



WBSETCL

Rural to Urban
Unparallel Transmission

WBSETCL

ANNUAL REPORT 2015-16

**WEST BENGAL STATE ELECTRICITY
TRANSMISSION COMPANY LIMITED**

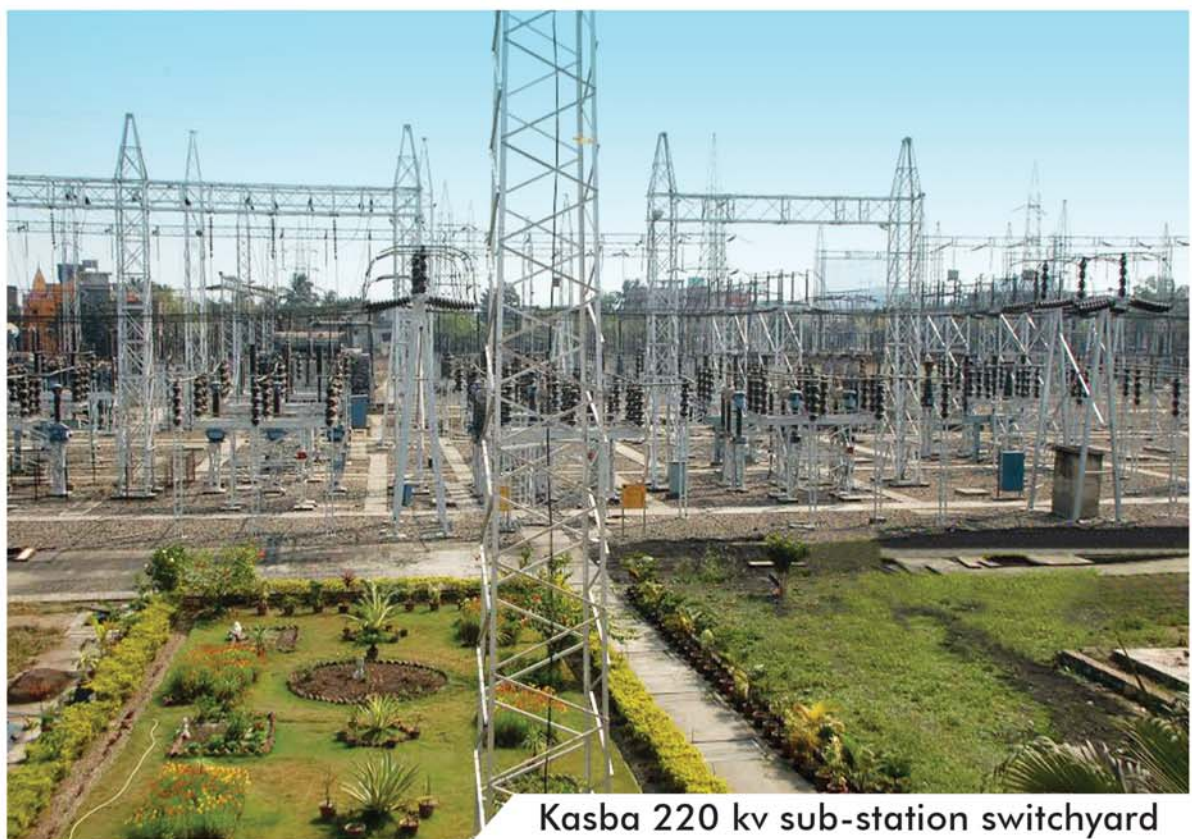
(A Government of West Bengal Enterprise)

Registered Office: Vidyut Bhavan, DJ Block, Sector-II, Bidhannagar, Kolkata-700091

CIN : U40101WB2007SGC113474 | www.wbsetcl.in



SLDC - Control Room



Kasba 220 kv sub-station switchyard

BOARD OF DIRECTORS



S. Kishore, 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



Sreekumar Majumdar
Director

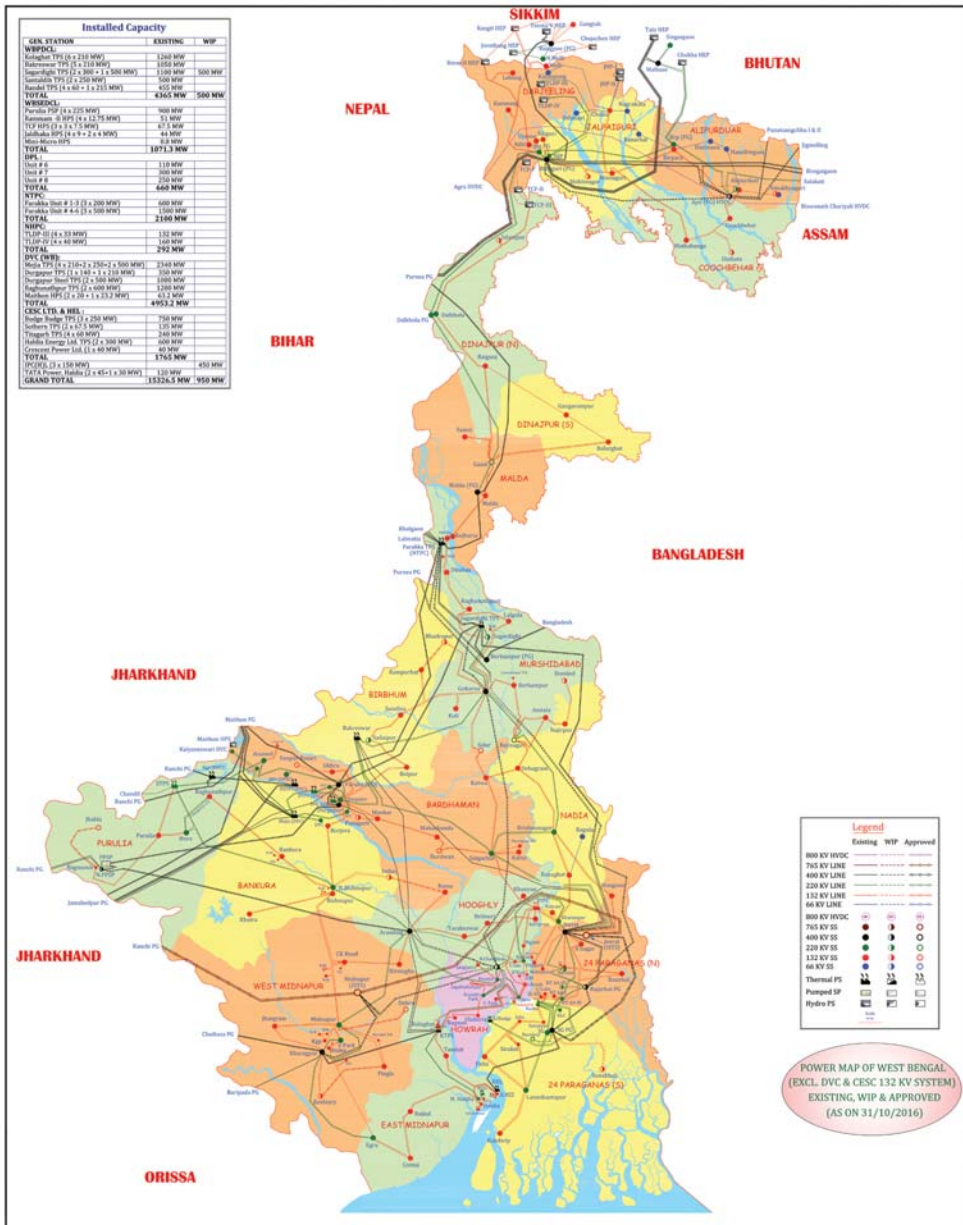


Saswati Banerjee, IAS
Director



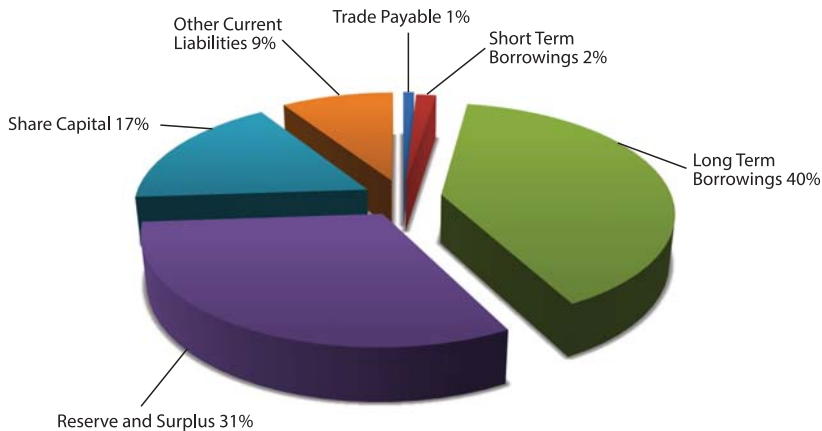
Biswaranjan Mishra
Director

POWER MAP OF WEST BENGAL

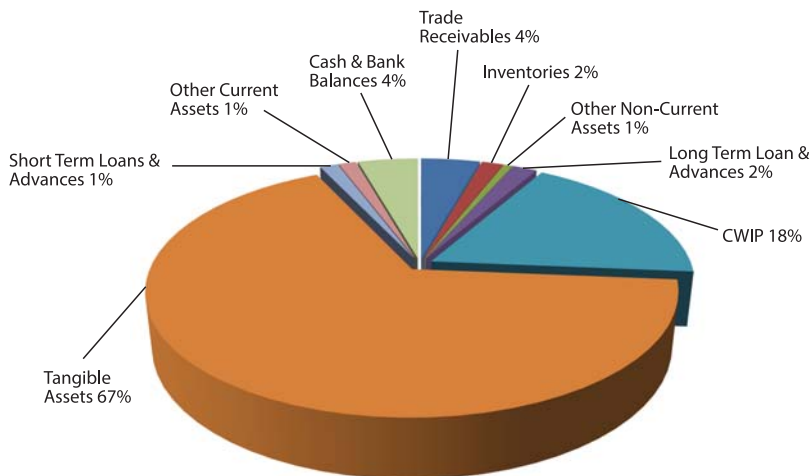


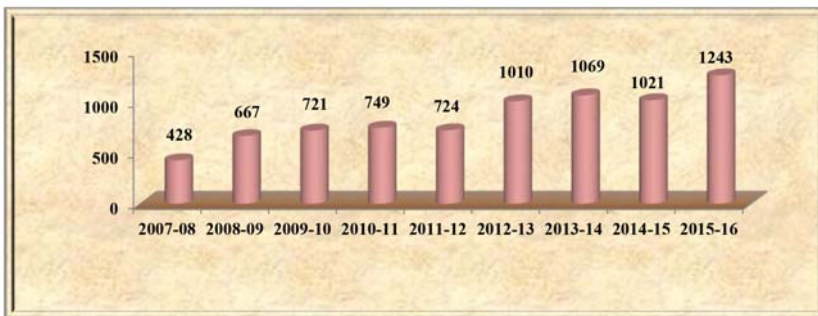
[illegible]

Equity & Liabilities(%)

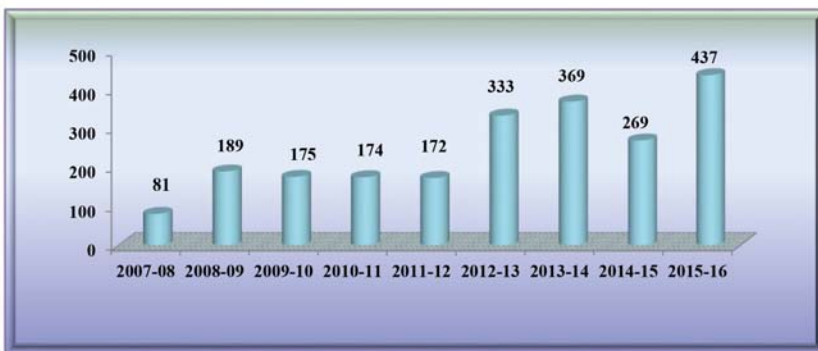


Assets(%)

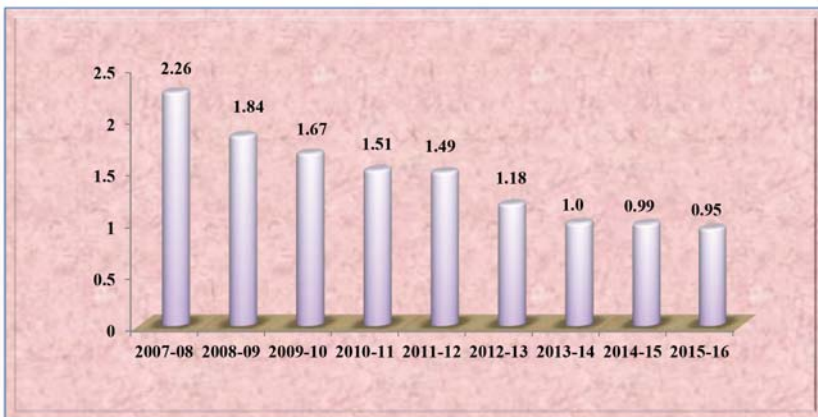




EARNING FROM OPERATIONS (₹ IN CRORE)



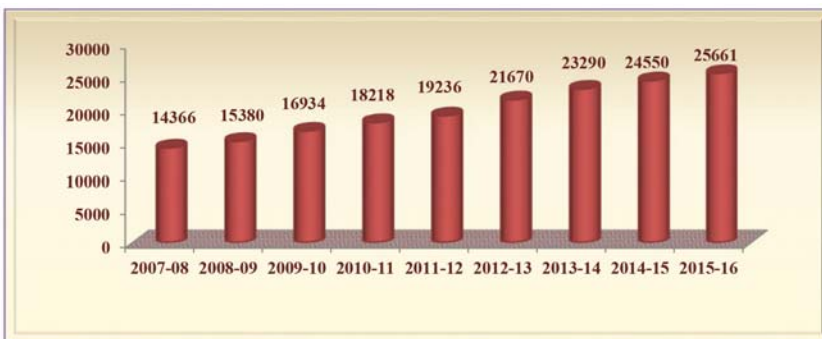
NET PROFIT (₹ IN CRORE)



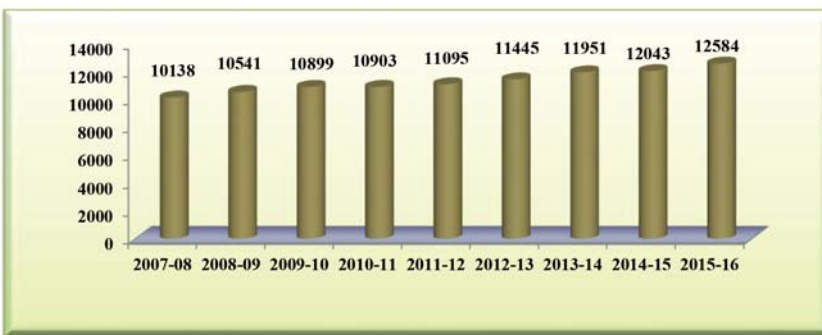
DEBT EQUITY RATIO



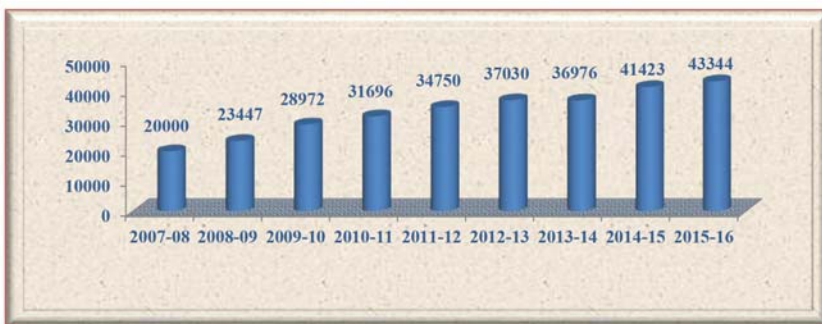
NUMBER OF SUB-STATION



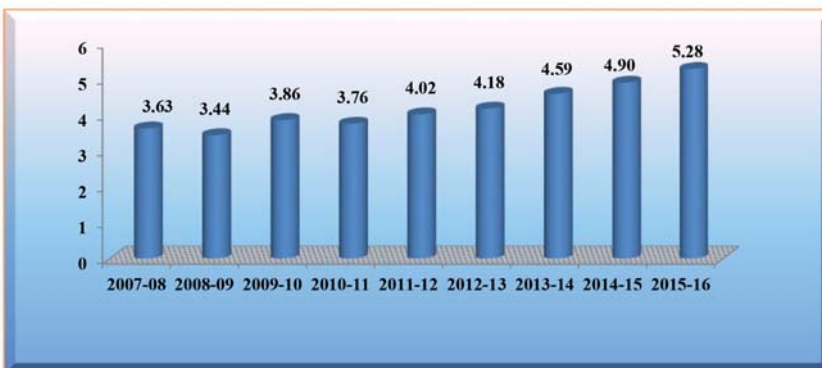
TRANSFORMATION CAPACITY (MVA)



