.18 lakhs) and (2014-15 Nil)

(d) PIDD grant for installation of energy efficient LED Lamps at sub-stations amounted to Rs 14.91 lacs. Of the stated amount of Rs 0.06 lacs was recognised as deferred revenue in the current year.

13.2 The deferred revenue arises in respect of Consumer cost towards the asset is recognised as per Appendix C to Ind AS 18.

Note 14- Current Borrowings

(Rs in Lakhs)

	Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
A	Loan repayable on demand 1. From Banks (Cash Credit from Canara Bank)	10,751.74	10,627.74	20,550.22
	Total	**10,751.74**	**10,627.74**	**20,550.22**

14.1 Total Cash credit facility for Rs 32500 lakhs (Rs 25000 from Canara Bank and Rs 7500 lakhs from U.B.I) the facility is secured by a way of first charge on current (debtors and stock) to Canara Bank and a pari- passu charge to U.B.I.There was no default of repayment of principal and interest on short term borrowings during the year.

14.2 Total Credit limit for the stated short term facility as on March 31, 2017 is Rs 32,500 lakhs (Previous Year March 31, 2016 Rs 32,500 lakhs and as on April 1, 2015 Rs 25,000 lakhs).

Notes forming part of the Financial Statements

Note 15- Trade Payables

(Rs in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables	6,464.70	6,956.13	5,956.22
Total	**6,464.70**	**6,956.13**	**5,956.22**

Note 16- other Financial liabilities

(Rs in Lakhs)

	Particulars	As at March 31,2017	As at March 31, 2016	As at April 1, 2015
(a)	Deposit and retention money deducted from contractors and suppliers (Note 16.2)	35,471.69	26,853.14	18,810.80
(b)	Current maturities of long term debt	22,832.81	22,415.62	16,966.60
(c)	Interest Accrued	1,455.14	1,482.94	2,031.36
(d)	Others:			
-	Liabilities for capital works	9,560.52	6,498.18	5,253.36
-	Employee house building loan payable to WBSEDCL	10.62	10.53	8.66
-	Amount received from Power Grid Corporation (Note 16.1)	8,981.92	-	-
	Total	**78,312.70**	**57,260.41**	**43,070.78**

16.1 Income from Operations during the year ended 31.03.2016 includes Rs. 7,852.87 lakhs (Previous Year Nil) on account of Inter State Transmission Charges for the period 01.04.2011 to 31.03.2014 in respect of 400 KV single Circuit Kolaghat-Baripada transmission line and 220 KV single Circuit Santaldih-Chandil transmission line (for the portions owned by the Company) ,recoverable from inter state users of those lines as per the Hon'ble Central Electricity Regulatory Commission's Order dated 29.06.2015.During the year 2016-17 an amount of Rs. 16,834.79 lakhs has been received out of which Rs. 7,852.87 lakhs has been adjusted with receivables and balance amount of Rs 8,981.92 lakhs is shown as amount received from Power Grid Corporation in the absence of any order for subsequent periods.

16.2 Amount withheld Contractors are under review and confirmation. These shall be refunded/adjusted post evaluation.

Note 17- Other Current Liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Consumer contribution to capital asset	31,769.71	26,067.76	19,175.73
(b) Others			
- Lease Incentives			
1. Employee Recoveries and Employer Contributions			
(a) Payable to WBSEDCL Pension Trust	-	377.59	306.42
(b) Payable to WBSETCL Pension trust	-	1,330.10	191.82
2. Statutory Dues (Excise duty, service tax, sales tax, TDS,)	470.91	242.57	203.25
3. Others	325.79	271.57	256.06
Total	**32,566.41**	**28,289.59**	**20,133.28**

17.1 Commissioned Capital Assets financed by the customers, deemed to be transferred to the Company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission are in the process of identification. Amount received against identified project has been recognized as revenue over the period of useful life of the project as per Ind AS-18 Appendix –C para 20.

17.2 Other Current Liabilities include Consumer Contribution to Capital Assets which represent advances received from customers for construction of transmission assets. The Management is in the process of reconciling the deposits received with the status of the related projects. Pending such reconciliation, no adjustment has been given in accounts.

Notes forming part of the Financial Statements

Note 18- Revenue from Operations (Rs in Lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a)	Sale of services		
	1. Transmission Charges	117,818.23	114,972.17
	2. Short Term Open Access Charges	5,911.23	7,594.94
	3. Scheduling Charges and SLDC Charges	1,907.53	1,699.84
(b)	Other operating Revenue		
	(a) Amortisation of consumer contribution towards Capital Assets	228.46	128.90
	(b) Amortization of Government Grant	26.12	0.18
	Total	**125,891.57**	**124,396.03**

18.1 During the year 2016-17 out of Government grants of Rs 2283.25 lakhs , Rs 26.12 lakhs is recognised as Income (previous year Rs 2268.34 lakhs, Rs 0.18 lakhs) and out of Consumer contribution of Rs 9254.26 lakhs, Rs 228.46 lakhs is recognised as Income(previous year Rs 7600.35 lakhs, Income Rs 128.90 Lakhs).

18.2 There is no unfulfilled conditions or other contingencies attached against the Government grant

Note 19- Other Income (Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income earned on financial asset Bank deposit (At amortised cost)	2,740.70	1,995.69
(b) Other non-operating Income		
Sale of tender papers	11.04	25.52
Sale of scrap	115.99	0.40
Supervision charges	286.73	543.39
Miscellaneous Income	507.27	497.76
Total	**3,661.73**	**3,062.76**

Note 20- Employee Benefits Expenses (Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Salaries and wages, including bonus	17,799.21	16,541.76
(b) Contribution to provident and other funds	8,633.82	5,839.33
(c) Staff welfare expenses	194.71	538.62
Less: Amount capitalised	(3,065.99)	(3,022.24)
Total	**23,561.75**	**19,897.47**

Notes forming part of the Financial Statements

Note 21- Finance Cost

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest cost		
Interest on term loans from banks / financial Institutions, and Bonds	29,699.17	27,091.39
(b) Other interest expense:-		
(i) Service Fee/Commitment Charges	24.62	39.82
(ii) Guarantee Charges	0.33	3.64
Less: Amounts capitalised during the year	(5,867.63)	(4,977.61)
Total	**23,856.49**	**22,157.24**

Note 22- Depreciation expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment	19,577.81	17,534.41
Less :- Amount capitalised during the year	-	(108.78)
Total	19,577.81	17,425.63

Note 23- Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Transmission Charges	4,676.26	5,343.48
ULDC Charges	495.71	281.91
ERPC Charges	16.00	16.00
Repairs and Maintenance		
- Plant and Machinery	2,947.52	2,909.11
- Buildings	1,748.27	1,420.19
- Others	202.38	187.00
Rent	139.09	151.60
Rates and Taxes	218.12	126.17
Security Expenses	1,685.71	1,716.67
Consultancy Charges	38.60	24.69
Travelling and Conveyance Expenses	110.01	111.09
Vehicle Running Expenses*	838.75	718.37
Advertisements	79.16	364.67
Contribution towards Corporate Social Responsibility	10.06	46.66
License Fees	216.72	207.11
Fees for Filing Petitions	62.98	14.51
Loss on assets written off	-	75.93
Other Expenses	2,190.86	954.34
Less : **Expenses Capitalised**	(306.54)	(242.87)
Total	**15,369.65**	**14,426.63**

**The figure is net of amount recovered from transport facilities.*

Notes forming part of the Financial Statements

23.1 Payment to Auditors as:-

Particulars	2016-17	2015-16
A. Payment to Statutory Auditor:		
1. Statutory Audit Fees	7.00	5.00
2. Tax Audit Fees	1.25	1.00
3. Others	3.75	3.70
B. Payment to Cost Auditor:		
1. Cost Audit Fees	1.00	1.00

Note: Fees exclusive of Taxes wherever applicable

Note 24:- Employee benefit plans

24.1. Defined benefits plans

The group sponsors funded defined benefit plans for qualifying employees of its companies. The defined benefit plan are administered by a separate fund that is legally separated from the entity. The board of the fund is composed of an equal number of representative from both employers and employees. The board of the fund is required by law and by its article of association to act in the interest of the fund and all the relevant stakeholders in the scheme, i.e. active employees , in active employees , retires , employers . The board of the fund is responsible for the investment policy with regard to the assets of the Fund.