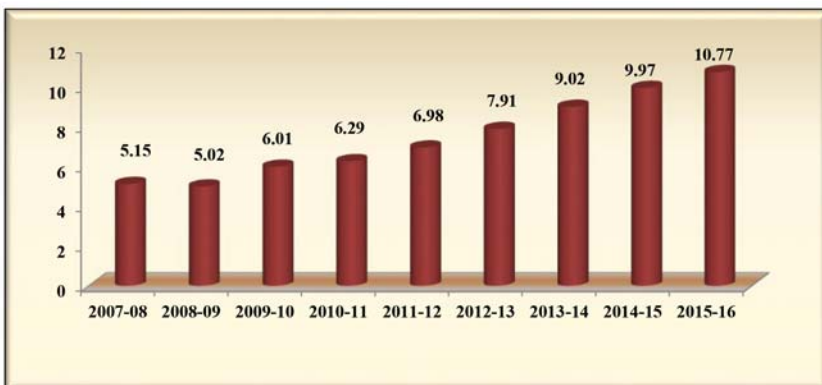
TRANSMISSION LINE LENGTH (ckm)



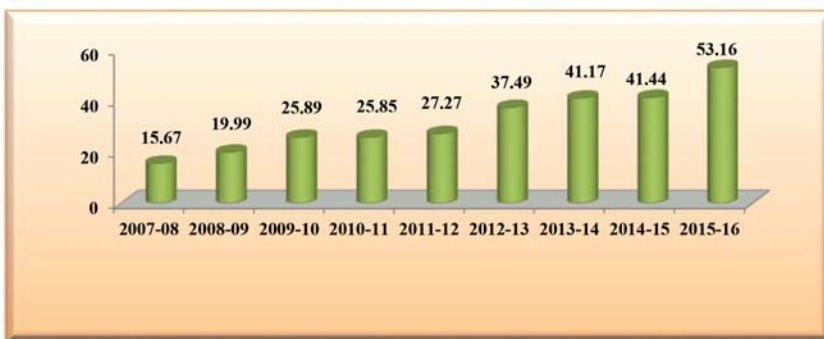
ENERGY FLOW IN GRID (MU)



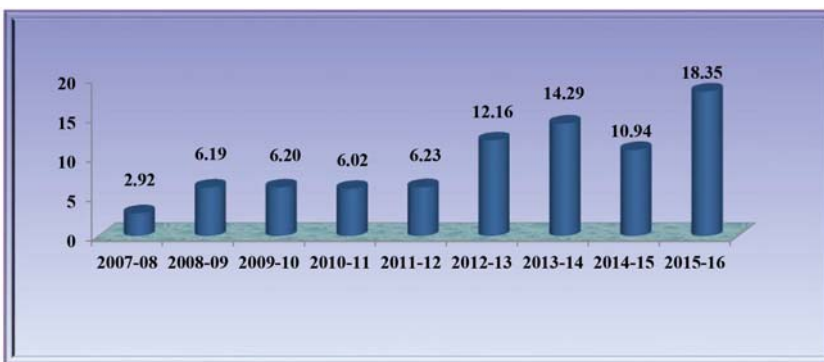
ckm PER EMPLOYEE



MVA PER EMPLOYEE



REVENUE PER EMPLOYEE (₹ IN LAKH)



RETURN PER EMPLOYEE (₹ IN LAKH)

CONTENTS

	Page
● Notice convening Meeting	11 – 14
● Chairman's Speech	16 – 17
● Directors' Report	18 – 30
● Annexure-I - Management Discussion & Analysis	31 – 39
● Annexure-II - Corporate Governance	40 – 52
● Annexure-III - Conservation of Energy	53
● Annexure-IV - Report on CSR	54 – 55
● Annexure- V - Extract of Annual Return	56 – 62
● Annexure- VI - Secretarial Audit Report	63 – 66
● Comments of CAG	67
● Independent Auditor's Report and Management Response	69 – 84
● Balance Sheet	85
● Statement of Profit and Loss	86
● Cash flow statement	87
● Notes to Accounts	88 – 108

BOARD OF DIRECTORS

Executive Directors

Rajesh Pandey, IAS
Managing Director
[from 02.09.2016]

Susanta Kumar Das
Managing Director
[till 01.09.2016]

Somnath Bhattacharya
Director (Projects)

Trilochan Panda
Director (Finance & Accounts)
[from 06.09.2016]

Anjan Chowdhuri
Director (Finance & Accounts)
[till 31.08.2016]

Sabyasachi Roy
Director (Operations)
[from 01.08.2016]

Manas Bandyopadhyay
Director (Operations)
[till 31.07.2016]

Non-Executive Directors

S. Kishore, IAS
Chairman
[from 02.02.2016]

Gopal Krishna, IAS
Chairman
[till 18.01.2016]

Hari Krishna Dwivedi, IAS
Director

Saswati Banerjee, IAS
Director

Independent Directors

Sreekumar Majumdar

Biswaranjan Mishra

COMPANY SECRETARY

Virendra Singh

STATUTORY AUDITOR

M/s. N. Sarkar & Company,
Chartered Accountants,
21 Prafulla Sarkar Street,
Kolkata 700072

COST AUDITOR

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

SECRETARIAL AUDITOR

M/s S. Sarkar & Associate,
Company Secretaries
Bentinck Chamber,
Room No216A/1, 2nd Floor,
37A Bentinck Street,
Kolkata-700069

BANKERS

■ UCO Bank ■ State Bank of India ■ United Bank of India ■ Canara Bank ■ Axis Bank

REGISTERED OFFICE

Vidyut Bhavan, Block - DJ : Sector-II, Bidhannagar, Kolkata 700 091
Website: www.wbsetcl.in
CIN: U40101WB2007SGC113474

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of **West Bengal State Electricity Transmission Company Limited** (the Company) will be held at its Registered Office, Vidyut Bhawan, Block-DJ, Sector-II, Bidhannagar, Kolkata- 700-091, on 26th September, 2016, at 1.00 P.M. 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 31st March 2016, the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors' thereon.
2. To note the appointment and fix remuneration of Statutory Auditors:

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 as statutory Auditors of the Company for the financial year 2016-17 by Comptroller and Auditor General of India vide No. CA.V/COY/WEST BENGAL, WBSETC(1)/25 dated 11th July, 2016.

Further, pursuant to 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 & Co., 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 Statutory Auditors of the Company for the financial year 2016-17 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 Auditors as General of India for the year 2016-17."

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(3) 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 been 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 31st March 2017, be and is hereby ratified."

By order of the Board of Directors



Virendra Singh
Company Secretary

Dated : 21st September, 2016

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 ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT TO 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 appointed as representative under Section 112 of the Act shall be deemed to be member of the Company and shall 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 : 21st September, 2016

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 52nd Meeting, held on 12th May 2016, approved appointment of M/s DGM & Associate, Cost Accountants, as Cost Auditor of the Company for the financial year 2016-17. Their remuneration was fixed at ₹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 Rule 14 of 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 2017.

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

By order of the Board of Directors



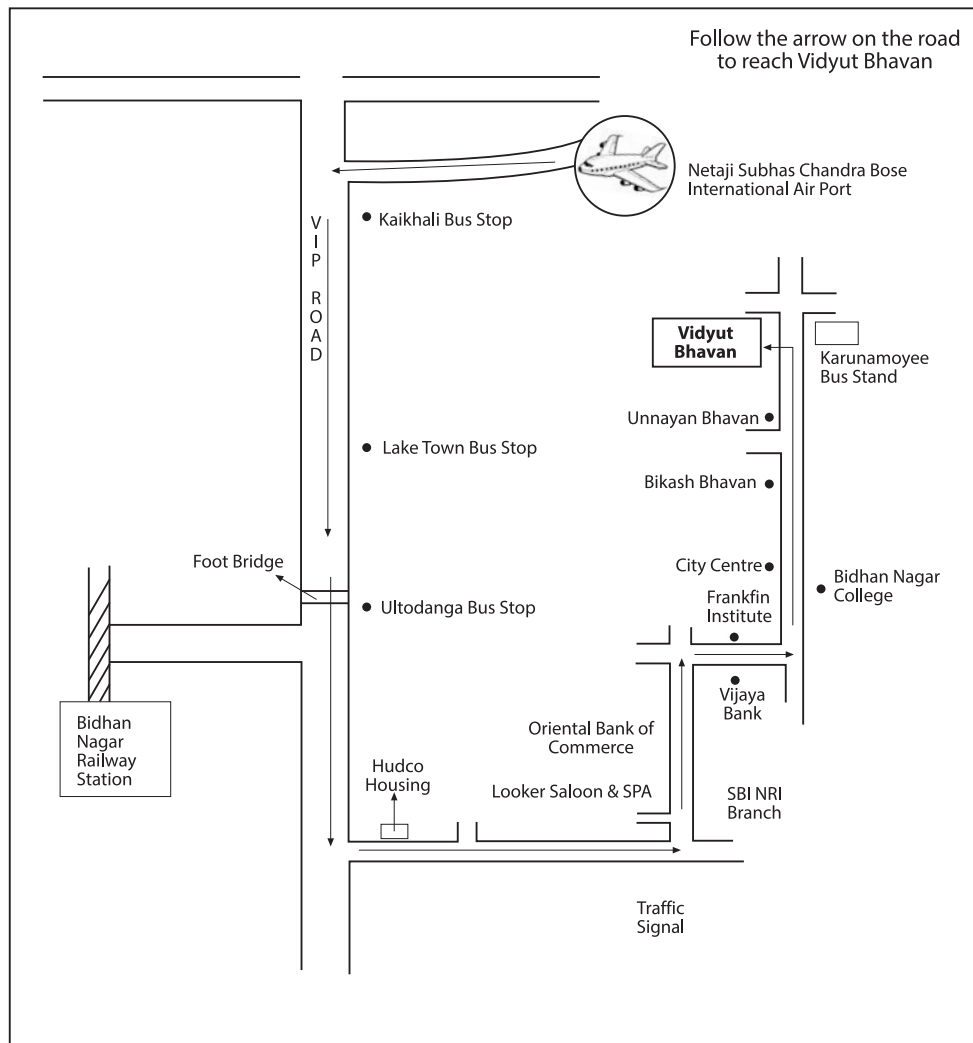
Virendra Singh
Company Secretary

Dated : 21st September, 2016

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

ROUTE MAP OF REGISTERED OFFICE AT VIDYUT BHAVAN

Follow the arrow on the road to reach Vidyut Bhavan



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to share with you the performance of your Company during its ninth year of its operation.

Since incorporation of WBSETCL, it has been constantly profit-making Company and Fiscal 2016 was another remarkable year for WBSETCL. I am glad to share with you that your Company has recorded an impressive turnover of ₹1266 crore out of which revenue from operation is ₹1243 and made profit after tax of ₹437.12 crore, which is more than 62% on year on year basis.

Your Company during the year under review maintains and operates a vast transmission network of about 12,584 ckm of EHV transmission lines along with 116 sub-stations (400 kV to 66 kV) having total transformation capacity of 25,661 MVA, spread across the State and maintained at an availability factor of more than 99.91%. During the year, the Company handled energy flows of 43344.451 MU (7876 MW peak system) in the grid, with a growth of 3.64% in comparison with financial year 2014-15 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, reducing the rate of the line breakdowns and to adopt the quickest measure to restore the line outages-which is prerequisite for not only sustaining high growth, but also for ensuring that the growth is inclusive. Towards this end, your Company has envisioned an ambitious plan to invest a sum of almost ₹6850 crores during the XIII plan period 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 section of the society 24 X 7 X 365.

Availability of land for setting up new sub-stations or for erection of transmission lines is 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.

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 in order to mitigate the ROW issues. 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, it is expected that with greater usage of such new technology in the Country and necessary economies of scale being achieved by manufacturers, there will be a reduction in such capital cost in the future so as to present a competitive alternative over conventional technologies.

Taking into account the capital intensive nature of transmission industry and regulated reforms over long years, your Company makes every effort to tap appropriate source 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 1:1 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 Company, 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 occasion to thank each of our employees whose dedicated efforts and hard work during the period under review, has resulted in such spectacular performance of the Company. 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 achieving all round performance in the Company.

With best wishes,

Yours sincerely,



(S. Kishore)
Chairman

DIRECTORS' REPORT

Your Board of Directors has the pleasure of presenting the **Ninth Annual Report** on the performance of the Company during the financial year ending on 31st March, 2016 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:

Shri S. Kishore, IAS, Principal Secretary to the Government of West Bengal, appointed in the capacity of Director and the Chairman of the Board on 2nd February, 2016 on transfer of Shri Gopal Krishna, IAS, Addl. Chief Secretary to the Government of West Bengal.

** 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.

** 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 tenure of his terms on 31st August, 2016.

** 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.

***All such appointments were made in the financial year 2016-17 and therefore, not related to the financial year ended on 31st March, 2016. 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 2015-16 has been another year of impressive financial performance by your Company. In its ninth year of operation, the Company recorded a operating turnover of ₹1,243 crore. The operations of the Company, during the year under review, resulted in a Profit before Interest, Depreciation and Tax (PBITD) of ₹951 crore as compared to ₹740 crore in the previous year, while the net profit for the year stood at ₹437 crore as against ₹269 crore in the previous year.

	Current Year (Rs. in crores)	Previous Year (Rs. in crores)	YOY % Variance
Profit before Interest, Depreciation and Tax	951	740	28.51 %
Less: Interest & Finance Charges	222	233	- 4.72 %
Less: Depreciation	174	166	4.82 %
Profit before Taxation	555	341	62.76 %
Less: Provision for Taxation	118	72	67.61 %
Profit after Tax	437	269	62.45 %

After appropriation of an amount of ₹17.58 crore to Debenture Redemption Reserve and ₹5.64 crore to Reserve for Unforeseen Exigencies, the balance profit for the year ended 31st March, 2016 of ₹413.90 crore was transferred to General Reserve.

During the period under review your Company made a gross investment of ₹619.89 crore (as against ₹518.87 crore in 2014-15) 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 0.95:1 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 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 6 (six) times, details are given in the Corporate Governance report, which form the part of the this 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 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 the 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 Shri Sreekumar Majumdar, Independent Director, which is within the limit prescribed under the Companies Act, 2013.

Following are the key managerial personnel of the Company

** Shri Rajesh Pandey, IAS	Managing Director, w.e.f 2 nd September, 2016
Shri Susanta Kumar Das	Managing Director (upto 1 st September, 2016)
# Shri Anjan Chowdhuri	Director (F&A) & CFO (upto 31 st August, 2016)
** Shri Trilochan Panda	Director (F&A) & CFO w.e.f 6 th September, 2016
Shri Manas Bandyopadhyay	Director (Operations) (upto 31 st July, 2016)
** Shri Sabyasachi Roy,	Director (Operations) w.e.f 1 st August, 2016
Shri Somnath Bhattacharya	Director (Projects)
Shri Virendra Singh	Company Secretary
# Shri Sanjoy Sengupta	Chief Financial Officer w.e.f 28 th July, 2016

*** All such appointment were made in the financial year 2016-17 and therefore, not related to the financial year ended on 31st March, 2016. However, it is mentioned in this report in order to apprise the shareholders of the Company.*

Shri Anjan Chowdhuri, Director (F&A) tendered his resignation from the position of the Chief Financial Officer (CFO) of the Company, w.e.f. 28th July, 2016 and Shri Sanjoy Sengupta, General Manager (F&A) appointed as CFO of the Company, w.e.f. 28th July, 2016. The decision was taken at the 53rd Meeting of the Board of Directors of the Company. However, Shri Chowdhuri remained Director (F&A) of the Company till 31st August, 2016.

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 period under review.

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 22nd June, 2015 has approved the tariff order for the financial year 2015-16, which allowed recovery of Annual Revenue Requirement of ₹1,138.79 crore by the Company from its customers for the financial year 2015-16. 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 customer 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. 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 2015-16 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., ₹413.90 crore (approx) 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 identified 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 has engaged outsourced Audit firms to assist the internal audit department of the Company. Presently, the Company has appointed professional firm to advise the Company to further develop and update the existing internal financial control system 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 identified 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 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, 2016 together with the comment given by the CAG is also attached. The Management explanation to such qualification is forming the part of this report.

The Comptroller and Auditor General of India (CAG) vide its Order No. CA.V/COY/ WEST BENGAL, WBSETCL(1)/ 25 dated 11th July, 2016 has appointed M/s L.B.Jha & Co., Chartered Accountants in the capacity of the statutory auditor of the Company for the financial year 2016-17, 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.

Your Company has filed the Cost Audit Report for the financial year ended on 31st March, 2016 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 2016-17.

The Report of the Secretarial Auditor together with the Management explanation to such qualification pertaining to financial year ended on 31st March, 2016 is forming the part of this report and marked as **Annexure-VI**. Annual evaluation by the Board of its own performance, its Directors and its Committee. The independent directors evaluated the performance of the Company's Board of Directors and its Committee.

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. During the period under review your company received 17 nos. of RTI Applications and disposed all such applications within the stipulated time frame.

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.

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 that no employee of the Company draw salary of ₹60 lakhs per annum or ₹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 2382 as on 31st March 2016 for the period under review.

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 has been 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 the part of this report is marked as **Annexure-II.** 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-II B.**

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 530.70 ckm of EHV Transmission lines, commissioned four EHV Sub-stations with 464.50 MVA transformation capacity and added 649.90 MVA to the system by augmenting transformer capacities in its existing Sub-stations. As of 31st March 2016, the Company owns and operates:

- Transmission Network of around 12,584 ckm of EHV (400 kV to 66 kV) Transmission lines;
- Transformation capacity of about 25,661 MVA, maintaining availability at over 99.91% throughout the year;
- 116 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 nine 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 up-grading the system 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. It has been resolved that for reduction of area of land, WBSETCL will go for GIS sub-station in all voltage levels which will also shorten the time line of construction.

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 thereon. A Project Review Team (PRT) meeting is conducted in each month in presence of 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. This management summary report, on exception basis, highlights the project completion trends and actions being taken / to be taken in critical areas for the attention of 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 bays are commissioned with total capacity addition in the system is 464 MVA at a total project cost of ₹106.20 crore. Further, a total of 531 ckm of Transmission lines were also commissioned at a cost of ₹311.78 crores.

Further, your Board of Director would like to elucidate that, the Company is in the process of constructing 15 new substations, which includes 3 nos of 400 kV, 4 nos of 220 kV and 8 nos of 132 kV substations and after the completion of the said substations there will be an addition of 4201 MVA to the existing system. Presently, the Company is also in the process of constructing 43 nos of Transmission line at a cost of ₹1,538.84 crores, which include 6 nos of 400 kV, 10 nos of 220 kV and 27 nos of 132 kV lines and after the completion of the said projects another 2,260 ckm will be added to the existing system. Details of such projects and commissioned substations are given in the Management Discussion and Analysis Report.

Perspective transmission plan up to 2021-22

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

In view of that perspective plan for network expansion during XIII Plan period (2017-18 to 2021-22) has been formulated. Total 7 nos. new EHV sub-stations and 3 nos. up-gradation of existing sub-stations with addition of 5034 MVA transformation capacity (including augmentation) & 1611 ckm Transmission line are expected to be completed during 2016-17.

During XIII plan period (i.e. 2017-18 to 2021-22) another 37 nos. new EHV sub-stations & 11 nos. up-gradation of sub-station with 15544 MVA transformation capacity addition including augmentation and construction of 3,845 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	
	31/03/2016	31/03/2022	31/03/2016	31/03/2022	31/03/2016	31/03/2022
400 kV	4	9	3780	8560	1645	2716
220 kV	22	36	10340	18210	3365	4569
132 kV	82	113	11293	19221	7153	10334
66kV	8	2*	248	88	421	71#
Total	116	160	25661	46079	12584	17690

* After conversion to 132 kV.

After conversion of 132 kV & 33 kV.

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

- Improvement in reliability of power supply to the command areas leading to reduction in customer interruption frequency index and customer interruption duration index;
- Voltage profile will improve considerably with remarkable system stability & reduction of losses;
- Promote development in Industrial and Agricultural sector;
- Evacuation of power from State Sector Generators; and
- Strengthening of the existing transmission network and augmentation of transformer capacity accommodating future load growth.

In order to achieve the planned growth and objectives your company requires fund of around ₹6,850 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 five 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 structures 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.

Further, 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, it is selectively using monopoles, 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]

Grid Management and Open Access

West Bengal State Load Despatch Centre (SLDC) is an apex institution to ensure integrated operation of power system within the state of West Bengal. Grid management in the State is carried out in accordance with the Grid Codes issued by the West Bengal Electricity Regulatory Commission (WBERC). The SLDC with its state-of-the-art facilities carries out the responsibility of implementing Regulatory mandates in accordance with Central Electricity Regulatory Commission (CERC) and WBERC guidelines and serves the State by performing the task of monitoring and controlling the State power system network.

Activities of SLDC during the year under review:

- A. Technical Activities
 1. Round the clock the monitoring of the state EHT network to ensure security, reliability and economy in accordance with I.E.G.C. and state grid code;
 2. Balancing load generation through scheduling of state constituent in each 15 minutes time block throughout the day;
 3. Granting proposal for shutdown of network elements to carry out the maintenance and augmentation work after detailed network study;
 4. Load flow study and analysis and declaration of TTC & ATC of West Bengal State Transmission network;
 5. SLDC coordinate with ERLDC, ERPC and other E.R. constituents to ensure secured operation of the West Bengal system as an integral part of national grid.
- B. Commercial Activities
 1. State Level Energy Accounting:
 - a) Preparation of Final schedules;
 - b) Processing ABT compliant meter data; and
 - c) Preparation of deviation settlement bill on weekly basis
 2. Granting permission for open access power trading, both bilateral and trading through exchanges, keeping security of the network in view.
 3. Maintaining UI pool fund; and
 4. Computation of Transmission charges for both Inter State and Intra State STOA and trading through exchanges.
 5. Computation of scheduled energy under LTOA and MTOA transaction in respect of state licensees and collection of SLDC handling charges.

Progress & Achievements of SLDC

- Operating West Bengal EHT System in reliable, secured and economical manner to achieve optimum dispatching of electricity within regulatory framework;
- Integration of IPCL within the State Grid at EHT level through 220kV J.K Nagar substation and successful incorporation of IPCL as another ABT constituent of the State;
- TLDP -IV (NHPC) with capacity 80MW generation, till now 2 units have been synchronized with the state grid and successful incorporation TLDP-IV as another ABT constituent of the state sole beneficiary of TLDP-IV generation is WBSEDCL; and
- SLDC handled the state network efficiently to transmit the power to meet the demand. During the financial year 2015-16 the total system has been increased by 1.67% and peak system increased by 3.64% as compared to financial year 2014-15.

Load Management Monitoring by SLDC	MU in the FY 2015-16	MU in the FY 2014-15	Growth %
Energy consumed in WBSEDCL system	33576	32787	2.41
Energy consumed in CESC system	10481	10216	2.59
Energy consumed in DPL system	1992	1901	4.78
Energy consumed in West Bengal system (excluding the valley area served by DVC)	49238	48429	1.67

Peak Demand (in MW) :

Entity	2015-16	2014-15	Growth in %
WBSEDCL	5902	5794	1.86
CESC	2020	2030	(0.49)
DPL	284	273	4.15
West Bengal	7876	7600	3.64

Communication & Information Technology :

Your Board of Director would like to state that the renovation of Abhikshan Bhavan 2nd floor Data Centre for housing of the ICT infrastructure for ERP implementation of the Company is on the verge of completion. The work order to procure the ICT infrastructure for implementation of ERP of the Company has been issued and the tender process related to the same is under process. This infrastructure will be placed in the data centre of the Company for deployment of the SAP ERP solution.

The ambit of the Corporate E-mailing services, i.e., mail.wbsetcl.in, has been largely enhanced as per requirements of various departments of the Company and to facilitate transparency and statutory requirements.

Technical interference and coordinating with National Informatics Centre (NIC) for implementation and smooth operation of e-procurements and coordinating with vendor is ongoing for procurements and registration of digital signatures for individual departments to meet the e-procurement needs of the Company.

After successful implementation and completion of one year warranty period of biometric attendance system, the Annual maintenance contract of the same is in place along with system operation and monitoring the same.

Technical interfacing for spreading the usage of and procurement of IT equipment in assisting the various activities of the Company is ongoing.

Health & Safety Management :

Your Company is committed to ensure a safe and healthy 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. Safety Awareness Programs were conducted in major sub-stations along with Corporate Safety Team. Safety Posters have been affixed at all EHV sub-stations. Safety check lists are prepared and regularly monitored. Internal Safety Audit was carried out in about 100 sub-stations during the year. Further, Safety Committees keep

constant vigil on adherence to safety standards and safety rules so as to raise safety profile of the Company. This has resulted in significant improvements in all areas of safety. A quarterly safety report is also placed before the Board of Directors for their perusal.

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 2016. 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-II A**

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 Project Beneficiaries (PB) and the Project Associated Areas (PAA) 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 will be 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. However, due to non availability of appropriate project the Company was unable to utilize the fund allocated towards CSR activities for the financial year 2015-16. A report under section 135 read with Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 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 :

During the year 2015-16, process for recruitment against 421 no. vacant posts in various categories has been initiated and selection process up to the stage of Written Test has been concluded.

Training & Development :

WBSETCL provides equal opportunity to all employees to grow and develop in their area of specialization by imparting training on special fields and in general. Overall professional development of the employee is at the core of the personnel policies of the company. The training enables employees to occupy higher positions in the organization and to better their lives. During the year 2015-16, Corporate HR&A Department has continued its emphasis on developing the technical, functional, managerial and leadership competencies. Employees have been sent to many training institutes within and outside the state for exposure on the latest systems, concepts being imported by the organization and on various professional fields and skills. In all 447 employees have been imparted training. Vocational Training has also been conducted for around 603 Diploma/Engineering, Finance, HR students of various institutes of repute.

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. Arranged the participation of employees in the Indoor Meets and Zonal Cricket Tournaments held at various places like Burdwan, Coochbehar, Jalpaiguri, Naihati etc. The employee welfare programmes address not only the need of the employees but also their families. Employees are provided with family accommodation with well connectivity, electricity, water 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. WBSETCL has voluntarily adopted to pay uniform assurance benefit to the nominees in case of premature death of employee while in service to the extent of ₹3,60,000/- or the quantum of "Assurance Benefit" as may be fixed under the Employees' Deposit-linked Insurance (EDLI) Scheme, 1976 from time to time.

Manpower:

The total manpower of WBSETCL as on 31.03.2016 is 2382. During the year 2015-16, redeployment of personnel took place i.r.o. 162 Class-I employees and 173 other than Class-I employees i.e. total 335 transfers for organization's interest and interest of the employees.

Completion of transfer of employees between WBSEDCL and WBSETCL in pursuance of the West Bengal Power Sector Reforms Transfer Scheme, 2007.

Promotions:

Conducted selection process for promotion of first batch of TCL employees consisting of 55 nos. in Class-I category and 15 nos. in Class-III & Class-IV both technical and non-technical under Career Progression Scheme. Also, selection process for promotions beyond CPS has been successfully conducted i.r.o. 41 nos. employees from the rank of S.E./ Addl.C.E/ Addl.G.M.

HR Policy Benchmarking:

WBSETCL has undertaken HR policy benchmarking exercise to revamp the HR management processes to meet the contemporary needs. Under this exercise, various Committees have been constituted to introduce/rationalize/ revamp following functions:-

- Empanelment of hospitals and rationalization of medical benefits.
- Launching of Bio-metric attendance system at Abhikshan Bhavan and O&M Area Offices spread across the state of West Bengal.
- Revision of Delegation of Powers of HR&A Officers.
- Publication of revised WBSEB Employees' (Death-Cum-Retirement Benefit) Regulations, 1985.

Other activities:

Corporate HR&A Departments is looking forward to get into the following activities in the coming days:

- Commencement of construction of Corporate Office Building of the Company at New Town, Kolkata.
- Set-up of own Guest House at Salt Lake, Kolkata and interim arrangement of Officers' Transit Accommodation at New Town, Kolkata.
- Enlistment of agencies for supply of I.T. articles, stationary and printing items.
- Formulation of a rational Transfer Policy.
- Launching of a scheme for Farewell to Retiring Employees in recognition of their long devotional service and facilitation with a Memento/Gift.
- Launching of Bio-metric attendance system at Abhikshan Bhavan and O&M Area Offices spread across the state of West Bengal followed by other units.

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 State and Central 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. KISHORE)
Chairman

Dated: 26th September, 2016

Place: Kolkata.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been discharging its function in a commendable manner through its steadily growing transmission infrastructure to ensure the unimpeded flow of electricity throughout the State, irrespective of terrain and weather conditions. Constant focus has been given to improve operational efficiency, asset utilization, reduction of transmission loss and prudent fund management.

Economic conditions of the country improved substantially in the financial year 2015-16 by registering a growth of 7.6 %, making it one of the fastest growing economy of the world. This growth was supported by robust manufacturing growth during the whole financial year. Although the economic conditions are gradually improving but the growth has been effected to an extent on account of low loan growth and pilling of Non Performing Assets of the banks-which is further effecting the capital creation in the economy.

India is the third largest electricity producer in world with an installed capacity of 303 GW and out of which 28% is coming from renewable sources. India's Ministry of Power launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) as one of its flagship programme in July 2015 with the objective of providing round the clock power to the rural areas. It focuses on reforms in rural power sector by separation of feeder lines (rural households & agricultural) and strengthening of transmission and distribution infrastructure. In West Bengal per capita power consumption is 647 kwh. Presently, almost 99.97% villages situated in the state of West Bengal have been electrified against the national average of 97.2%. It is prudent from the above facts that both the responsibility and business of your Company will see an elevation from its existing situation in terms of revenue, services and technological upgradation- which would further culminate into robust performance of your Company.