(a) Pension

Under the plans the employees are entitled to post -retirement yearly instalment which is based on the guidelines of DCRB-85 ,which is 50% of Basic salary for 33 years of pensionable service called as Basic Pension. This Basic Pension will attract Dearness Allowance admissible to all categories of employees of the Company at such rate and from such date and in line with revision of the same as notified by Central Government from time to time. Dearness relief in case of pensioners/family pensioners shall be from the same date and at the same rate at which D A is sanctioned to the employees of the Company There is provision for payment of disablement .Pension, which will be as per same formula as superannuation pension but paid with immediate effect. On death in service pension shall be paid for seven years or till employee/pensioner would have attained the age of 67 years whichever period is less

(b) Vested pension of DCRB Family Pensioners

On death in service Widow Pension is paid at 50% of pay subject to a minimum of Rs.3300/- for 7 years or 67 years of age for employee,had he been alive whichever is earlier and 30% thereafter as long as alive and unmarried thereafter. On death after retirement man's pension for 7 years or 67 years of age for Pensioners and 30% of last drawn pay by pensioner will be paid to widow.

(c) Gratuity

Employees irrespective to the monthly salary being Basic, D.A. and D.P are covered under the payment of Gratuity of Act 1972 and DCRB-85 Regulation as applicable . Gratuity is computed as half-months

Salary, at exit, per year of Service, subject to payment of Maximum Gratuity of Rs 10,00,000/-, where service is counted as nearest year.

These plans typically expose the company to actuarial risk such as investment risk , interest risk longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently on discussion with the management it was noticed that the fund are invested in government securities, corporate Bonds, Investment Funds. The same is as per the decision of trust board. Refer point (G).
Interest risk	A decrease in the bond interest rate will increase the plan liability, however this will be partially offset by an increase in the return on the plan's debt investments.
longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plans liability.

No other post retirement benefits are provided to these employees. In respect of the plans in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017,by Mr Bhudev Chatterjee Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation , and the related current service cost and past service cost , were measured using projected unit credit method.

24.2 (1) The principal assumption used for the purpose of the actuarial valuations were as follows

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Gratuity		
Discount rates	7.25%	8.00%
Expected rate(s) of salary increase	7.25%	8.00%
Expected increase in salary	6.00%	6.00%
Average expected future service	19	8.3
(Remaining useful life)		
(b) Pension		
Discount rates	7.25%	8.00%
Expected return on plan asset	7.25%	8.00%
Rate of Compensation	6.00%	6.00%
Average expected future service	13 years	8 years
(c)Leave Encashment		
Discount rates	7.25%	8.00%
Rate of Compensation Increase	6.00%	6.00%
Average Expected future Service	13 years	8 years
Early retirement disability	1%	1%
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60

Notes forming part of the Financial Statements

(2) Accounts recognised in the profit and loss in respect of these defined benefit plans are as follows.

Note 23- Other Expenses

(Rs. in Lakhs)

a) Gratuity	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Current service cost	467.48	236.08
Net interest expense	0.63	12.09
Components of defined benefit costs recognised in the profit/ loss	**468.11**	**248.17**
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(74.72)	(17.97)
Actuarial (gains)/ losses arising due to demographic assumptions	-	-
Actuarial (gains)/ losses arising from change in financial assumptions	343.50	-
Actuarial (gains)/ losses arising from experience adjustments	(531.44)	5.66
Components of defined benefit cost recognised in OCI	**(262.65)**	**(12.31)**

(b) Pension

Current service cost	7,503.86	3,919.68
Net interest expense	(2.83)	3.08
Components of defined benefit costs recognised in the profit/ loss	**7,501.02**	**3,922.76**
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(351.75)	(82.72)
Actuarial (gains)/ losses arising due to demographic assumptions	-	-
Actuarial (gains)/ losses arising from change in financial assumptions	926.64	-
Actuarial (gains)/ losses arising from experienceadjustments	(7,888.52)	(2,749.89)
Components of defined benefit cost recognised in OCI	**(7,313.63)**	**(2,832.62)**

(c) Leave Encashment

Current service cost	371.97	678.08
Net interest expense	378.00	177.47
Net Actuarial Gain/loss	1,754.69	727.18
	2,504.66	1,582.73

The current service cost and the net interest expense for the year are included in the' Employee benefits expense' line item in the statement of profit and loss.

Notes forming part of the Financial Statements

(3) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Rs. in Lakhs)

(a) Gratuity	Year ended March 31, 2017	Year ended March 31, 2016
Present value of funded defined benefit obligation	6,254.17	6,009.62
Fair value of plan asset	6,308.20	5,773.76
Funded Status	54.03	(235.86)
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	54.03	(235.86)
(b) Pension	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Present value of funded defined benefit obligation	31,632.41	29,291.64
Fair value of plan asset	32,644.13	28,201.50
Funded Status	1,011.72	(1,090.14)
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	1,011.72	-1,090.14

(4) Movement in the present value of the defined obligation

(Rs. in Lakhs)

(a) Gratuity	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	6,009.62	505.51
Current service cost	467.48	236.08
Interest cost	419.23	208.86
Acquisition Adjustment	-	5,058.00
Remeasurement (gain)/ losses:-	-	-
Actuarial gains and losses arising from changes in	-	-
Financial assumption	343.50	-
Actuarial gains and losses arising from changes in	-	-
experience adjustments	(531.44)	5.66
Benefits paid	(454.23)	(4.48)
Closing defined benefit obligation	6,254.17	6,009.62
(b) Pension		
Opening defined benefit obligation	29,291.64	2,410.82
Current service cost	7,503.86	3,919.68
Interest cost	2,112.28	1,016.03
Acquisition adjustments	-	24,695.00
Remeasurement (gain)/ losses:-	-	-
Actuarial gains and losses arising from changes in	-	-
Financial assumption	926.64	-
Actuarial gains and losses arising from changes in	-	-
experience adjustments	(7,888.52)	(2,749.89)
Benefits paid	(313.49)	-
Closing defined benefit obligation	31,632.41	29,291.64