Financial Review

The summary of financial result of the Company for the year ended 31st March, 2016 is given below:

FINANCIAL HIGHLIGHT		(₹ in crore)
Operating Income	2015-16	2014-15
Earned from Operations	1242.67	1020.79
Other Income	23.68	(0.65)
Total (A)	1266.35	1020.13
Paid and Provided for		
Transmission & ULDC charges	56.25	41.21
Repair & Maintenance	45.16	45.35
Employees Cost	170.53	147.41
Administration & General Expenses	42.88	46.67
Sub – Total (B)	314.82	280.64
Profit before Depreciation, Interest and Tax(A – B)	951.53	739.49
Depreciation	174.25	166.29
Interest & Finance Charges	221.57	232.54
Profit before Exceptional & Extra-ordinary Items	555.71	340.67
Profit before Tax	555.71	340.67
Provision for Tax (PAT)	118.60	71.41
Profit after Tax	437.12	269.26
Appropriations:		
Reserve for Unforeseen Exigencies	(5.64)	(5.04)
Debenture Redemption Reserve (DRR)	(17.58)	(17.58)
Balance Transferred to General Reserve	413.90	246.65

The year under review resulted in a Profit before Interest, Depreciation & Tax (PBDIT) of ₹951.53 crore compared to ₹739.49 crore in the previous year while the net profit for the year stood at ₹437.12 crore as against ₹269.26 crore in the previous year. After appropriation of an amount of ₹17.58 crore to Debenture Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013 and ₹5.64 crore on account of appropriation of accrued interest on Reserve for Unforeseen Exigencies investments to that Reserve, the balance surplus for the year 2015-16 of ₹413.90 crore was transferred to General Reserve.

- ❖ Transmission Charges accounted for in the year 2015-16 included ₹ 78.53 crore (previous year - Nil) on account of Inter-State Transmission Charges recoverable from users for the period 2011-12 to 2013-14. Omitting such revenue, Transmission Charges for the year 2015-16 was ₹ 1147.14 crore against ₹ 1003.40 crore in the previous year - an increase of around 14 % on a y-o-y basis.
- ❖ Long Term Transmission Charges increased from ₹ 955.89 crore in 2014-15 to ₹ 1071.19 crore on account of revision in tariff, while STOA revenues increased to ₹ 75.95 crore from ₹ 47.91 crore in the previous year.
- ❖ Other Income prior to adjustment of prior period expenditure amounted to 30.64 crore as against 28.58 crore earned in the previous year. The increase was mainly attributable to recognition of supervision charges from Bulk Consumer by around ₹ 5 crore, which was offset to some extent by decrease in income from sale of scrap and other miscellaneous income by around ₹ 4 crore.
- ❖ Excluding prior period income and expenditure in both years, PBT for 2015-16 increased to ₹ 562.68 crore from ₹ 369.91 crore in 2014-15 or by about 31 % primarily on account of increase in transmission charges, higher STOA earnings and lower interest charges.
- ❖ Prior period expenses in the year under report includes ₹ 3.61 crore on account of Spectrum Charges payable to Department of Telecommunication for micro wave link availed for inter-connections between 9 substations and SLDC during the period 17.04.2007 to 20.03.2015. An additional amount of ₹ 23.13 crore claimed on account of Spectrum Charges and interest for delayed payment is disputed by the Company as per legal opinion received and is shown as Contingent Liability.
- ❖ Despite higher liability for Income Tax MAT in 2015-16 of ₹ 118.60 crore in comparison to ₹ 71.41 crore in the previous year, PAT increased to ₹ 437.12 crore as against ₹ 269.26 crore in 2014-15.
- ❖ Employee Costs at ₹ 170.53 crore was higher than the previous year by around 16 %. This was attributable mainly to increase in employees benefit contributions by around ₹ 12.61 crore in comparison to 2014-15. Capitalized employee costs increased marginally from ₹ 28.84 crore to ₹ 30.22 crore in the year under report.
- ❖ Finance Costs prior to capitalization increased considerably from ₹ 255.59 crore in 2014-15 to ₹ 271.35 crore in 2015-16. However, due to significant increase in ongoing capital expenditure, the capitalised interest during construction (IDC) more than doubled from ₹ 23.05 crore to ₹ 49.78 crore in 2015-16, leading to a lower charge of finance costs on revenue account to ₹ 221.57 crore in 2015-16 from ₹ 232.54 crore in 2014-15.
- ❖ Of the above, interest on working capital borrowings registered a marginal increase in comparison to the previous year from ₹ 40.51 crore to ₹ 41.43 crore while interest on long term borrowings on capital account dipped from ₹ 192.03 crore in 2014-15 to ₹ 180.14 crore in 2015-16 on repayment of existing loans and reduction of interest rates on current borrowings.
- ❖ In terms of the Tariff Order for 2015-16, transmission charges payable to WBPDC increased sharply by ₹ 17.79 crore to ₹ 53.43 crore from ₹ 35.64 crore payable in 2014-15.
- ❖ Out of the Profit after Tax of ₹ 437.12 crore earned during 2015-16, after appropriation of ₹ 17.58 crore to Debenture Redemption Reserve and ₹ 5.64 crore to Reserve for Unforeseen Exigencies, the balance of ₹ 413.90 crore is proposed to be transferred to General Reserve.

Some indicative financial ratios are provided below:

Ratios	2015-16	2014-15
Current Ratio (excl. current maturities of long term debt)	1.64	1.36
Debt to Equity Ratio	0.95	0.99
Debt Service Coverage Ratio (DSCR) (incl. current maturities of long term debt)	2.21	1.69
Interest Service Coverage Ratio (ISCR)	3.08	2.89
Earnings per Share (EPS) (₹)	3.95	2.44

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 2016.

OPERATIONAL EXCELLENCE

The transmission assets owned and operated by your Company stood at about 12584 ckm of transmission lines and 116 sub-stations with about 25661 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, 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 (99.91%).

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 2015-16 and made available to the transmission system of WBSETCL are detailed below:

● Sub-stations:

Four new sub-stations comprising 220 kV GIS sub-station at Dharampur (320 MVA), 132/33 kV GIS sub-station at Mathabhanga (81.5 MVA), 132/33 kV GIS sub-station at Nazirpur (63 MVA), 132/33 kV sub-station at Ujanu (31.5 MVA- 1 no. Transformer commissioned) and 132/33 kV sub-station at Serakol (50 MVA- 2nd Transformer). Total capacity addition in 2015-16 stands at 546 MVA. Total estimated project cost is ₹106.20 crore.

● Line/ Feeder Bays

2 Nos. 220 kV bays at Krishnanagar 220 kV substation, 3 nos. 132 kV bays at Coochbehar 132/33 kV substation, 1 no. 132 kV feeder bay at TCF PS-I, 2 Nos. 220 kV bays at proposed Gokarna 400 kV substation have been commissioned and put into the system.

● Transmission Lines

551.012 Circuit Kilometres (CKM) covering the following 3 nos. 220 kV & 3 nos. 132 kV transmission lines have been added to the system at an estimated cost of ₹311.78 crore.

- ◆ 220 kV (M/C & D/C) Transmission line from Kharagpur 400/220/132 kV substation to Vidyasagar Park 220/132 kV GIS sub-station.
- ◆ 220 kV D/C line from Krishnanagar 220 kV substation to Gokarna 220 kV sub-station.
- ◆ TLDP-IV to NJP 220 kV D/C transmission line.
- ◆ 132 kV D/C line from Lakshmikantapur 220 kV substation to Serakol 132 kV substation and associated work towards entry of Joka- Lakshmikantapur S/C line at Serakol 132 kV substation.

- ◆ From tapping point of Birpara-Moinaguri 132 kV D/C line to Mathabhanga 132 kV substation.
- ◆ 132 kV D/C Transmission line with XLPE Cable through Farakka Bridge in between Khejuria GIS sub-stations and Farakka Switching substation.

Ongoing Projects

● Sub-stations:

Following 15 Nos. sub-stations 1 No. 315 MVA transformer augmentation work and work of 2 Nos. 400 kV line bays and 14 Nos. 132 kV line bays are under execution whose completion will result in addition of a further 4201.5 MVA to the system.

- ◆ Gokarna 400 kV substation (630 MVA)
- ◆ New Chanditala 400 kV substation (945 MVA)
- ◆ New PPSP 400 kV GIS
- ◆ Vidyasagar Park 220/132 kV GIS substation (420 MVA)
- ◆ Sadaipur 220/132 kV substation (420MVA)
- ◆ Alipurduar 220/132 kV GIS substation (320 MVA) [Upgraded]
- ◆ Egra 220 kV GIS (320 MVA)
- ◆ Bajkul 132/33 kV GIS (100 MVA)
- ◆ Domkol 132/33 kV GIS (100 MVA)
- ◆ Sonakhali 132/33 kV GIS (100 MVA)
- ◆ Keshiary 132/33 kV substation (100 MVA)
- ◆ Islampur 132/33 kV substation (100 MVA)
- ◆ Indus 132/33 kV GIS (100 MVA)
- ◆ Mohitnagar 132/33 kV GIS (100 MVA)
- ◆ Panagarh 132/33 kV GIS (100 MVA)
- ◆ Ujanu 132/33 kV substation 31.5 (2nd transformer)

● Augmentation of Transformer Capacity:

- ◆ Transformer augmentation work at Kharagpur 400/220/132 kV (315 MVA)

● Line Bays:

- ◆ 2 Nos. 400 kV line bays at Kharagpur 400/220 kV substation for Chaibasa (Power Grid Corporation of India Ltd.)- Kharagpur D/C line.
- ◆ 2 Nos. 132 kV line bays at Moinaguri 132/33 kV substation
- ◆ 2 Nos. 132 kV line bay at Nazirpur 132/33 kV
- ◆ 2 Nos. 132 kV line bay at Jhargram 132/33 kV.
- ◆ 2 Nos. 132 kV line bay at Mankar 132/33 kV.
- ◆ 2 Nos. 132 kV line bay at Durgapur 220 kV substation.
- ◆ 2 Nos. 132 kV line bay at New Bishnupur 220 kV substation.

Total estimated project cost of the above sub-stations, bays and SCADA systems are ₹795.73 crore.

● Transmission Lines:

A total 43 nos. transmission lines (6 nos 400 kV, 10 nos 220 kV & 27 nos. 132 kV lines) are under execution whose completion will result in addition to a further 2259.667 ckm to the system. Details of the lines are furnished below:

SL. No.	Name of the transmission line	ckm
1	400 KV twin 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 transmission line from Gokarna to New Chanditala.	340
4	400 KV D/C Transmission line for LILO of Arambag - Durgapur 400 kV S/C line at New Chanditala sub-station.	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 sub-station.	1
7	TLDP-III-TLDP-IV 220 kV S/C line.	21.1
8	220 kV D/C Transmission Line from M/C Point (tentative M/C Tower No: AP-16/0) of Kharagpur - Vidyasagar Park (WBIDC) Line to proposed Egra 220/132 kV Substation via Narayangarh.	116
9	Construction of D/C LILO of Bakreshwar Thermal Power Plant - Gokarna 220 kV D/C Transmission line at Sadaipur 220/132 kV sub-station.	13
10	220 kV D/C line from Alipurduar 220 kV (PGCIL) sub-station to proposed Alipurduar 220 kV GIS (WBSETCL).	13
11	220 kV D/C Line from Rajarhat 400 kV Substation (PGCIL) to New Town-IIC 220 kV substation.	28
12	D/C LILO of 220 kV D/C Gokarna - Sagardighi Line at Sagardighi sub-station.	11
13	220 kV D/C LILO of Jeerat - Kasba 220 kV Line at Barasat 220 kV sub-station.	7.6
14	D/C LILO of Howrah - Foundry Park 220 kV D/C Line at New Chanditala 400 kV sub-station.	34
15	S/C LILO of Arambagh - Rishra 220 kV S/C Line at New Chanditala 400 kV sub-station.	33
16	220 kV D/C Line from Subhashgram (PGCIL) Substation to Baruipur 220 kV sub-station.	58
17	132 kV line from KTPS - Ulberia tapping point near Bagnan to Foundry Park.	49.766
18	132 kV D/C line from Food Park to Ambuja Cement Factory.	6.078
19	132 kV S/C line on D/C tower from Coochbehar 132 kV sub-station to proposed Pundibari traction sub-station.	10
20	132 kV S/C line on D/C tower from TCF PS-I 132 kV sub-station to proposed Rangapani Traction sub-station.	7.648
21	132 kV S/C line on D/C tower from TCF PS-III, 132 kV S/Stn to proposed Gunjaria traction sub-station.	42.605
22	132 kV D/C line from Coochbehar to Mathabhanga substation.	94
23	132 kV D/C transmission line from Moinaguri to tapping point of Birpara-Moinaguri 132 kV D/C line sub-station (15.95 ckm).	15.95
24	Balance work of Jeerat - Mohispota transmission line.	26
25	Balance work of Domjur - Chanditala transmission line.	42
26	132 kV D/C & M/C LILO of Adisaptagram - Belmuri 132 kV D/C Line at Singur 220/132 kV Substation including laying 132 kV XLPE UG Cable from composite tower to line bay gantry at Singur.	57
27	D/C LILO of 132 kV New Haldia - Contai - Egra Transmission Line at proposed Bajkul 132/33 kV sub-station.	2

28	Construction of D/C LILO of Bolpur - Sainthia 132 kV Transmission line at Sadaipur 220/132 kV substation.	70
29	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
30	Construction of 132 kV D/C Transmission line from Mankar 132 kV substation to proposed Panagarh 132 kV sub-station.	11
31	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 UG XLPE cable in between composite tower and gantry tower at Durgapur sub-station.	63
32	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 sub-station.	93.2
33	132 kV D/C Transmission line from Kharagpur 400 kV sub-station to proposed Keshiary 132 kV sub-station.	50
34	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 sub-station.	30.4
35	132 kV D/C & M/C Transmission line from Subhasgram 220/132 kV sub-station to Sonakhali 132/33 kV GI sub-station.	82
36	LILO of Domjur - Uluberia 132 kV D/C Transmission Line at Foundry Park 220 kV sub-station.	7.32
37	132 kV D/C Line for LILO of one circuit of Coochbehar - Mathabhanga 132 kV D/C Line at Dinhata.	94
38	D/C LILO of both 132 kV NJP-Moinaguri and NJP - Chalsa - Moinaguri S/C Transmission Line at Mohitnagar 132 kV GIS.	29
39	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
40	132 kV D/C Line from Bashirhat 132 kV substation to nearest point of existing Barasat - New Town AA-III 132 kV line.	70
41	132 kV D/C Transmission Line from New Bishnupur 220 kV sub-station to Indus 132 kV GIS.	76
42	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
43	2 x S/C LILO of TCF-III - Dalkhola 132 kV Line at Islampur 132 kV sub-station.	0.4

Total estimated project cost of the above 43 nos. lines is ₹1538.84 crore.

Some of the Future Projects are also furnished hereunder :

- New Town IIC 220 kV GIS and associated lines.
- Barasat 220 kV GIS and associated lines.
- Reginagar 220 kV GIS and associated lines.
- Sagardighi 220 kV GIS and associated lines.
- Dinhata 132 kV GIS and associated lines.
- Bhadrapur 132 kV GIS and associated lines.
- Sonepur Bazari 132 kV GIS and associated lines.

- Jhalda 132 kV GIS and associated lines.
- Jagatballavpur 132 kV GIS and associated lines.
- Debra 132 kV GIS and associated line.

Incomplete / Stalled Project

Progress of quite a few projects, either sub-stations or transmission lines, are getting affected for problems associated with land acquisitions/ right of way. Details in respect of such projects are given below:

- The work of Jeerat - Mohispota line, almost stalled due to severe right of way problems. Regular meetings with district and local administration are on to complete this important project.
- Work of 132 kV D/C transmission line from Food Park to Ambuja Cement Factory could not be completed due to acute right of problem in spite of constant persuasion with local and district administration.
- 132 kV D/C line from KTPS-Ulberia tapping point near Bagnan to Foundry Park substation can not be completed due to acute ROW problem. However, a separate scheme is being formulated, the work of which is under process.
- Progress of work of TLDP-III-TLDP- IV 220 kV S/C lines, being executed by NHPC are suffering due to acute ROW problems as per report of NHPC.

State Load Despatch Centre [SLDC]

Annual Transmission Status

A) Energy transmitted in WBSETCL system for 2015-16	:	43344.481 MU
B) Transmission System availability of WBSETCL for 2015-16	:	99.91%
C) Allocated Transmission Capacity for 2015-16	:	5794 MW

Risks and concerns :

The power system in India is fifth largest in the world with an annual production of 1031 billion unit (BU) but still the power scenario in the Country does not seem to be very encouraging. One of such most notable reason is that the generating companies are exposed to increased fuel supply risks both arising out of rising domestic coal shortages as well as uncertainty over domestic gas supplies. Despite of the inadequate fuel supply, the growth in the power generation capacity has outpaced the power requirement of DISCOMs in the Country. This would lead to creation of idle generation capacity -which would further culminate into blockage of huge amount of financial capital in this cash starved sector.

Under the present scenario the average Aggregated Technical & Commercial (A&TC) Losses is about 22% (approx.) across the nation--which is too high and has impacted the financial health of the DISCOMs across the country. The total accumulated loss of the DISCOMs across the country is about ₹ 3.8 lakhs crore and the total debt burden on this DISCOMs are about ₹ 4.3 lakhs crore -- which also stressing the financial position of the banking system in the economy and further creating bottleneck for fresh capital infusion in this sector. On account of such acute shortage of capital in the sector which is hindering the prospect of providing stable and quality power to all.

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. To mitigate

ROW problems with regard to installation of new transmission lines, it plans to erect monopoles, multi-circuit and narrow base towers for transmission lines and lay underground cables at 400 kV, 220 kV and 132 kV levels, where essential.

- 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 firms of Chartered 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 98 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 Company during the Reporting period had conducted an independent review of the existing Internal Financial Controls by engaging professional firm. 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.

Corporate Governance

WBSETCL believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and help in maximizing value for all its stakeholders like customers, employees and society in order to build an environment of trust and confidence among the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning.

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in the Company. It is a system by which business corporations are directed and controlled. WBSETCL believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to Government Policies. For the purpose of achieving these aims, the Company has formulated and put into operation

- Code of Conduct for Directors and Senior Management Personnel
- Corporate Social Responsibility Policy
- Procurement Policy and Procedure
- Delegation of Powers
- Recruitment Policy
- Human Resources initiatives.
- Prohibition of Insider Trading
- Policy on Preservation of Document

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 for a period of three years from the date of taking over of charge or till the date of superannuation of the incumbent or till further instruction from the Government of West Bengal, whichever event occurs earlier. Independent Directors are also appointed by the Governor of West Bengal, who hold such position in accordance with instruction/order issued by the Government of West Bengal from time to time.

The Board of the Company comprises of optimum combination of Executive and Non-Executive Directors. Independent Directors are persons with proven record in diverse areas like energy, power, academics, administration, etc. However, there is a shortfall of one Independent Director in the Board of the Company in accordance with Listing Regulations but the process of filling up the vacancy has already been initiated by the Department of Power & NES, Govt. of West Bengal on the request of the Company.

During the year under review, due to new induction / cessation of term, the composition of the Board has undergone changes. As on 31st March, 2016, the Board comprised of nine Directors

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

The following was the composition of the Board of Directors as on 31st March, 2016.

Category	No. of Directors	Percentage to total number of Directors
Executive Director	4	44.44%
Non-Executive Director	3	33.33%
Independent Director	2	22.23%
Total	9	100%

The details of the Directors and their attendance in the Board Meetings held during the year 2015-16 are tabulated hereunder. However, the appointment and retirement of the Directors after 31st March, 2016 has 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 2015-16
			From	To	
Shri Gopal Krishna, IAS	Chairman (Non-executive)	01957931	01.11.2013	18.01.2016	Five
Shri S. Kishore, IAS	Chairman (Non-executive)	00062396	02.02.2016	Continuing	One
** Shri Rajesh Pandey, IAS	Managing Director	03569753	02.09.2016	Continuing	None
Shri Susanta Kumar Das	Managing Director	05167280	02.09.2013	01.09.2016	Six
Shri Anjan Chowdhuri	Director (F & A) & Chief Financial Officer	03144031	01.07.2010	31.08.2016	Six
** Shri Trilochan Panda	Director (F&A)	00836793	06.09.2016	Continuing	None
Shri Manas Bandyopadhyay	Director (Operations)	06661158	01.08.2013	30.07.2016	Five
**Shri Sabyasachi Roy	Director (Operations)	07599524	01.08.2016	Continuing	None
Shri Somnath Bhattacharya	Director (Projects)	07097990	26.12.2014	Continuing	Six
Shri Hari Krishna Dwivedi, IAS	Non-Executive Director	01952502	03.02.2012	Continuing	Nil
Shri Sreekumar Majumdar	Non-Executive (Independent) Director	00004726	01.04.2008 Re –appointed as Independent Director on 01.04.2014	Continuing	Five
Smt. Saswati Banerjee, IAS	Non Executive Director	05141833	08.05.2014	Continuing	Five
Shri Biswaranjan Mishra	Non-Executive (Independent) Director	06455252	30.07.2014	Continuing	Five

** Appointed in the financial year 2016-17 and therefore not attended any Board Meeting for the financial year 2015-16

Other Directorship of Board Members as on 31.03.2016

Director	Category	Other Directorship	
		Name of the Company	Position held
Shri Gopal Krishna, IAS	Chairman [from 01.11.2013 to 18.01.2016]	The Durgapur Projects Limited	Chairman
		West Bengal Green Energy Development Corporation Limited	Chairman
		Bengal EMTA Coal Mines Ltd.	Chairman
		Damodar Valley Corporation	Director
		W.B. Highway Dev. Corpn. Ltd	Director
		W.B. Housing Infrastructure Development Corporation Limited	Director
		W.B. Infrastructure Development Finance Corporation Limited	Director
Shri S. Kishore, IAS	Chairman [from 02.02.2016]	The Durgapur Projects Ltd.	Chairman
		West Bengal Housing Infrastructure Development Corporation Ltd.	Director
		West Bengal Asset Management Co. Ltd.	Director
		West Bengal Trade Promotion Organization	Director
		West Bengal Highway Development Corporation Ltd.	Director
		Bengal Cracker Complex Ltd.	Director
Shri Susanta Kumar Das	Managing Director [from 02.09.2013 to 01.09.2016]	West Bengal Green Energy Development Corporation Ltd.	Managing Director
		Neelanchal Power Transmission Corp. Pvt. Ltd.	Director
Shri Rajesh Pandey, IAS [#]	Managing Director [from 02.09.2016]	West Bengal State Electricity Distribution Co. Ltd.	Chairman & MD
		West Bengal Green Energy Development Corporation Ltd.	Chairman
Shri Anjan Chowdhuri	Director(F&A) [till 31.08.2016]	None	-
Shri Trilochan Panda [#]	Director(F&A) [from 06.09.2016]	None	-
Shri Manas Bandyopadhyay	Director(Operations) [till 31.07.2016]	None	-
Shri Sabyasachi Roy [#]	Director(Operations) [from 01.08.2016]	None	-
Shri Somnath Bhattacharya	Director [Projects]	None	-
Shri Sreekumar Majumdar	Independent Director	Powergrid IL&FS Transmission Private Limited	Director

Director	Category	Other Directorship	
		Name of the Company	Position held
Smt. Saswati Banerjee, IAS	Director	The Durgapur Projects Ltd.	Director
		The West Bengal Power Development Corporation Ltd.	Director
		The West Bengal State Electricity Distribution Company Ltd.	Director
		DPL Coke Oven Ltd.	Director
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	Non Executive 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

[#] Appointed in the financial year 2016-17.

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 is a Director.

Meetings and Attendance

The Company has abided by all statutory provisions laid down, in respect of conducting and convening of the Board meetings and accordingly, the Board met 6 (six) 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. The agenda items for the Board meetings and other meetings of various statutory and non statutory nature are comprehensive and informative in nature to facilitate informed deliberations and appropriate decision taking.

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. 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, 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; and
- Compliance Certificates with the Exception Reports which includes non-compliance(s), if any, of any regulatory, statutory nature or listing requirements.

The Board Minutes are prepared at the earliest, after the Board Meetings and thereafter the approval of all the Functional Directors and the Chairman is obtained. Relevant Minutes are then circulated to the concerned department/group for implementation. 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 ended on 31st March 2016, six Board meetings were held on 2nd April, 14th May, 17th July, 21st September, 9th November in the year 2015 and 2nd February in the year 2016. The interval between any two successive meetings was less than 120 days.

The details of attendance in Board meetings held during 2015-16 are tabulated hereunder:

Sl. No.	Date of meeting	Board strength	No. of Directors present
1	02.04.2015	9	7
2	14.05.2015	9	8
3	17.07.2015	9	7
4	21.09.2015	9	8
5	09.11.2015	9	7
6	02.02.2016	9	7

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 and Board 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
29.08.2013	Registered Office	Sixth A.G.M.	No Special Resolution was passed in this meeting
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

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; and
- Risk Management 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 order of Chairman of the respective Committees. Minutes of the meetings of the Board Committees are placed before the Board for the purpose of information.

The composition of Board Committees and details of attendance in Committee Meetings held during the financial year ended 31st March 2016 are shown below:-

(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 with 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 approval of 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;
- (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) Review 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 presently 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 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 31st March 2016, three meetings of the Audit Committee were held on 14th May, 17th July and 6th November in the year 2015.

Attendance at Audit Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Shri Sreekumar Majumdar	3	3
Smt. Saswati Banerjee, IAS	3	2
Shri Biswaranjan Mishra	3	2

(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, exemption from compliance with certain provisions has been granted to the Nomination and Remuneration Committee, vide Notification no. 463(E) dated 5th June, 2015.

Only one meeting was held of the Nomination and Remuneration Committee on 2nd April, 2015.

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

Name of the Director	Meetings	
	Held	Attended
Shri Sreekumar Majumdar	1	1
Smt. Saswati Banerjee, IAS	1	1
Shri Biswaranjan Mishra	1	1
Shri Susanta Kumar Das	1	1
Shri Manas Bandyopadhyay	1	1

The Company Secretary acts as the Secretary of the Committee.

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

During the financial year ended on 31st March, 2016, 3 (three) meetings of the CSR Committee were held on 24th July and 8th September, 2015 and 2nd February, 2016 and were attended by:

Sl. No.	Name	No. of Meeting	Attendance
1.	Shri Sreekumar Majumdar	3	3
2.	Shri Anjan Chowdhuri	3	3
3.	Shri Manas Bandyopadhyay	3	3
4.	Shri Virendra Singh [Member Secretary]	3	3

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

The Company Secretary act as Secretary and member convenor 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, Shri Manas Bandyopadhyay and Shri Somnath Bhattacharya. 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 2015-16.

(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 ₹ 30 crore and up to ₹ 50 crore beyond which limit Board approval is required. During the financial year ended on 31st March 2016, five meetings of the Board Committee for Contracts, Purchases and Procurements were held on 2nd April, 17th July, 21st September and 9th November in the year 2015 and 2nd February in the year 2016.

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

Name of the Director	Meetings	
	Held	Attended
Shri Susanta Kumar Das, Member & Chairman	5	5
Shri Anjan Chowdhuri, Member	5	5
Shri Manas Bandyopadhyay, Member	5	4
Shri Somnath Bhattacharya, Member	5	5
Shri Sreekumar Majumdar, Member	5	4
Smt. Saswati Banerjee, IAS, Member	5	5
Shri Biswaranjan Mishra, Member	5	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 according administrative and technical approvals and monitoring status of various ongoing projects/schemes and budget utilization. During the financial year ended on 31st March 2016, four meetings of the Board Committee for Projects Appraisal and Monitoring were held on 2nd April, 14th May and 17th July in the year 2015 and 2nd February in the year 2016.

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

Name of the Director	Meetings	
	Held	Attended
Shri Susanta Kumar Das, Member & Chairman	4	4
Shri Anjan Chowdhuri, Member	4	4
Shri Manas Bandyopadhyay, Member	4	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.

Issue of Bonds

The Company has issued Bonds in the year 2009 and 2011 to prepay high cost loans and to fund capital expenditures, as detailed below:

- 9.75% - 10 year secured bonds of ₹183 crore, on 16th October 2009, on private placement basis and
- 10.29% - 10 year secured bonds of ₹250 crore, on 26th July 2011, on private placement basis.

The aforesaid 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 governed by SEBI (Debenture Trustees) Regulations 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreements 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, BSE Ltd., within 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) Times of India [English- All India Edition]; (ii) the Hindustan Times [English- All India Edition]; (iii) The Mint [English-All India edition]; (iv) Ananda Bazar Patrika [Bengali- All India edition] and (v) Aajkal [Bengali -All India Edition].

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

General Shareholders Information:

Details of the 9th Annual General Meeting for the financial year 2015-16

Date & Time	26 th September, 2016 at 1:00 P.M.
Venue	Chamber of the Managing Directors, WBSETCL, at its Registered Office at Bidyut Bhavan, Block-DJ, Sector, II, 8 th Floor, 'A' Block, Bidhannagar, Kolkata-700091

Stock exchange where the bonds are listed:

BSE Ltd.,
Phiroze Jeejeebhoy 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%	16 th April & 16 th October of every year	1/10 on 16 th October of every year	14 days before the date of payment
947578 & INE631K07028	250 cores	10.29%	26 th January & 26 th July of every year	One time bullet payment on 26 th 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 wholly owned Government Company. 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 Para 20 of Accounting Standard 18 issued by the Institute of Chartered Accountants of India, disclosures pertaining to managerial remuneration are made in the notes to financial results.

a) Details of non-compliance, if any, during the year

There were no penalties or strictures imposed on the Company by any statutory authority 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 ₹183 crores Link-in-Time India Pvt. Ltd. 59C, Chowringhee Road, 3rd Floor, Kolkata-700020	RTA for 10.29 % Bonds of ₹ 250 crores CB Management Services Pvt. Ltd. P-22 Bondel Road, Kolkata - 700019
---	---

Annexure - II A

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 2015-16.

Place: Kolkata
Date: 26th September, 2016



(Rajesh Pandey)
Managing Director



S.SARKAR & ASSOCIATES

Company Secretaries

Annexure - IIB

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

West Bengal State Electricity Transmission Company Limited

Bidyut Bhavan, Block-DJ

Sector-II, Bidhan Nagar

Kolkata-700091

We have examined the compliance of conditions of corporate governance by West Bengal State Electricity Transmission Company Limited, for the year ended on 31st march 2016 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange 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 period 01.04.2015-to 31.03.2016

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 as stipulated in the said clause. 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 and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement/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 : 26/09/2016

DECLARATION OF ENERGY CONSERVATION, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE 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 ampacity 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 |

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 inhabitants or the stakeholders directly impacted by the operations of the Company. The CSR Activities of WBSETCL, will primarily be applicable to Project Beneficiaries and Project Associated Areas in the vicinity of the existing sub-stations of different voltages and Transmission Line Projects/Sub-stations under execution and to be developed in future by WBSETCL.