Notes forming part of the Financial Statements

(5) Movement in the fair value of the plan assets are as follows (Rs. in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Gratuity		
Opening fair value of the plan asset	5,773.76	352.13
Acquisition/Business Combination	-	5,058.00
Interest income	418.60	196.77
Return on plan assets(excluding amounts included in net interest expense)	74.72	17.97
Contribution from the employer	495.35	153.37
Benefits paid	454.23	4.48
Closing fair value of the plan assets	**6,308.20**	**5,773.76**
	Year ended March 31, 2017	**Year ended March 31, 2016**
(b) Pension		
Opening fair value of the plan asset	28,201.50	2,372.36
Acquisition/Business Combination	-	24,695.00
Interest income	2,115.11	1,012.96
Return on plan assets(excluding amounts included in net interest expense)	351.75	82.72
Contribution from the employer	2,289.25	38.46
Benefits paid	313.49	-
Closing fair value of the plan assets	**32,644.13**	**28,201.50**

(6) The fair value of the plan assets at the reporting period for each category are as follows (Rs. in Lakhs)

	March 31, 2017	March 31, 2016
(a) Gratuity		
Cash & Cash Equivalents	844.65	14.63
Investment Funds	160.98	236.21
State Government Securities	1,525.97	1,071.85
Trust Receivables	2,411.24	2,813.00
Corporate Bonds	1,299.44	1,393.60
Other (Accrued Interest)	65.92	244.59
	6,308.20	**5,773.89**
(b) Pension		
Cash & Cash Equivalents	5,027.95	1,330.19
Investment Funds	360.16	20.00
State Government Securities	3,095.31	1,247.89
Government of India Assets	7,417.32	8,557.00
Corporate Bonds	16,649.16	16,891.48
Other (Accrued Interest)	94.23	154.95
	32,644.13	**28,201.50**

Notes forming part of the Financial Statements

24.3 Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period.While holding all other assumption constant.

(A) Gratuity

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by **Rs 6,509.96 lakhs** (Increase by **Rs 6,020.26 lakhs**) as at March 31, 2016: decrease by **Rs 6,216.46 lakhs** (increase by **Rs 5,818.51 lakhs**).

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would increase by **Rs 6,343.60 lakhs** (Decrease **Rs 6,147.84 lakhs**) as at March 31, 2016: increase by **Rs 6,117.50 lakhs** (decrease by **Rs 5,899.76 lakhs**).

(c) Life expectancy increases/ decreases by 100 basis points year for both men and women, the defined benefit obligation would increase by **Rs 6,291.69 lakhs**(decrease by **Rs 6,216.64 lakhs**) as at March 31, 2016: increase by **Rs 6,043.30 lakhs**(decrease by **Rs 5,975.95 lakhs**).

(B) Pension

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by **Rs 3,1904.44 lakhs**(Increase by **Rs 3,1401.49 lakhs**) as at March 31, 2016: decrease by **Rs 29,561.12 lakhs** (increase by **Rs 29,033.87 lakhs**).

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would increase by **Rs 31,891.79 lakhs** (Decrease **Rs 6,147.84,64 lakhs**) increase / as at March 31, 2016: increase by **Rs 29,455.67 lakhs** (decrease by **Rs 29,110.04 lakhs**).

(c) Life expectancy increases/ decreases by 100 basis points year for both men and women, the defined benefit obligation would increase by **Rs 31,679.85 lakhs** (decrease by **Rs 31,584.95 lakhs**) as at March 31, 2016: increase by **Rs 29,341.45 lakhs** (decrease by **Rs 29,241.84 lakhs**).

The sensitivity analysis presented above may not be representative of actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Notes forming part of the Financial Statements

25.1 The company has established an appropriate liquidity risk management framework for managing the companies short term , medium term long term funding and liquidity management. The company manages the liquidity risk by maintaining adequate reserve , banking facility and reserve borrowing facility by continuously monitoring forecast and actual cash flows. And by matching the maturity profile of financial assets and liabilities.

Liquidity and interest risk tables The following table details the company's remaining maturity for its non derivative financial liabilities with agreed repayment periods. The The table have been drawn up based on the un-discounted cash of financial liabilities based on the earliest date on which the company can be required to pay. Includes both interest and principal cash flows.

In respect to interest payment:- (Rs. in Lakhs)

	Weighted average effective interest rate	Less than 1 month	1- 3 months	3 months to 1 year	1 - 5years	5 years +	Total
March 31, 2017							
Fixed interest rate instruments	8.97%	819.09	138.68	11,193.31	35,014.15	25,428.25	72,593.48
Variable interest rate instruments	10.88%	155.47	4,434.88	13,271.03	56,024.44	42,175.13	116,060.95
		974.56	4,573.56	24,464.34	91,038.59	67,603.38	188,654.42
March 31, 2016							
Fixed interest rate instruments	8.97%	978.50	150.95	12,292.71	41,747.33	31,854.43	87,023.92
Variable interest rate instruments	11.29%	189.14	3,538.71	10,704.04	44,689.58	31,618.07	90,739.54
		1,167.64	3,689.66	22,996.75	86,436.90	63,472.51	177,763.46
April 1, 2015							
Fixed interest rate instruments	8.97%	1,130.25	161.95	12,747.01	46,446.46	40,577.45	101,063.12
Variable interest rate instruments		190.11	2,552.51	7,804.66	30,972.92	20,353.75	61,873.96
		1,320.35	2,714.47	20,551.67	77,419.39	60,931.20	162,937.08

The table has been drawn up on the un discounted contractual maturities of the financial liability excluding interest that will be paid with principal. The inclusion is necessary in order to understand company's liquidity management as the liquidity is managed on a net asset and liability basis.

In respect to principal payment:- (Rs. in Lakhs)

	Weighted average effective interest rate	Less than 1 month	1- 3 months	3 months to 1 year	1 - 5years	5 years +	Total
March 31, 2017							
Fixed interest rate instruments	8.97%	51.39	139.53	12,505.19	69,186.87	53,956.04	1,35,839.02
Variable interest rate instruments	10.88%	-	3,294.70	6,842.01	58,173.29	1,00,213.41	1,68,523.41
		51.39	3,434.23	19,347.20	1,27,360.16	1,54,169.44	3,04,362.43
March 31, 2016							
Fixed interest rate instruments	8.97%	51.39	139.53	12,505.19	51,416.89	85,037.74	149,150.74
Variable interest rate instruments	11.29%	99.40	3,097.40	6,522.70	49,768.94	73,229.11	132,717.56
		150.79	3,236.93	19,027.89	101,185.83	158,266.85	281,868.30
April 1, 2015							
Fixed interest rate instruments	8.97%	667.25	139.53	7,105.19	53,246.89	96,519.46	157,678.32
Variable interest rate instruments	11.44%	99.40	2,886.35	6,068.88	39,002.07	48,081.94	96,138.65
		766.65	3,025.88	13,174.07	92,248.96	144,601.40	253,816.96

The amount included above for variable interest rate instruments for both non derivative financial assets and liabilities is subject to change if changes in the variable interest rate differ to those estimates of interest rate determined at the end of the reporting period.

Notes forming part of the Financial Statements

25.2 Secured Bank & Financial Institution facility ** (Rs in Lakhs)

Financing facilities:-	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Sanctioned limit	268,748.74	212,208.41	133,952.29
Amount used	139,831.82	94,284.36	48,461.70
Amount unused	128,916.92	117,924.05	85,490.59

(The stated amount relates to loan facilities for which further loan can be drawn in future)

25.3 Interest rate sensitivity analysis

The sensitivity anlyses below have been determined based on exposure to interest rate on floating rate facilities. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management assessments of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended March 31, 2017 would increase/(decrease) by Rs 840.72/(844.52) lakhs (for the year ended March 31, 2016 increase/(decrease) by Rs 659.14/ (668.03) lakhs This mainly attributable to the company's exposure to interest rates on its variable rate borrowings

26.1 Risk Management framework

The Company has constituted a Risk Management Committee with whole time Directors and further has appointed the Company Secretary in the capacity Chief Risk Officer (CRO). The CRO and the Risk Management Committee constantly monitor the risk associated with the Company and also conveys meeting with all Head of the Departments (HoD) of the Company for reviewing the risk from time to time. Presently, the Risk Management Policy of the Company is under consideration for amendment.

Following are the Broad views of the Risk Management Policy of the Company:

Improve financial risk awareness and risk transparency.
Identify, control and monitor key risks.
Identify risk accumulations.
Provide management with reliable information on the Company's risk situation.
Improve financial returns.

26.2 TREASURY RISK

The Company's treasury function co-ordinates access to domestic operation by augmenting financial resources from various financial institutions as well as managing the available fund judiciously ensuring optimum utilisation of available funds through effective cash management. Borrowing from banks/financial institutions is one of the major sources of funding the working capital requirement of the Company; therefore, change in the interest rate may impact the cash inflow and outflow. Considering that there is a cap on the amount allowed by the Regulator (WBERC) for Working Capital requirement of the Company, any change in the interest rate may impact the profitability of the Company. Treasury function also deals with investment of available funds of the Company in suitable instruments in order to ensure that the funds do not remain idle and to earn additional income out of such funds. Hence, it would be prudent to mention that any fluctuation in the interest rate / coupon rate of such interest may impact the additional generation of revenue to certain extent. As of now, the debt equity ratio is 0.86:1 against normative debt equity ratio of 2.33:1

Notes forming part of the Financial Statements

26.3 REGULATORY RISK

The Company is into the business of transmission of electricity across the length and breadth of West Bengal. Therefore, in accordance with provision of the Electricity Act, 2003 the tariff (Price for selling electricity) is determined by the Hon’ble West Bengal Electricity Regulatory Commission (WBERC), which is the main source of revenue. Hence, any changes in the tariff policies by the WBERC may impact the cash flow and revenue generation of the Company.

26.4 OPERATIONAL RISK

The Company is also facing challenges related to right-of-way (ROW) and land availability for expanding its network. The situation is more acute in the State due to the high population density and fertile nature of most of the land in the State, due to which the percentage of population dependant on agriculture is comparatively high ,leading to greater reluctance to provide land for establishment of electricity infrastructure, which results in delayed completion of the Projects. This delay if disallowed by the Hon'ble WBERC opens the risk of loss of revenue on account of depreciation on completed assets and interest during capitalisation to certain extent.

26.5 CREDIT RISK

As India's financial markets become more dynamic and the economy continues to evolve and diversify with the passage of time, investors also need to evolve the way they assess credit risk. The Company being a Capital intensive one relies on the borrowed funds to the extent permissible under the regulations of the Hon'ble West Bengal Electricity Regulatory Commission for funding of its projects besides the internal accruals of the Company. The permissible debt equity ratio for a project is 70:30. As of now, the debt equity ratio is 0.95:1 against normative debt equity ratio of 2.33:1. The Company can utilise this leverage for borrowing additional funds from the market if they are available at cheaper rate. Therefore any fluctuation in the interest rate / coupon rate of such instruments of borrowings may impact the scenario.

Ratings from credit rating organizations are a traditional measure of credit risk and a valuable source of information. Credit risk assessment typically involves looking at the financial ratios of the company as well as consultation with management teams.

The ratings process is designed to be a long-term credit view, based on a deliberate consultative approach. The problem for investors is that credit risk can change rapidly while traditional ratings can be slow to reflect real-time dynamics.

The DISCOMs (Consumers) plays a pivotal role in the business of supply of electricity. Hence, any change in the financial health of the DISCOMs both in West Bengal and various other States may impact the revenue position of the Company.

Notes forming part of the Financial Statements

26.6 The section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised in respect of each financial class of financial asset, financial liability :-

March 31, 2017 Financial Assets	**Note No**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total Carrying value**	**Fair value**
Cash and Cash Equivalent	5	-	-	17,090.79	17,090.79	17,090.79
Trade Receivable Current	4	-	-	22,365.55	22,365.55	22,365.55
Other Current Financial Assets	6	-	-	2,070.19	2,070.19	2,070.19
				41,526.53	**41,526.53**	**41,526.53**
March 31, 2017 Financial Liability						
Borrowing Non Current	12	-	-	281,529.61	281,529.61	281,529.61
Borrowing Current Maturities	17	-	-	22,832.81	22,832.81	22,832.81
Trade Payable	16	-	-	6,464.70	6,464.70	6,464.70
Cash Credit facility from Bank	15	-	-	10,751.74	10,751.74	10,751.74
Other Current Financial Liability	17			55,479.89	55,479.89	55,479.89
				3,77,058.75	**3,77,058.75**	**3,77,058.75**
March 31, 2016 Financial Assets		**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total Carrying value**	**Fair value**
		-	-			
Cash and Cash Equivalent	5	-	-	17,035.36	17,035.36	17,035.36
Trade Receivable Current	4	-	-	29,498.02	29,498.02	29,498.02
Other Current Financial Assets	6	-	-	2,286.54	2,286.54	2,286.54
		-	**-**	**48,819.92**	**48,819.92**	**48,819.92**
March 31, 2016 Financial Liability						
Borrowing Non Current	12	-	-	2,59,452.68	2,59,452.68	2,59,452.68
Borrowing Current Maturities	17	-	-	22,415.62	22,415.62	22,415.62
Trade Payable	16	-	-	6,956.13	6,956.13	6,956.13
Cash Credit facility from Bank	15			10,627.74	10,627.74	10,627.74
Other Current Financial Liability	17			34,844.77	34,844.77	34,844.77
		-		**3,34,296.94**	**334,296.94**	**334,296.94**
April 1, 2015 Financial Assets		**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total Carrying value**	**Fair value**
Cash and Cash Equivalent	5	-	-	12,071.02	12,071.02	12,071.02
Trade Receivable Current	4	-	-	25,095.15	25,095.15	25,095.15
Other Current Financial Assets	6	-	-	4,094.33	4,094.33	4,094.33
		-	**-**	**41,260.50**	**41,260.50**	**41,260.50**
April 1, 2015 Financial Liability						
Borrowing Non Current	12	-	-	236,850.37	236,850.37	236,850.37
Borrowing Current Maturities	17	-	-	16,966.60	16,966.60	16,966.60
Trade Payable	16	-	-	5,956.22	5,956.22	5,956.22
Cash Credit facility from Bank	15	-	-	20,550.22	20,550.22	20,550.22
Other Current Financial Liability	17	-	-	26,104.18	26,104.18	26,104.18
		-	**-**	**306,427.59**	**306,427.59**	**306,427.59**

The Fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair value.