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, 2016

The CSR Committee consists of Shri Sreekumar Majumdar, Director; Shri Manas Bandyopadhyay, Director (Operations), Shri Anjan Chowdhuri, Director (F&A)

4. Average Net Profit of the Company for last 3 financial years: ₹407.85 crore
5. Threshold Limit (2% of this amount as in 4 above). ₹8.16 crore
6. Details of CSR activities/projects undertaken during the year:

- a. Total amount to be spent for the year; ₹8.16 crore
- b. Amount spent during the year as below; ₹0.47 Crore

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 (₹ in crore)	Amount spent on the Project/ programme Sub-heads: 1. Direct expenditure on project, 2. Overheads: (₹ in Crore)	Cumulative spend up to the reporting period	Amount spent: Direct / through implementing agency*
1	Construction of road from Shibatala Kheyia Ghat to Chaduria Ghat- project under-taken as CSR activity for the financial year 2014-15#	Infrastructure	Krishnanagar, Nadia	7.01	0.47	1.81	Through Nadia Zilla Parishad
	TOTAL			7.01	0.47	1.81	

* Give details of implementing Agency: Nadia Zilla Parishad

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.

Through out the year the CSR Sub-Committee through the local site offices have screened various activities which can be undertaken under CSR Scheme. However, due to inadequate supply of information from the beneficiaries in respect of the utilities to be enjoyed by the poor, backward classes at large, consensus could not be arrived.

However, various projects have been identified with special emphasis on development of infrastructure of remote areas as well as developmental activities pertaining to schools which are in the utmost need of assistance. Feasibility studies are being carried out by the local site Offices regarding the viability of the projects and thus fund will be allocated one the requisite inputs are received.

- # So far as the construction of road from Shibtala Kheya Ghat to Chaduria Kheya Ghat in the Krishnanagar area of Nadia district is concerned, although the work was taken up on the demand of local people, endorsed by the district administration and was being implemented through the local authorities, recurrent substantial erosion of the banks of river Ganges was resulting in collapse of the infrastructure facilities along the river bank, which are being washed away during the monsoon months. However, the matter was taken up with the Local Authority whether the road construction can be carried out through an alternative route. The Local Authority has duly intimated that it has been decided to construct an all weather road just to give connectivity from the Chanduria-II, G.P Office, reducing the monetary involvement as minimum possible up to a considerable level ensuring sustainability of the road. A rough estimate amounting to ₹ 2.53 Crore has been framed for the purpose in the approved schedule of rates. The fresh proposal is to be reviewed by the CSR Committee of the Board and the Board of Directors for final approval.

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 projects in response to felt societal needs with specific stress on projects in the backwards regions 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)
Managing Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2016

[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 Contact details	Vidyut Bhavan, Block-DJ, Sector II, Salt Lake, Kolkata-700091 Ph.: 033-2334-9020, Fax: 033-2334-9020 Email: virendra.singh@wbsetcl.in
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 2. Link-in-Time-India Pvt. Ltd. 59C Chowringhee Road, 3rd Floor, Kolkata- 700020

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 Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts**	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
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 ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹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 during the year
		No. of Shares	% of the Total Shares of the Company	% of Shares pledge/encumbered to total shares	No. of Shares	% of the Total Shares of the Company	% of Shares pledge / encumbered 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 the Total Shares of the Company	No. of Shares	% of the Total Shares of the Company
	At the beginning of the year				
	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
	At the end of the year				

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

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the Total Shares of the Company	No. of Shares	% of the Total Shares of the Company
	For each of the Top 10 Shareholders				
	At the beginning of the year	NA	NA	NA	NA
	Date wise increase /Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g., allotment/transfer/bonus/sweat equity etc)				
	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 the Total Shares of the Company	No. of Shares	% of the Total Shares of the Company
	For each of the Top 10 Shareholders				
1	Shri Gopal Krishna, IAS	40,100	>1%	40,100	>1%
2	Shri Susanta Kumar Das	9,500	>1%	9,500	>1%
3	Shri Manas Bandyopadhyay	100	>1%	100	>1%
4	Smt. Saswati Banerjee, IAS	100	>1%	100	>1%
5	Shri Manabendra Chakraborty	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 persons on behalf of the Governor of West Bengal as his nominee.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	159734.89	111812.27		271547.16
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1685.34	346.01	–	2031.35
Total (i + ii + iii)	161420.23	112158.28	–	273578.51
Change in Indebtedness during the financial year				
Addition	244927.26	–	–	244927.26
Reduction	219131.28	5248.11	–	224379.39
Net Change	25795.98	-5248.11	–	20547.77
Indebtedness at the end of the financial year				
i) Principal Amount	185530.76	106564.16	–	292094.92
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1145.24	337.68	–	1482.92
Total (i + ii + iii)	186676	106901.84	–	293577.84

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 (₹ in Lakh)			
		S.K.Das Managing Director	A. Chowdhuri Director (F&A)	M. Bandyopadhyay 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	17.92	22.22	13.22	17.83
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	1.06	–	–	–
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of Profit	–	–	–	–
	- Others, Specify	–	–	–	–
5	Others, Please specify	–	–	–	–
	Total (A)	18.98	22.22	13.22	17.83
	Ceiling as per the Act				

B. Remuneration to other directors :

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Sreekumar Majumdar	Biswaranjan Mishra	
1	Independent Directors			
	■ Fee for attending board & committee meetings			
	■ Commission			
	■ Others, Please Specify	2	–	2
	Total (1)	2	–	2
		Gopal Krishna (upto 18.01.2016)	S. Kishore (from 02.02.2016)	
2	Other Non-Executive Directors			
	■ Fee for attending board & committee meetings			
	■ Commission			
	■ Others, Please Specify	–	–	–
	Total (2)	–	–	–
	Total (B)= (1+2)	2	–	–
	Total Managerial*			
	Remuneration	–	–	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*

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	a) Salary as per provisions Contained in Section 17(1) of the Income Tax Act, 1961	–	13.54	–	13.54
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	–	–	–	–
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of Profit	–	–	–	–
	- Others, Specify	–	–	–	–
5	Others, Please specify	–	–	–	–
	Total	–	13.54	–	13.54

*Company Secretary is the only Key Managerial Person other than MD and WTD.

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	-	-



S.SARKAR & ASSOCIATES

Company Secretaries

Annexure- VI

Bentinck Chamber, 2nd Floor, Room No.-216A/1

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, 2016

[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 BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
BIDYUT BHAVAN, BLOCK - DJ, SECTOR - II
BIDHANNAGAR
KOLKATA - 700091
WEST BENGAL, INDIA**

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 31.03.2016 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 the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under (As per Annexure-);
- (ii) Secretarial Standard guide lines **with certain deviations**
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; -
- (v) 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)
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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, 2015 with certain deviations;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (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;
- (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; (Not applicable)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable)
- (vi) Electricity Act 2003
- (vii) Provident Fund Act
- (viii) Payment of Gratuity Act 1972. However only in one instance the payment has been made beyond thirty days from the date of relinquishment.
- (ix) Sexual Harrasment (Prevention and Redressal) Act 2013

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

- (i) The Listing Agreements / SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange, (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 observations as per annexure:

We further report that

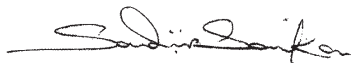
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions 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 : 29th June 2016
Place: Kolkata



S.SARKAR & ASSOCIATES

Company Secretaries

Bentinck Chamber, 2nd Floor, Room No.-216A/1

37A Bentinck Street, Kolkata-700012

Mob: (+ 91) 9231699339, 7278563812

Email: cssandip.sarkar@gmail.com

Annexure

1. In terms of the various provisions of the Companies Act, 2013,
 - (i) **There is one Director with DIN01952502 has not attained any Board Meeting during the Financial year 2014-15 and 2015-16 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 money in relation to Corporate Social Responsibility expenditure as per Section 135 of the Act.**
2. In terms of the various provisions of the Listing Agreements / Listing obligation and Disclosure Requirements Regulation, 2015, **the board is not properly constituted in terms of LODR and there is shortfall of one Independent Director.**

Management Explanation Pertaining to Secretarial Audit

Qualification		Explanation
1	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 to remove any Director from the Board of Directors of the Company.
2	The Company was not being able to spend the money in relation to Corporate Social Responsibility expenditure as per section 135 of the Companies Act, 2013.	The Company is unable to get appropriate projects for carrying out the CSR activities during the period under review. However, the Company is constantly looking for suitable projects in order to carry out the CSR Activities.
3	The Board of Directors is not properly constituted in terms of SEBI (LODR) and there is shortfall of one Independent Director.	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 for appointing another Independent Director into the Board of the Company in order to comply with requirements of the various applicable statutory provisions.



सत्यमेव जयते

(कार्यालय महालेखाकार
(आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा)
पश्चिम बंगाल)

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

No.: OA(ESA-II)/Acctts./WBSETCL/2015-16/955
Date: 14 September, 2016

To
The Managing Director,
West Bengal State Electricity Transmission Company Limited
Vidyut Bhavan (9th Floor), DJ-Block, Sector-II, Salt Lake,
Kolkata-700091

**Sub.: Comments of the Comptroller and Auditor General of India 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 2016**

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 2016.

Yours Faithfully

Sr. Deputy Accountant General (ESA-II)
West Bengal

Elcl. As stated:

**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 2016**

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2016 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 expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the 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 28.07.2016.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2016. 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 auditors' report.

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



**(Nameeta Prasad)
Accountant General (E&RSA)
West Bengal**

Date : 14th September 2016
Place : Kolkata

N. SARKAR & CO

Chartered Accountants.

21, PRAFULLA SARKAR STREET
KOLKATA : 700 072
Phone : 22126454
Fax : 22126549

Independent Auditors' Report

To the Members of

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion:

- 6 (a) Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is not in compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer note No. 23.1). The impact on the accounts is unascertainable at this stage.
- (b) Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification. (refer note no:24.2)
- (c) Non provision of consolidated demand of ₹112.49 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 2015-16 resulting in overstatement of profit by the said amount [refer note no. 36(iv)]

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

8. We draw attention to the following matters in the notes to the financial statements:
 - (a) 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. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy adopted by the Company. (refer note no:23.2).
 - (b) The formalities of registration of transfer of land and buildings re-vested in favour of the Company are pending since adequate information is not yet available. (refer note no. 23.3).
 - (c) Due to non-receipt of confirmations of certain balances of Loans and Advances, Material with Contractors, Trade Payables etc., the consequential adjustments, if any, are to be made on receipt thereof. (refer note no. 25)
 - (d) Pending 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. 27.1)
 - (e) Non-provision of ₹ 2282.46 lakhs being the amount stated to be disputed by the Company upto 31st March 2016, against the total demand of ₹ 2673.31 lakhs upto 30.09.2016 on account of spectrum charges and interest, received from the Ministry of Communications & IT, Department of Telecommunications Wireless Planning & Co-ordination Wing, Government of India. The Company has taken such action based on the opinion of Legal Counsel and is contemplating to prefer an Appeal before the appropriate authority shortly.(refer note no. 36(v))

Report on Other Legal and Regulatory Requirements

9. 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 - I to this report.
10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure-II, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

11. 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 for the effects of the matters described in the Basis for Qualified Opinion paragraph above;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The Company being a Government Company, the provisions of Section 164(2) of the Act is not applicable;
- (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 III, and
- (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 financial statements (Refer: note no. 36 to the financial statements);
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) On the basis of the records of the Company examined by us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for N. Sarkar & Co.
Chartered Accountants
Firm Registration No.: 301075E



M. RAY
Partner
Membership No. 12940

Kolkata
28th July, 2016

**Annexure to the Auditors' Report
Referred to in paragraph 9 of our report of even date**

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

QUESTIONS		ANSWERS												
(I)	Valuation of Assets & Liabilities If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined, including the mode and present stage of disinvestment process.	The company has not been selected for disinvestment.												
(II)	Waiver / write - off of debts/loan /interest Whether there are any case of waiver/write-off of debts/ loans /interests etc. If yes, the reasons thereof and the amount involved	No such cases have come to our notice during the course of our audit and no such cases have been reported.												
(III)	Inventories Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Government or other authorities?	Proper records are maintained for inventories issued to third parties/contractors. No asset has been received as a gift from Government or other authorities.												
(IV)	Legal/ arbitration cases A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Total 68 numbers of cases were pending as on 31st of March, 2016 at different forums. The age wise analysis of the same is as 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>6</td></tr><tr><td>16 & above</td><td>5</td></tr></table> Out of the above it has been reported that only three cases have a monetary involvement of ₹ 63.47 lakhs including ₹ 41.30 lahs for Income Tax matters pending before the Hon'ble Calcutta High Court. The Company has a separate Legal Cell under the administrative control of the Company Secretary for effective monitoring of the cases. Besides the above there are six numbers of Appeals for Income Tax matters amounting to ₹1028.36 lakhs pending before the Appellate Authorities and three numbers of appeals on tariff related matters pending before the Appellate Tribunal for Electricity.	No of years pending	No. of Cases	< 1 year	16	1-5 years	29	6-10 years	12	11-15 years	6	16 & above	5
No of years pending	No. of Cases													
< 1 year	16													
1-5 years	29													
6-10 years	12													
11-15 years	6													
16 & above	5													

QUESTIONS		ANSWERS															
(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 purchase of private land following defined procedure. 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 the balance land is as below: <table> <tr> <th>Particulars</th><th>Total Area (acre)</th><th>Deed Executed (acre)</th></tr> <tr> <td>Leasehold Land</td><td>130.095</td><td>19.22</td></tr> <tr> <td>Purchased/Gifted Land</td><td>31.685</td><td>15.875</td></tr> <tr> <td>Land transferred from other organization (except WBSEDCL)</td><td>329.0302</td><td>13.1979</td></tr> <tr> <td>Land transferred from WBSEDCL</td><td>39.36</td><td>-</td></tr> </table>	Particulars	Total Area (acre)	Deed Executed (acre)	Leasehold Land	130.095	19.22	Purchased/Gifted Land	31.685	15.875	Land transferred from other organization (except WBSEDCL)	329.0302	13.1979	Land transferred from WBSEDCL	39.36	-
Particulars	Total Area (acre)	Deed Executed (acre)															
Leasehold Land	130.095	19.22															
Purchased/Gifted Land	31.685	15.875															
Land transferred from other organization (except WBSEDCL)	329.0302	13.1979															
Land transferred from WBSEDCL	39.36	-															

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

Power Sector

QUESTIONS		ANSWERS
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided	As reported to us no land of the Company has been encroached.
2.	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 timely settlement of dues for the land acquired to set up new projects is done by the Company and also reported that there is no deviation in any case.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and revenue is properly accounted for in the books of account in compliance with the applicable Accounting Standards?	There is effective system for recovery of revenue as per contractual terms and the same is properly accounted for in the books of account in compliance with the applicable Accounting Standards. However, a sum of ₹4160.10 lakhs has been wrongly deducted by WBSEDCL from the transmission charges bill for the months of February and March 2014 for which the Company has approached the Department of Power & NES, Government of West Bengal for issuing directions to WBSEDCL towards release of the amount.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	No Projects have been reported to have been abandoned during the financial year 2015-16.