Non Current fixed and variable Borrowings fair value has been determined by the Company based on parameters such as interest rate, specific country risk factor, for all non current fixed and variable rate borrowings carrying amount approximates the fair value

Trade receivable cash and cash equivalent, other bank balances, other current financial assets, trade payable. approximate their carrying amount largely due to short term maturities of these instruments

Notes forming part of the Financial Statements

27. Related Party Disclosure

(a) The Company is controlled by the following entity:

Name of the Entity	Type	No of Shares Held	Ownership interest held by the Company		
			March 31, 2017	March 31, 2016	April 1, 2015
Governor of West Bengal	Ultimate Parent	1,10,54,70,000	99.99%	99.99%	99.99%

(b) All transaction carried out by the Company at a price, which has been determined by the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) and therefore, transaction with other government entities/companies take place at arm's length basis. Hence, apart from recovery of transmission charges there is no other transaction, which take places with other government entities/companies, which are materially significant in terms size.

In this connection, the management has observed that the transactions entered by the Company during the reporting period with other government entities/companies are neither of Significant in term size, Carried out on non market basis or Outside normal day to day business operations and therefore, the Company is exempted (as envisaged under Paragraph 27) from reporting under Paragraph 24 and 25 of IND AS 24. However, the Company is disclosing the remuneration been paid to the Key Managerial Personnel (KMP) during reporting period, which is line with disclosure to be made in the Director's Report of the Company for said period.

Details of the remuneration of the KMP is stated hereunder:

c) Key Management Personnel

S Kishor, IAS	Chairman
Rajesh Pandey, IAS	Managing Director (w.e.f 02.09.2016)
Susanta Kumar Das	Managing Director (upto 01.09.2016)
Manas Bandyopadhyay	Director Operations (upto 31.07.2016)
Sabyasachi Roy	Director Operations (w.e.f 01.08.2016)
Somnath Bhattacharya	Director Project
Anjan Chowdhuri	Director F&A (upto 31.08.2016)
Trilochan Panda	Director F&A , CFO (w.e.f 06.09.2016)
Virendra Singh	Company Secretary
H.K Dwivedi	Director (Government Nominee)
Saswati Banerjee	Director (Government Nominee)
Sreekumar Majumdar	Independent Director
Biswaranjan Mishra	Independent Director

(d) Key management personnel compensation

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Payment of Salary Wages and allowances	89.69	74.41	75.80
Sitting Fees	3.30	2.00	2.00

27.1 Compensation of Key management personnel (Rs in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Employee benefits	92.99	76.41

The stated amount as above include payment for salary allowances and sitting fees. Which is determined by the remuneration committee having regard to the performance of the individual and market trends.

Notes forming part of the Financial Statements

28. Capital Commitments

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
(a) Estimated amount of contract reaming to be executed on capital project (Operation and Project)	1,35,621.38	1,61,223.17	99,638.04
	1,35,621.38	1,61,223.17	99,638.04

29. Contingent liabilities

(Rs in Lakhs)

(a) Claims against the company not acknowledged as debt	March 31,2017	March 31, 2016
(i) State of West Bengal vs. Md. Jamaluddin & Ors. - FAT No. 343 to 356 of 2003 The matter relates to land acquisition for construction of Purba Ichapur 132 kV sub-station (land ad measuring 2.46 acre) at Barasat. The land losers were not satisfied with the amount of compensation fixed by the Collector and they obtained a favourable order from the District Court at Barasat for higher valuation. The State Govt. filed an appeal in the Hon'ble High Court against the order of the District Court and the Hon'ble High Court passed an Order dated 15.02.2005 directing the Collector to deposit 50% of the total decretal dues with the Registrar of the Hon'ble High Court. To comply with this order the L&LR Department requested the WBSEB to place the fund of Rs.18 Lakh being 50% of decretal dues at the disposal of Collector, 24 Parganas(North). The Company deposited Rs.18 Lakh being 50% of the decretal dues. The balance amount of Rs.18 Lakh is considered as contingent liability till final decision.	18.00	18.00
(ii) Shaw Bros & Anr Vs. WBSEB & Ors. - C.O. No. 19044 of 1996, FA No. 186 of 2009. An order was placed on M/s. Shaw Bros for spreading of gravels at 400 kV Switchyard of Jeerat 400 kV sub-station. After several disagreements, the party left without executing the contract. The party filed a Money Suit in the 2nd Court of District Judge, Barasat, for work done, damage and interest for a value of Rs 4.71 Lakh. The suit was dismissed by the Ld. Court and the party again moved the Hon'ble High Court appealing against the order.	4.71	4.71
(iii) Remittance of spectrum charges of Rs 2,463.85 lakhs as demanded by Department of Telecommunications, Wireless Planning & Coordination Wing On the basis of communication dated 06.09.2016 from the WPC Wing, Dept. of Telecommunications which acknowledged the receipt of the Demand Draft, of Rs 24,63,84,772/-, which is considered by them as the due spectrum charges (upto 30.03.2015 and late fee upto September 2016). With late fee @2% per month (compounded annually) shall be applicable on the due amount for further delay on the payment. The Board of Directors in its 54th Meeting held on 26.09.2016 accorded its approval for challenging the demand of Rs 2,463.85 lakhs of The Department of Telecommunication (DoT) before the Telecom Dispute Settlement Appellate Tribunal (TDSAT), New Delhi with an objective to protect the interest of the Company.	2463.84	2463.84

(iv) Demand from Income Tax Authorities:-	**871.22**	**1182.15**
1. The IT Department preferred an appeal against the Order of ITAT before the Hon'ble High Court at Calcutta which involves a claim of Rs 41.30 Lakh and to be treated as Contingent Liability.	41.30	41.30
2. Department's appeal against order passed by Hon'ble ITAT in matter of dismissing proceedings under 263 of the Income Tax Act, 1961 regarding the issue of additional depreciation	241.34	241.34
3. Addition of 537.00 Lakh being receivable from WBSEDCL in income as well as computation of MAT and addition of brought forward business loss in computation of MAT. (AY 2009-10)	464.91	464.91
4. Disallowance of prior period expenditure, ULDC charges , ERPC charges, filling fees to WBERC. Addition of Interest income of SLDC UI Fund and disallowance of additional depreciation. Short credit of TDS and levy of interest u/s 234A. Demand raised Rs 0.02 Lakh. (AY 2010-11)	0.02	0.02
5. Disallowance of 449.34 lakh u/s 36(1)(vat)/2(24)(x), short allowance of depreciation, disallowance of preliminary expenses, addition of prior period expenditure and short allowance of credit of TDS. Demand Raised 20.20 Lakhs.(AY 2012-13)	20.20	20.20
6. Disallowances of medical advance, ERPC charges and addition on account of accrued income and receivables as well as levying interest u/s 234D.	0.62	0.62
7. Disallowances of ERPC and CSR expenditure & Municipal taxes. Short credit of TDS and levying interest u/s 234A.	4.74	-
8. Defaults in respect of TDS by all the TANs with defaults mapped to PAN-AAACW6952G.	98.09	-

30. **Segment :-** Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services delivered or provided. As per Notification No 313-PO/O/III/3R-29/2006, earlier body that was WBSEB was reorganised into Distrubtion company and Transmission company. The Transmission & Load Despatch undertaking shall comprise of all Assets , liabilities and proceedings, including the following but not limited to them, belonging to the West Bengal State Electricity board. Hence as per management of West Bengal State Transmission Company is of the view that the company is engaged in only one kind of Business.

31. **Taxation:-**

(a) Deferred Tax has not been recognised and therefore not shown in the balance Sheet in accordance with Ind AS 12 Income Taxes, since deferred tax in respect to timing difference originate and reverse during the tax holiday period (keeping in view of the applicable provision of Sec 80 IA of Income Tax Act 1961).

(b) The Company has made Current Tax Provision on Book Profit in accordance with the provisions of Sec 115 JB of the Income Tax Act 1961 as tax payable under normal calculation is lower (considering the benefit of Sec 80IA of Income Tax Act 1961)than that of MAT Computed.

32. **Corporate Social Responsibility**

Expenditure under Sec 135 of Companies Act 2013 on Corporate Social Responsibility (CSR) activities is Rs. 10.06 lakhs as against Rs. 908 lakhs (previous year 15-16 amount spent Rs. 46.66 lakhs as against Rs. 815.70 lakhs), However, the Company is in constant endeavour to identify suitable projects under CSR scheme. Moreover, the Company has made an expenditure of about Rs. 219 lakhs in the FY 2017-18 out of the budgeted provision of the CSR for the FY 2016-17.

Notes forming part of the Financial Statements

33. Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November, 2016 to 30 December, 2016 as required by the Ministry of Corporate Affairs vide notification dated 30 March, 2017:

(Rs in Lakhs)

Particulars	SBN	Other Denomination	Total
Closing cash in hand as on 08 November 2016	1.74	1.34	3.08
(+) Permitted receipts		32.55	32.55
(-) Permitted payments	1.11	31.10	32.21
(-) Amount deposited in banks	0.62	1.02	1.64
Closing cash in hand as on 30 December 2016	0.01	1.77	1.78

34. Balance Confirmation

Balances in Loans and Advances, Material with Contractors, Trade payables are subject to confirmation and consequential adjustments, if any. The Company has sent letters requiring confirmation and reconciliation of balance3s to some of these parties but has not received any confirmation there against.

35. First-time adoption of Ind AS

1) Transition to Ind AS : These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policy set out have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015, the company has adjusted the amount reported previously in financial statement prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A) Exemptions and exceptions availed:- Set below are the applicable Ind AS Optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost : Ind AS 101 permits a first-time adopter to elects to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly the company has elected to measure all of its property plant and equipment at their previous GAAP carrying value.

A.1.2 leases:- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except whether the effect is not material. The company has elected to apply this exemption for such contract/arrangements

B.1 Ind AS Mandatory exceptions

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error

B.1.2. Classification and measurement of Financial assets:- Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exits at the date of transition to Ind AS.

Notes forming part of the Financial Statements

Reconciliation of total comprehensive income for the year ended March 31,2016 (Rs in Lakhs)

Particulars	Year ended March 31,2016 (Latest period presented under previous GAAP)
Balance of profit after tax under IGAAP	**43,711.92**
Adjustments	
Prior Period expenses adjusted against respective note line	696.01
Adjustment in respect to depreciation on Government Grant (as per IND AS 20)	0.18
Adjustment for Depreciation for P&M which as per Ind AS adjusted with Goverement Grant on utilisation	(0.18)
Adjustment for consumer cost towards the asset as per (Ind AD 18 Appendix C)	128.90
Remeasurement of defined benefit obligation recognised in other comprehensive Income	(2,844.93)
Tax Adjustments	607.15
Total effect of transition to Ind AS	**(1,412.87)**
Profit for the year as per Ind AS	**42,299.05**

1. Reconciliation of total equity as at March 31, 2016 and April 1, 2015 (Rs in Lakhs)

SL No	Particulars	Year ended March 31, 2016 (Latest period presented under previous GAAP)	As at April 1,2015
	Total Equity (shareholders' funds) under previous GAAP	**3,16,129.24**	**2,71,313.02**
1	Amortisation of amount received from assets provided by customers	363.59	234.69
2	Adjustment in respect to Government grant treated as deferred revenue expenditure	(2,268.34)	(1,164.00)
3	Prior period adjustment	-	(696.01)
	Balance of Equity as per Ind AS	**3,14,224.49**	**2,69,687.70**

2. Impact of Ind AS on the Statement of Cash Flows for the year ended March 31, 2016 (Rs in Lakhs)

Sl No	Particulars	IGAAP	Adjustments	IND AS
1	Net Cash Flow from Operating Activity	96,645.57	5,971.77	1,02,617.34
2	Net Cash Flow from Investing Activity	(85,337.99)	(2,760.59)	(88,098.58)
3	Net Cash Flow from Financing Activity	(4,028.39)	4,396.45	368.06
	Net Increase / Decrease to Cash & Cash equivalent	7,279.19	7,607.63	14,886.82
	Cash and Cash Equivalent as at April 01 2015	22,854.93	(31,334.13)	(8,479.20)
	Cash and Cash Equivalent as at March 31, 2016	30,134.12	(23,726.50)	6,407.62

First time Ind AS adoption reconciliation

Effect of Ind AS adoption on the balance sheet as at April 1, 2015

ASSETS (Rs in Lakhs)

Non-current Assets	IGAAP	Effect of transition to Ind AS	IND AS
(a) Property, Plant And Equipment	4,16,211.07	3,730.92	4,19,941.99
(b) Capital Work-in-progress	95,706.36	9.46	95,715.82
(c) Other Non Current Asset	9,407.18	-	9,407.18
(d) Tax assets	-	5,843.89	5,843.89
Total Non-Current Assets	**5,21,324.61**	**9,584.27**	**5,30,908.88**
Current Assets			
(a) Inventories	9,538.92	(294.74)	9,244.18
(b) Financial Assets			
(i) Trade receivables	25,095.15	-	25,095.15
(ii) Cash and cash equivalents	22,854.91	(10,783.89)	12,071.02
(iii) Other bank balances	-	10,783.89	10,783.89
(iv) Other financial asset	-	4,094.33	4,094.33
(c) Other Current Assets	15,577.15	(9,921.09)	5,656.06
Total Current assets	**73,066.13**	**(6,121.50)**	**66,944.63**
Regulatory deferral account debit balance	**4,471.26**	**-**	**4,471.26**
Total Assets and Regulatory deferral account debit balance	**5,98,862.00**	**3,462.77**	**6,02,324.77**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	110,552.00	-	110,552.00
(b) Other Equity	160,761.01	(1,625.31)	159,135.70
Total Equity	**2,71,313.01**	**(1,625.31)**	**2,69,687.70**
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	236,850.37	-	236,850.37
(b) Provisions	1,252.74	-	1,252.74
(c) Other non current liabilities	19,245.37	(14,481.07)	4,764.29
Total Non-current liabilities	**2,57,348.48**	**(14,481.07)**	**2,42,867.40**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20,550.22	-	20,550.22
(ii) Trade Payables	5,360.60	595.62	5,956.22
(iii) Other Financial Liabilities	-	43,070.78	43,070.78
(b) Provisions	59.17	-	59.17
(c) Other current liabilities	44,230.52	(24,097.24)	20,133.28
	70,201	**19,569.16**	**89,769.67**
Total Equity and Liabilities	**5,98,862.00**	**3,462.77**	**6,02,324.77**

First time Ind AS adoption reconciliation

Effect of Ind AS adoption on the balance sheet as at March 31,2016

ASSETS (Rs in Lakhs)