QUESTIONS		ANSWERS
5.	Compliance with respect to guidelines and instructions circulated by the Department of Public Enterprises regarding Corporate Social Responsibility (CSR) Activities has been followed while incurring expenditure on account of CSR.	The Company has adopted a Corporate Social Responsibility (CSR) Policy w.e.f. 01 st April 2014. An amount of ₹558.00 lakhs for CSR activity was sanctioned for the year 2014-15 by the CSR Committee. The Company was required to contribute ₹731.66 lakhs during 2014-15 and ₹815.70 lakhs for 2015-16 as per section 135 of the Companies Act, 2013. However, during 2014-15 the company had contributed an amount of ₹144.26 lakhs on this score including ₹9.48 lakhs which is yet to be ratified by the CSR Committee. During 2015-16 the Company had spent ₹46.66 lakhs on this score. Thus an amount of ₹1356.44 lakhs stands as the accumulated unspent amount upto 31 st March 2016.
6.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As reported to us the system of evacuation of power is commensurate with power available for transmission with the generating company.
7.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	It has been reported that the transmission loss has remained within the prescribed norms during the financial year 2015-16.
8.	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 such assets have been constructed on behalf of other agencies.

for N. Sarkar & Co.
Chartered Accountants
Firm Registration No.: 301075E



M. RAY
Partner
Membership No. 12940

Kolkata
28th July, 2016

Annexure to the Auditors' Report

Referred to in paragraph 10 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the transmission equipments and lines have been physically verified by the management. Other fixed assets of the Company have not been physically verified during the year. The discrepancy, if any, could not be ascertained.
- (c) As informed to us, the details of title deeds for the land is as below:

Particulars	Total Area (acre)	Deed Executed (acre)	Deed pending to be executed (acre)
Leasehold Land	130.095	19.22	110.875
Purchased/Gifted Land	31.685	15.875	15.81
Land transferred from other organization (except WBSEDCL)	329.0302	13.1979	315.8323
Land transferred from WBSEDCL	39.36	-	39.36

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

- (ii) As explained to us, during the year inventories (other than material lying with third parties) of the Company have been physically verified by outside agencies at all locations. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account. However, a policy should be framed for physical verification at regular interval.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a), (b) & (c) of the Order, are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or given any guarantee and therefore, the provisions of Clause 3(iv) of the Order, are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account 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.
- (vii) (a) According to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable except that demand of ₹112.49 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 2015-16.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues which have not been deposited on account of any dispute except the following:

Sl No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Assessment Year	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	301.27	2008-09	C.I.T. (Appeals)
2	Income Tax Act, 1961	Income Tax	241.34	2008-09	ITAT
3	Income Tax Act, 1961	Income Tax	41.30	2009-10	I.T. Department's Appeal pending before Hon'ble Calcutta High Court
4	Income Tax Act, 1961	Income Tax	464.91	2009-10	C.I.T. (Appeals)
5	Income Tax Act, 1961	Income Tax	0.02	2010-11	C.I.T. (Appeals)
6	Income Tax Act, 1961	Income Tax	20.20	2012-13	C.I.T. (Appeals)
7	Income Tax Act, 1961	Income Tax	0.62	2013-14	C.I.T. (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings due to financial institutions, banks, Government or debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (x) 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) 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.
- (xii) In our opinion and according to the explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for N. Sarkar & Co.
Chartered Accountants
Firm Registration No.: 301075E


M. RAY
Partner
Membership No. 12940

Kolkata
28th July, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE OF THE FINANCIAL STATEMENT OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LTD

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

We have audited the internal financial controls over financial reporting of West Bengal State Electricity Transmission Company Ltd ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2016:

- a) 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,
- b) 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.
- c) Considering the business volume of the Company and the nature of compliances to be ensured, it is felt that manpower set up of at Corporate Head Quarters 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.

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.

In our opinion, except for the effects/possible effects of the material weaknesses 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 at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2016 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

for N. Sarkar & Co.
Chartered Accountants
Firm Registration No.: 301075E



M. RAY
Partner
Membership No. 12940

Kolkata
28th July, 2016

Para Ref.	CARO 2016 - Auditors Comment	Management Replies																				
(i)	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.	Informative, hence No Comments.																				
	(b) As informed to us, the transmission equipments and lines have been physically verified by the management. Other fixed assets of the Company have not been physically verified during the year. The discrepancy, if any, could not be ascertained.	Verification of other fixed assets will be undertaken in a phased manner in subsequent years.																				
	(c) As informed to us, the details of title deeds for the land is as below:	Pending deeds are in the process of execution.																				
	<table><tr><th>Particulars</th><th>Total Area (acre)</th><th>Deed Executed (acre)</th><th>Deed pending to be executed (acre)</th></tr><tr><td>Leasehold Land</td><td>130.095</td><td>19.22</td><td>110.875</td></tr><tr><td>Purchased/Gifted Land</td><td>31.685</td><td>15.875</td><td>15.81</td></tr><tr><td>Land transferred from other organization (except WBSEDCL)</td><td>329.0302</td><td>13.1979</td><td>315.8323</td></tr><tr><td>Land transferred from WBSEDCL</td><td>39.36</td><td>-</td><td>39.36</td></tr></table>		Particulars	Total Area (acre)	Deed Executed (acre)	Deed pending to be executed (acre)	Leasehold Land	130.095	19.22	110.875	Purchased/Gifted Land	31.685	15.875	15.81	Land transferred from other organization (except WBSEDCL)	329.0302	13.1979	315.8323	Land transferred from WBSEDCL	39.36	-	39.36
	Particulars		Total Area (acre)	Deed Executed (acre)	Deed pending to be executed (acre)																	
	Leasehold Land		130.095	19.22	110.875																	
	Purchased/Gifted Land		31.685	15.875	15.81																	
Land transferred from other organization (except WBSEDCL)	329.0302	13.1979	315.8323																			
Land transferred from WBSEDCL	39.36	-	39.36																			
In case of acquired land there is no requirement for execution of deed.																						
(ii)	As explained to us, during the year inventories (other than material lying with third parties) of the Company have been physically verified by outside agencies at all locations. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account. However, a policy should be framed for physical verification at regular interval.	The management has conducted physical verification of stocks at its entire store Units. Also, the Company has conducted physical verification throughout the year on sample basis at most of the stores as part of the Internal Audit Program.																				
(iii)	The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a), (b) & (c) of the Order, are not applicable to the Company.	Informative, hence No Comments.																				
(iv)	The Company has not granted any loans or made any investments or given any guarantee and therefore, the provisions of Clause 3(iv) of the Order, are not applicable to the Company.	Informative, hence No Comments.																				
(v)	In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.	Informative, hence No Comments.																				

Para Ref.	CARO 2016 - Auditors Comment	Management Replies																																				
(vi)	We have broadly reviewed the books of account 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.	Informative, hence No Comments.																																				
(vii)	(a) According to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable except that demand of ₹112.49 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 2014-15. (b)According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues which have not been deposited on account of any dispute except the following: <table><tr><th>Sl No.</th><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount (₹ in lakhs)</th><th>Period</th><th>Forum where dispute is pending</th></tr><tr><td>1</td><td>Income Tax Act, 1961</td><td>Income Tax</td><td>301.27</td><td>2008-09 (Assessment Year)</td><td>C.I.T. (Appeals)</td></tr><tr><td>2</td><td>Income Tax Act, 1961</td><td>Income Tax</td><td>241.34</td><td>2008-09 (Assessment Year)</td><td>ITAT</td></tr><tr><td>3</td><td>Income Tax Act, 1961</td><td>Income Tax</td><td>41.30</td><td>2009-10 (Assessment Year)</td><td>I.T. Department's Appeal pending before Hon'ble Calcutta High Court</td></tr><tr><td>4</td><td>Income Tax Act, 1961</td><td>Income Tax</td><td>464.91</td><td>2009-10 (Assessment Year)</td><td>C.I.T. (Appeals)</td></tr><tr><td>5</td><td>Income Tax Act, 1961</td><td>Income Tax</td><td>0.02</td><td>2010-11 (Assessment Year)</td><td>C.I.T. (Appeals)</td></tr></table>	Sl No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period	Forum where dispute is pending	1	Income Tax Act, 1961	Income Tax	301.27	2008-09 (Assessment Year)	C.I.T. (Appeals)	2	Income Tax Act, 1961	Income Tax	241.34	2008-09 (Assessment Year)	ITAT	3	Income Tax Act, 1961	Income Tax	41.30	2009-10 (Assessment Year)	I.T. Department's Appeal pending before Hon'ble Calcutta High Court	4	Income Tax Act, 1961	Income Tax	464.91	2009-10 (Assessment Year)	C.I.T. (Appeals)	5	Income Tax Act, 1961	Income Tax	0.02	2010-11 (Assessment Year)	C.I.T. (Appeals)	A consolidated demand of ₹112.49 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 2015-16 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 Informative, hence No Comments.
Sl No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period	Forum where dispute is pending																																	
1	Income Tax Act, 1961	Income Tax	301.27	2008-09 (Assessment Year)	C.I.T. (Appeals)																																	
2	Income Tax Act, 1961	Income Tax	241.34	2008-09 (Assessment Year)	ITAT																																	
3	Income Tax Act, 1961	Income Tax	41.30	2009-10 (Assessment Year)	I.T. Department's Appeal pending before Hon'ble Calcutta High Court																																	
4	Income Tax Act, 1961	Income Tax	464.91	2009-10 (Assessment Year)	C.I.T. (Appeals)																																	
5	Income Tax Act, 1961	Income Tax	0.02	2010-11 (Assessment Year)	C.I.T. (Appeals)																																	

Para Ref.	CARO 2016 - Auditors Comment						Management Replies
	6	Income Tax Act, 1961	Income Tax	20.20	2012-13 (Assessment Year)	C.I.T. (Appeals)	
	7	Income Tax Act, 1961	Income Tax	0.62	2013-14 (Assessment Year)	C.I.T. (Appeals)	
(viii)	In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings due to financial institutions, banks, Government or debenture holders during the year.						Informative, hence No Comments.
(ix)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.						Informative, hence No Comments.
(x)	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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.						Informative, hence No Comments.
(xi)	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.						Informative, hence No Comments.
(xii)	In our opinion and according to the explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.						Informative, hence No Comments.
(xiii)	According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable Accounting Standards..						Informative, hence No Comments.
(xiv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year.						Informative, hence No Comments.
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.						Informative, hence No Comments.
(xvi)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.						Informative, hence No Comments.

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
6(a)	Basis For Qualified Opinion: Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is not in compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer note No. 23.1). The impact on the accounts 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.
(b)	Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification. (refer note no:24.2)	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 ₹760.96 lakhs, has been reduced from the value of stock.
(c)	Non provision of consolidated demand of ₹112.49 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 2015-16 resulting in overstatement of profit by the said amount [refer note no. 36(iv)]	A consolidated demand of ₹112.49 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 2015-16 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
8	Emphasis Matter	
(a)	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. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy adopted by the Company. (refer note no:23.2).	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. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy of the Company.
(b)	The formalities of registration of transfer of land and buildings re-vested in favour of the Company are pending since adequate information is not yet available. (refer note no. 23.3).	The formalities for registration of transfer of the land & buildings re-vested in favour of the Company are still under process since adequate information is not yet available.

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
(c)	Due to non-receipt of confirmations of certain balances of Loans and Advances, Material with Contractors, Trade Payables etc., the consequential adjustments, if any, are to be made on receipt thereof. (refer note no. 25)	Confirmation of balances has been received from some of the parties. The Company has also sent letters requiring confirmation and reconciliation of balances receivable from or due to other parties mainly trade creditors from whom necessary confirmation are still to be received.
(d)	Pending 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. 27.1)	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 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.
(e)	Non-provision of ₹2282.46 lakhs being the amount stated to be disputed by the Company upto 31 st March 2016, against the total demand of ₹2673.31 lakhs upto 30.09.2016 on account of spectrum charges and interest, received from the Ministry of Communications & IT, Department of Telecommunications Wireless Planning & Co-ordination Wing, Government of India. The Company has taken such action based on the opinion of Legal Counsel and is contemplating to prefer an Appeal before the appropriate authority shortly.(refer note no. 36(v))	The Company had received a demand of ₹2673.31 lakhs on account of spectrum charges and interest for alleged delay in payment of such charges, from the Ministry of Communications & IT, Department of Telecommunications Wireless Planning & Co-ordination Wing, Government of India during the year. The Company admits an amount of ₹360.80 lakhs only on account of spectrum charges pertaining to the period 17.04.2007 to 20.03.2015 being the actual period of usage and has provided for the same in its books of account. Further, on the basis of the opinion of Legal Counsel, the Company is contemplating to prefer an Appeal before the appropriate authority shortly against the balance demand of ₹2312.51 lakhs, which is considered as contingent liability. The management believes that the ultimate outcome of the proceedings listed above under Note 36 will not have a material adverse effect on the Company's financial position and results of operations.

**COMMENTS OF STATUTORY AUDITORS' on IFCoFR & MANAGEMENT
COMMENTS/REPLIES THEREON**

Para Ref.	Auditors Comment on IFCoFR	Management Replies
(a)	Qualified Opinion: 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.
(b)	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.
(c)	Considering the business volume of the Company and the nature of compliances to be ensured, it is felt that manpower set up of at Corporate Head Quarters 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.	A committee has already set up to review the manpower set up of the company and necessary action will be taken accordingly.

Balance Sheet as at 31st March, 2016

₹ in lakhs

PARTICULARS	NOTE	As at 31.03.2016		As at 31.03.2015	
EQUITY & LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	110552.00		110552.00	
(b) Reserves and Surplus	3	205577.11	316129.11	160761.02	271313.02
Non-Current Liabilities					
(a) Long-Term Borrowings	4	259452.68		236850.37	
(b) Other Long-Term Liabilities	5	27349.83		19245.37	
(c) Long-Term Provisions	6	5737.74	292540.25	1252.74	257348.48
Current Liabilities					
(a) Short-Term Borrowings	7	10627.74		20550.23	
(b) Trade Payables	8	5668.42		4507.92	
(c) Other Current Liabilities	9	59487.83		45083.20	
(d) Short-Term Provisions	6	743.22	76527.21	59.17	70200.52
TOTAL			685196.57		598862.02
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	456660.51		416211.07	
(ii) Capital Work-In-Progress		123350.82		95706.36	
(b) Long-Term Loans and Advances	11	12221.66		9407.18	
(c) Other Non-Current Assets	12	4471.26	596704.25	4471.26	525795.87
Current Assets					
(a) Inventories	13	10890.19		9538.92	
(b) Trade Receivables	14	29498.02		25095.15	
(c) Cash and Bank Balances	15	30134.12		22854.93	
(d) Short-Term Loans and Advances	11	8916.97		8966.25	
(e) Other Current Assets	16	9053.02	88492.32	6610.90	73066.15
TOTAL			685196.57		598862.02

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

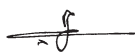
As per our report of even date

For N. Sarkar & Co.

Chartered Accountants

Firm Registration No. 301075E

For and on behalf of the Board of Directors



(M. Ray)
Partner



(V. Singh)
Company Secretary



(S. Sengupta)
Chief Financial Officer



(A. Chowdhuri)
Director
(Finance & Accounts)



(Susanta Kumar Das)
Managing Director

M. No.12940

Kolkata

Date : 28th July 2016

Statement of Profit and Loss for the period ended 31st March 2016

₹ in lakhs

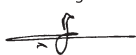
PARTICULARS	NOTE	Year ended 31.03.2016	Year ended 31.03.2015
I. Revenue from operations			
Income from Services	17	124266.95	102078.59
II. Other Income	18	2368.21	(65.42)
III. Total Revenue (I + II)		1,26,635.16	102013.17
IV. Expenses:			
(a) Employee Benefits Expense	19	17052.54	14740.62
(b) Finance costs	20	22157.24	23253.85
(c) Depreciation and amortization expense		17425.45	16628.63
(d) Other expenses	21	14428.08	13323.17
Total expenses		71063.31	67946.27
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		55,571.85	34066.90
VI. Exceptional Items			
VII. Profit before Extraordinary Items and Tax (V - VI)		55,571.85	34066.90
VIII. Extraordinary Items			
IX. Profit before Tax (VII - VIII)		55,571.85	34066.90
X. Tax Expenses			
(a) Current Tax (Note 32)		11,859.92	7140.59
(b) Deferred Tax			
XI. Profit/(Loss) for the Period from Continuing Operations (IX - X)		43,711.93	26926.31
XII. Profit/(Loss) from Discontinuing Operations			
XIII. Tax Expenses of Discontinuing Operations			
XIV. Profit/(Loss) from Discontinuing Operations (after Tax) (XII - XIII)			
XV. Profit/(Loss) for the Period (XI + XIV)		43,711.93	26926.31
XVI. Earning per Equity Share (nominal value of share ₹10)			
(a) Basic		3.95	2.44
(b) Diluted		3.95	2.44

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

For N. Sarkar & Co.