Non-current Assets	IGAAP	Effect of transition to Ind AS	IND AS
(a) Property, Plant And Equipment	4,56,660.51	7,600.35	4,64,260.86
(b) Capital Work-in-progress	1,23,350.82	-	1,23,350.82
(c) Other Non Current Asset	12,221.66	-	12,221.66
(d) Tax assets	-	5,714.58	5,714.58
Total Non-current assets	**5,92,232.99**	**13,314.93**	**6,05,547.92**
Current Assets			
(a) Inventories	10,890.19	-	10,890.19
(b) Financial Assets			
(i) Trade receivables	29,498.02	-	29,498.02
(ii) Cash and cash equivalents	30,134.12	(13,098.76)	17,035.36
(iii) Other bank balances	-	13,098.76	13,098.76
(iv) Other financial asset	-	2,286.54	2,286.54
(c) Other Current Assets	17,969.99	(8,001.12)	9,968.87
Total Current assets	**88,492.32**	**(5,715)**	**82,777.74**
Total Assets	**6,80,725.31**		**6,88,325.66**
Regulatory deferral account debit balance	**4,471.26**	**-**	**4,471.26**
Total Assets and Regulatory deferral account debit balance	**6,85,196.57**	**7,600.35**	**6,92,796.92**
EQUITY AND LIABILITIES			
(a) Equity	1,10,552.00	-	1,10,552.00
(b) Other Equity	2,05,577.11	(1,904.59)	2,03,672.49
Total Equity	**3,16,129.11**	**(1,904.59)**	**3,14,224.49**
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	2,59,452.68	-	2,59,452.68
(b) Provisions	5,737.74	-	5,737.74
(c) Other non current liabilities	27,349.83	(17,844.91)	9,504.92
Total Non-current liabilities	**2,92,540.25**	**(17,844.91)**	**2,74,695.34**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10,627.74	-	10,627.74
(ii) Trade Payables	6,854.77	101.36	6,956.13
(iii) Other Financial Liabilities	-	57,260.41	57,260.41
(b) Provisions	743.22	-	743.22
(c) Other current liabilities	58,301	(30,011.89)	28,289.59
Total Current liabilities	**76,527.21**	**27,349.88**	**1,03,877.09**
Total Equity and Liabilities	**6,85,196.57**	**7,600.35**	**6,92,796.92**

First time Ind AS adoption reconciliation

Effect of Ind AS adoption on Statement of Profit and Loss for the Year Ended March 31, 2016

(Rs in Lakhs)

	Notes	IGAAP	Effect of transition to Ind AS	IND AS
I Revenue from operations	(a)	1,24,266.95	129.07	1,24,396.02
II Other Income	(b)	2,368.21	694.56	3,062.76
III Total Income (I + II)		**1,26,635.16**	**823.63**	**1,27,458.78**
IV EXPENSES				
(a) Employee benefit expense	(c)	17,052.54	2,844.93	19,897.47
(b) Finance costs		22,157.24		22,157.24
(c) Depreciation and amortisation expense	(a)	17,425.45	0.18	17,425.63
(d) Other expenses		14,428.08	(1.45)	14,426.63
Total Expenses (IV)		**71,063.31**	**2,843.66**	**73,906.97**
V Profit before tax (III-IV)		**55,571.85**	**(2,020.03)**	**53,551.81**
VI Tax Expense				
(1) Current tax		11,859.92	607.15	11,252.77
(2) Deferred tax		-	-	-
Total tax expense		**11,859.92**	**607.15**	**11,252.77**
VII Profit for the year (V-VI)		**43,711.93**	**(1,412.88)**	**42,299.04**
VIII Other comprehensive income				
(A) (i) Items that will not be reclassified to profit or loss -Remeasurement of defined Benefit plan		-	2,844.93	2,844.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	607.15	(607.15)
(B) (i) Items that may be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
IX Total comprehensive income for the period (VII + VIII)		43,711.93	1,432.05	44,536.82

Notes on Reconciliation:-

(a) Grants received related to specific assets are not reduced from the assets purchased but are separately credited to Government Grants and are carried in the Balance Sheet under the head Non Current Liability. On such assets being commissioned, the Government Grant is amortized systematically and on a rational basis over the useful life of the asset in line with the amount of depreciation charge in the Statement of Profit and Loss. The impact of the depreciation is Rs 0.18 lakh which is recognised as income from operation for the year ended March 31, 2016.

As per Ind AS 18 Appendix C para 20, Amount received in respect of advances received from customers towards the cost of the asset, revenue shall be recognised over the period no longer than the useful life of the transferred asset used to provide the on going service. Amount received in respect to consumer cost towards the asset is shown under the head non current liability and the depreciation in respect to same is recognised in Revenue from Operation. Impact to the same is an increase in Revenue from operation by Rs 128.90 lakhs.

(b) Under previous GAAP, prior period errors were allowed to be adjusted in the year when data in respect of the same is available, However as per Ind AS 8 para 43, prior period error shall be corrected by retrospective restatement, except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error. The impact of prior period adjustment is an increase in Other Income by Rs 696.01 Lakhs as at March 31, 2016.

Rs 1.45 lakhs represent adjustment of vehicle recovery which vehicle running expense which is shown under the head Other Expense.

Impact of prior period expense in 2015-16 amounted to Rs 696.01 lakhs the same has been adjusted in the opening balance figures, under the respective heads.

(c) Under the previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. The actuarial gain for the year ended March 31, 2016 is Rs 2,828.96 lakhs. This change doesn't affect total equity, but there is decrease in profit before tax by Rs 2,826.96 lakhs for the year ended March 31, 2016.

Under previous GAAP there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

The accompanying notes and significant accounting policies are an integral part of the financial statements.

In terms of our report of even date attached herewith.
For L B Jha & Co
Chartered Accountants
Firm Registration No :- 301088E

For and on behalf of the Board of Directors

(D.N Roy)
Partner
Membership No :-300389

(Virendra Singh)
Company Secretary

(Trilochon Panda)
Director (F&A)

(Rajesh Pandey)
Managing Director

Kolkata
Date July 25, 2017

36. Background	
Corporate information	West Bengal State Electricity Transmission Company Limited ("WBSTECL" / "the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and the entire paid up Share Capital is held by the Government of West Bengal and its nominees. It is a multi-sited Power Transmission Company in Eastern India and the Company operates and maintains a transmission network of Extra High Voltage Transmission lines along with sub-stations with capacity of 400 kV to 66 kV situated across the state of West Bengal and also defined as deemed State Transmission Utility under Electricity Act, 2003. These financial statements were approved and adopted by Board of Directors of the Company in their meeting dated 25th July, 2017.
Statement of Compliance	These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC under the Electricity Act, 2003 (Tariff Regulations). The financial statements upto the year ended March 31, 2016, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as per the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC under the Electricity Act, 2003 (Tariff Regulations). These are the Company's first Ind AS Standalone Financial Statements. The Company has adopted all the applicable Ind ASs and such adoption was carried out in accordance with Ind AS 101 - First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 35.
37. Significant Accounting Policies	
Basis of preparation	The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Ind AS 1 - Presentation of Financial Statements and Schedule-Ill of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities. The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all the amounts are rounded off to nearest lakhs (Rs 00,000) and two decimals thereof, except as stated otherwise.

Use of estimates	The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements. 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, impairment of financial instruments, valuation of deferred tax assets, regulatory deferral accounts and provisions and contingent liabilities.
Property, Plant and Equipment	Property, plant and equipment are stated at historical cost comprising of purchase/work contract cost incurred, pre operational expenses like interest on borrowings, other financing cost during the period of construction and other attributable cost of bringing the assets to its working condition. Assets received from customers or assets constructed on receipt of amounts from the customers are deemed to be transferred to the Company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission (WBREC) and recognized as property, plant and equipment post commissioning. In the case of commissioned assets, deposit work / cost plus contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement. Insurance spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition. **<u>Capital work-in-progress</u>** Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in-Progress. The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters. **<u>Depreciation</u>** Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the WBERC, a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. No depreciation is charged on freehold land as well as no amortization of the Land acquired on perpetual lease is made since the same does not have a limited useful life.

	De-recognition of assets An item of property, plant and equipment is derecognized 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 recognized in Statement of Profit and Loss.
Impairment	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 group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and 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.
Regulatory asset or Regulatory liability	A regulatory asset is recognized when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the West Bengal Electricity Regulatory Commission (WBERC) Tariff Regulation and the amount can be measured reliably. A regulatory liability is recognized: • when an entity has a present obligation as a result of a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • reliable estimate can be made of the amount of the obligation A regulatory asset and regulatory liability is presented as current/non-current, as the case may be, in the balance sheet, separately from other assets and liabilities. On initial recognition and at the end of each subsequent reporting period, the Company measures a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework. A regulatory asset or regulatory liability is not discounted to its present value.

	Impairment of Regulatory Asset The Company reviews the estimates of the amount expected to be recovered, refunded or adjusted at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with Ind AS 8. If it is concluded that it is not reasonable to assume that it will be able to collect sufficient revenues from its customers to recover its costs, this is an indication that the cash generating unit in which the regulatory assets and regulatory liabilities are included may be impaired and the Company test that cash generating unit for impairment in accordance with Ind AS 36 Impairment of Assets. **De-recognition** If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the Company or an outflow of resources embodying economic benefits will be required to settle a regulatory liability, the regulatory asset or liability, as the case may be, is de-recognized and any resulting loss/gain is recognized in the statement of profit and loss.
Provisions and Contingencies	A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized but disclosed unless the possibility of outflow of resources is remote. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.
Leases	At the inception of a lease, the lease arrangement is classified as either a Finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. All other leases are classified as operating leases. Rental expense from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary costs increases, such increases are recognized in the year in which such benefits accrues.

Government Grants	Grants and subsidies from government are recognized at fair value provided there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with. Government grants relating to income are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.
Inventories	Inventory mainly comprises of Stores and Spares. Inventories, other than scrap, are valued at lower of the cost on weighted average basis or its net realizable value. Scrap is valued at the lower of cost or net realizable value.
Trade receivable	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price, unless it contains a significant financing component in accordance with Ind AS 18 or pricing adjustments embedded in the contract. The Company measures the loss allowance for a trade receivable at an amount equal to the lifetime expected credit losses.
Financial Instruments	Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost 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 measured on initial recognition of financial asset or financial liabilities. **Financial Assets** All recognized financial assets are measured in their entirety at either amortised cost or at fair value, depending upon the classification of the financial assets. **(i) Cash or Cash equivalents:** The Company considers all short term bank deposits, which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortized cost:

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

(iii) Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

(iv) Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

Financial liabilities and equity instruments issued by the Company

(i) Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Other financial liabilities are measured at amortized cost using the effective interest method.

(ii) Equity Instruments:

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Amortised Cost using effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset / financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income and expenses are recognised on an effective interest basis for financial assets other than those financial assets classified as at FVTPL and the financial liabilities respectively.

	Interest income and expenses are recognised in the Statement of Profit and Loss and is included in the "Other income" and "Finance Cost" line item respectively. **Derecognition of financial assets** The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity **Impairment of financial assets** At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss. **Derecognition of financial liability** The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. **Offsetting financial instruments** Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
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. The Company considers a period of twelve months or more as a substantial period of time. The borrowed funds are earmarked to specified projects under implementation and the borrowing costs thereof are allocated to Capital Work in Progress ('CWIP'). In cases where the borrowed funds are not earmarked separately for specific projects, the borrowing costs thereof are allocated/apportioned to CWIP based on sanctioned project cost of the projects. In case of projects which have been completed and commissioned during the year, the borrowing costs thereof till the date of commissioning are allocated to fixed assets. The borrowing cost for completed projects is charged to revenue.

	Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.
Employee Benefits	Employee benefits consist of salaries and wages, performance pay, leave travel allowances, provident fund, employee state insurance, pension, gratuity, compensated absences and other terminal benefits. **a) Short term and other long-term employee benefits** A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and medical leave (which is not accumulated for more than a period of 12 months) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. 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. Cost of providing benefits in respect of long-term compensated absences is determined using project unit credit method, with actuarial valuations carried out at each annual reporting period. Past service cost is recognised in profit or loss in the period of a plan amendment. Interest on the obligation is calculated by applying the discount rate at the beginning of the period to the obligation. Costs of long-term compensated absences are categorised as follows: • service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); • interest obligations; and • re-measurement The Company presents all the components of long-term compensated absences costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. **b) Retirement Benefit costs** **Defined Contribution Plans** Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to contributions.

	Defined Benefits Plans For defined benefit retirement benefit 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, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), 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. Defined benefit costs are categorised as follows: • service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); • net interest expense or income; and • re-measurement The Company presents the first two components of defined benefit costs in profit or loss in the line item & Employee benefits expenses Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized 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.
Income Taxes	Income tax expense represents the sum of the tax currently payable. **Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax9 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. **Current tax for the year** Current tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax are also recognised in other comprehensive income or directly in equity respectively. **Deferred taxes** 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Revenue recognition and Other income	a) Revenue from Transmission of Power is recognised on an accrual basis and includes unbilled revenues accrued upto the end of the accounting year. Revenue from transmission of power is accounted for based on the last tariff rates approved by the West Bengal Electricity Regulatory Commission (WBERC). b) The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations (i.e. Transmission) based on the principles laid down under the relevant Tariff Regulations/ Tariff Orders as notified by respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by respective Regulatory Commissions under the aforesaid Tariff Regulations/ Tariff Orders is made after the completion of such review. c) Advance against depreciation allowed by WBERC as a component of the Aggregate Revenue Requirement of the Company is recognised as revenue for that year. d) Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances. e) Income from short term open access is accounted for on the basis of regulations notified by West Bengal Electricity Regulatory Commission (WBERC). f) Receipts for delayed payments surcharge and liquidated damage are accounted for when it is ascertained and the collection of the amount is confirmed. g) Assets received from customers advances received for construction of property, plant and equipment are capitalized after commissioning with matching credit to Deferred Revenue. This deferred revenue is recognized as revenue on a systematic and rational basis over the useful lives of the related assets.

	Other Income a) Supervision charges received for diversion/relocation of existing assets and/or against deposit work to be undertaken by the customer is treated as Advance against Supervision Charges and shown under Other Current Liabilities till the related work is completed. On completion of the works, the Supervision Charges received there against is treated as "Other Income "in the year in which the related work is completed. b) 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 proportion 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.

38. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-2, the management of the Company is required to make judgments, 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 recognized in the period in which the estimate is revised.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is Rs. 59259.82 lakhs (March 31, 2016: Rs. 61918.68 lakhs). Details of these assets are set out in note 28.9

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. Provisions

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

b. Contingent liabilities

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

c. Fair value measurements and valuation processes:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Darjeeling 132 KV Sub-station

Arambagh 400 KV Inspection Bunglow

WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

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