Chartered Accountants

Firm Registration No. 301075E



(M. Ray)
Partner



(V. Singh)
Company Secretary



(S. Sengupta)
Chief Financial Officer

For and on behalf of the Board of Directors



(A. Chowdhuri)
Director
(Finance & Accounts)



(Susanta Kumar Das)
Managing Director

M. No.12940

Kolkata

Date : 28th July 2016

Cash Flow Statement for the period ended 31st March 2016

₹ in lakhs

Sl. No.	PARTICULARS	Current Year	Previous Year
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit/(Loss) Before Taxation	55571.85	34066.90
	Adjustment For:		
	Depreciation	17529.46	18127.69
	Interest & Financial Charges	22157.24	23253.85
	Interest Income	(1995.69)	(1909.18)
	Sub Total	37691.01	39472.36
	Operating Profit Before Working Capital Change	93262.86	73539.26
	Adjustment for:		
	Stores & Spares	(1351.27)	662.47
	Trade Receivables *	(4402.87)	7789.65
	Other Current Assets	(2359.71)	(1974.79)
	Loans & Advances	(80.05)	(2536.92)
	Current Liabilities & Provision, etc.	23307.21	11679.78
	Sub Total	15113.31	15620.19
	CASH GENERATED FROM OPERATING ACTIVITIES	108376.17	89159.45
	Less: Income Tax Paid	(11730.60)	(7714.49)
	NET CASH FROM OPERATING ACTIVITIES (A)	96645.57	81444.96
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Decrease (Increase) in Fixed Assets	(57979.08)	(51653.26)
	Decrease (Increase) in Work in Progress & Capital Advance	(30458.94)	(21960.23)
	Interest Incomes, etc.	1995.69	1909.18
	Grants Received from GoWB (DRS)	1104.34	650.00
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(85337.99)	(71054.31)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowing (Net)	18128.85	19473.22
	Interest & Financial Charges, etc.	(22157.24)	(23253.85)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(4028.39)	(3780.63)
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	7279.19	6610.02
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	22854.93	16244.91
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR **	30134.12	22854.93

* This includes the Non-Current portion of the Trade Receivables also.

** Cash & Cash Equivalents at the end of the year includes Fixed Deposits with Banks related to:

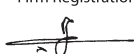
Reserve for Unforeseen Exigencies	₹ 5362.06 lakhs
Debenture Redemption Reserve	₹ 7736.70 lakhs
SLDC Fund (including Auto Fixed Deposits)	₹ 8289.96 lakhs

In terms of our report of even date attached herewith

For N. Sarkar & Co.

Chartered Accountants

Firm Registration No. 301075E



(M. Ray)
Partner



(V. Singh)
Company Secretary



(S. Sengupta)
Chief Financial Officer

For and on behalf of the Board of Directors



(A. Chowdhuri)
Director
(Finance & Accounts)



(Susanta Kumar Das)
Managing Director

M. No.12940

Kolkata

Date : 28th July 2016

Note 1: Significant Accounting Policies

I. Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards, as specified in Companies (Accounting Standards) Rules, 2006 as amended to date. The financial statements are drawn up in accordance with the Companies Act, 2013 except where required otherwise under the Electricity Act, 2003. The preparation of financial statements may require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

II. Fixed Assets and Capital Work in Progress

- (a) Fixed Assets are shown at historical cost less accumulated depreciation. Cost comprises of its purchase price including duties, taxes and levies, borrowing cost, freight, and incidental expenses and any directly attributable cost of bringing the asset to its working condition.
- (b) Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in-Progress ('CWIP'). 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.
- (c) 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.
- (d) Assets Created out of Deposits received from customers (Consumers' Contribution) are taken at the Gross Value and depreciated as per the norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('WBERC'), a Statutory Authority constituted under the Electricity Act, 2003. Such Fixed Assets are shown at net of Consumers' Contribution in the Fixed Asset Schedule in the Balance Sheet.
- (e) 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 included in the Fixed Assets Register of the Company at a notional value of Rupee one per asset and in the Fixed Asset Schedule at the end of the year.

III. Depreciation

Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('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. The rates specified therein, however, are different from the rates specified in the Companies Act, 2013.

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. The leasehold land with a tenure upto 30 years is amortized over the period of lease.

IV. Impairment of Assets

The carrying amounts of the assets are reviewed at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged when the asset is identified as impaired.

V. Borrowing Costs

- (a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.
- (b) The borrowed funds are earmarked to specified projects under implementation and the borrowing costs therefor are allocated to CWIP. In cases where the borrowed funds are not earmarked separately for specific projects, the borrowing costs 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 pertaining thereto till the date of commissioning are allocated to fixed assets. The borrowing cost for completed projects is charged to revenue.

VI. Inventories

Inventories, other than scrap, are valued at cost on weighted average basis. Scrap is valued at the lower of net realizable value or book value.

VII. Revenue Recognition

All expenses and income to the extent considered payable and receivable, respectively, unless otherwise stated, are accounted for on accrual basis. Revenue from Transmission Charges is accounted for based on the last tariff rates approved by WBERC. The adjustments of over or under recovery of Transmission Charges as admitted by WBERC in the Annual Performance Review (APR) of a particular financial year is being accounted for only on approval in the year in which such APR Order is issued.

Income from short term open access is accounted for on the basis of regulations notified by WBERC.

Advance against Depreciation allowed by WBERC as a component of the Aggregate Revenue Requirement of the Company is recognized as revenue for the year.

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 works 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.

VIII. Employee Benefits

- (a) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- (b) Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.
- (c) Employer's contribution towards Provident Fund/Pension Fund in respect of the employees of the Company is accounted for on accrual basis payable to a duly constituted Trust Fund/Pension Fund. In respect of the employees on deputation, the Company's share along with the incumbent's share of contribution is paid to the deputing company for onward deposit to the Provident Fund Authority/Fund. In case of Employees' General Provident Fund where rate of interest payable on members' balances is specified by the State Government on a year to year basis, shortfall if any, between interest payable at such rate and income earned by the Employees' General Provident Fund Trust in that year is provided to the Trust by the Employer.

IX. Taxes on Income

Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises Current Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/loss for the reporting period. Deferred tax is recognized in accordance with Accounting Standard Interpretation ('ASI')-3 issued by ICAI.

X. Research and Development

Revenue expenditure on research and development, including contribution to research associations is charged to Profit and Loss Account. Capital expenditure on tangible assets for research and development to appear as additions to fixed assets.

XI. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

XII. Government Grants

Grants received related to specific fixed assets are treated as Capital Receipt. On such assets being put to use, the Capital Fund is amortized systematically and on a rational basis over the useful life of the asset by set off against the amount of depreciation charge in the Profit & Loss Account. Further, revenue grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which it is admitted.

Note No.

2 a) Share Capital

₹ in lakhs

Sl. No.	PARTICULARS	As at 31.03.2016	As at 31.03.2015
A	Authorised: 200,00,00,000 Equity Shares of ₹10 each (Previous Year 200,00,00,000 Equity Shares of ₹10 each)	200000.00	200000.00
B	Issued Subscribed and Paid Up: 110,55,20,000 Equity Share of ₹10 each fully paid (Previous Year 110,55,20,000 Equity Share of ₹10 each fully paid up)	110552.00	110552.00
	Total	110552.00	110552.00

b) Share Capital Reconciliation

₹ in lakhs

PARTICULARS	As at 31.03.2016		As at 31.03.2015	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Opening balance	1105520000	110552.00	1105520000	110552.00
Issued during the period	-	-	-	-
Closing Balance	1105520000	110552.00	1105520000	110552.00

c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date

PARTICULARS	As at 31.03.2016		As at 31.03.2015	
	Nos.	% holding	Nos.	% holding
Governor of West Bengal	1105470000	99.99%	1105470000	99.99%

3 Reserves and Surplus

₹ in lakhs

PARTICULARS	As at 31.03.2016	As at 31.03.2015
(a) General Reserve		
Opening balance	146084.28	121419.72
Add: Transferred from Surplus/Deficit Account	41390.48	24664.56
Closing Balance	187474.76	146084.28
(b) Debenture Redemption Reserve		
Opening balance	7736.70	5979.20
Add: Transferred from Surplus/Deficit Account	1757.50	1757.50
Closing Balance	9494.20	7736.70
(c) Reserve for Unforeseen Exigencies Fund *		
Opening balance	5776.04	5271.79
Add: Interest Income transferred from Surplus/Deficit Account	563.95	504.25
Closing Balance	6339.99	5776.04
(d) Government Grants **		
Opening balance	1164.00	514.00
Add: Received during the year	1104.34	650.00
Less: Adjustments during the year	0.18	-
Closing Balance	2268.16	1164.00
(e) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance		
Profit for the year as per Statement of Profit and Loss Account	43711.93	26926.31
Transfer of interest income to Reserve for Unforeseen Exigencies	(563.95)	(504.25)
Transfer to Debenture Redemption Reserve	(1757.50)	(1757.50)
Transfer to General Reserve	(41390.48)	(24664.56)
Net Surplus/(Deficit)	-	-
Total Reserves and Surplus [(a)+(b)+(c)+ (d)+ (e)]	205577.11	160761.02

* In compliance with the directives of the Hon'ble West Bengal Electricity Regulatory Commission (WBERC), no appropriation towards Reserve for Unforeseen Exigencies (RUE) has been made from the financial year 2012-13. WBERC has subsequently directed vide its order dated 10.06.2014 on the Review Petition filed by the Company against the Annual Performance Review (APR) order dated 09.09.2013 for the year 2011-12, to maintain the existing investment as at 31.03.2013 (including re-invested interest as on that date) of ₹4804.69 lakhs in fixed deposits and continue reinvestment of such amount along with accrued interest. The balance of reserve for Unforeseen Exigencies and the investment made there against as at 31st March 2016 consists of the following:

₹ in Lakhs

	Investment	Fund balance
Balance as at 31 st March 2015	5678.91	5776.04
Add : Interest accrued on above investments re-invested for 2015-16	563.95	563.95
Less : TDS made by Bank for 2015-16	54.87	-
Balance as at 31st March 2016	6187.99	6339.99

** Type of Government Grants	As at 01.04.2015	Addition	Adjustment	As at 31.03.2016
ERP System Implementation	514.00	-	-	514.00
Emergency Restoration System Tower Procurement	650.00	-	-	650.00
Power Sector Development Fund	-	1104.34	0.18	1104.16
Total	1164.00	1104.34	0.18	2268.16

4 A) Long-term borrowings
₹. in lakhs

PARTICULARS	Non-Current Portion		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
I Bonds:				
Secured				
9.75% Market Bonds	5,490.00	7,320.00	1,830.00	1,830.00
10.29% Market Bonds	25,000.00	25,000.00	-	-
Unsecured				
8.50% Pension Trust Bonds	21,600.00	27,000.00	5,400.00	-
12.00% Public Bonds (Against Govt. Guarantee)	-	-	-	0.25
II Term Loans:				
Secured				
From Banks				
ICICI Bank Ltd (Formerly Bank of Rajasthan)	1,245.07	2,245.07	1,000.00	1,000.00
Allahabad Bank	8,924.80	10,592.12	1,668.00	1,668.00
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	2,048.87	783.37	-	-
Rural Electrification Corporation (RECL)	81,277.29	57,148.86	5,394.22	5,394.22
Life Insurance Corporation of India (LIC)	9,849.78	11,081.00	615.61	1,231.22
National Bank for Agricultural and Rural Development (NABARD)	29,502.03	16,115.79	1,458.47	594.80
Unsecured				
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	-	198.82	198.82	397.61
State Government Loan	74,514.84	79,365.34	4,850.50	4,850.50
Sub-total	2,59,452.68	2,36,850.37	22,415.62	16,966.60
Amount disclosed under the head Other Current Liabilities (Note 9)	-	-	22,415.62	16,966.60
Total	2,59,452.68	2,36,850.37	--	--

B) Security:

- 9.75% Market Bonds are secured by hypothecation of entire assets at 132/33/11 KV Sub-Stations at Belmuri, Raghunathpur, Barjora and Amtola and Assets of Krishnanagar-Ranaghat 132 KV D/C Transmission Line (67 Km).
- The 10.29 % Market Bonds, 2011 are secured by hypothecation of the existing moveable assets comprising of buildings, plant and machinery of the 132/33 kV substations at Bishnupur, Jhargram, New Town AA-I, Contai, Mahispota, 220/132 kV substations at Subhasgram, Dalkhola and their associated transmission lines.
- Loans from banks are secured by:
 - 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 Buildings, Construction and other Assets and Equitable mortgage of Land & Building situated at Jeerat 400 KV Sub-Station having around 32.1697 hectares (79.49 acres) of land at Mouza Urla, Kaspara, Kaipukaria with RS Dag No. 265,1,21,179.

- (ii) Term Loan from Allahabad Bank is secured by hypothecation of entire present and future fixed assets of the 132/33 kV substations at Khatra, Kalna, Lalgola and their associated transmission lines, 132 kV Line Bays at Birshingha, Chandrakona Road and 132 kV DC Transmission Line from Gokarno to Lalgola.
- (d) Term Loans from PFCL are secured by hypothecation of various present and future movable assets of sub-stations and transmission lines for which loans have been granted.
- (e) Term Loans from RECL are secured by hypothecation of all present and future movable assets of sub-stations and transmission lines for which loans have been granted.
- (f) Term Loan from LIC is secured by hypothecation of all present and future movable assets of Kharagpur 400 KV Sub-Station and associated lines for which loan have been granted.
- (g) Term Loans from NABARD are secured by hypothecation of present and proposed future assets of sub-stations and transmission lines for which loans have been granted.

C) Repayment Terms

- (a) Balance of 9.75% Market Bonds are repayable in four equal yearly installments of ₹1830 lakhs each ending in 2019-20.
- (b) 10.29% Market Bonds are repayable in a single installment in 2021-22.
- (c) 8.50% Pension Trust Bonds are repayable in 5 equal yearly installments of ₹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 installments of ₹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 installments of ₹417.00 lakhs ending in 2023-24.
- (f) Secured Loan from PFCL of ₹2048.87 lakhs (partially disbursed) @ 12.00% - 12.25% is repayable in 40 quarterly installments of ₹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 :-

₹. in lakhs

Loan No.	Loan Amount	No. of balance instalments (Yearly)	Installment Amount	Maturity year	Interest Rate(%)
210919	885.61	2	442.80	2017-2018	8.00% to 14.00%
210928	1,268.59	2	634.30	2017-2018	8.00% to 14.00%
210931	481.50	4	120.37	2019-2020	10.50% to 12.00%
210001	4,067.44	5	813.49	2020-2021	11.60% to 12.00%
210002	1,868.38	5	373.68	2020-2021	11.60% to 12.00%
210003	1,408.15	5	281.63	2020-2021	12.00%
210004	1,378.91	5	275.78	2020-2021	11.60% to 12.00%
210005	818.57	7	116.94	2022-2023	11.60%
210007	12,654.47	6	2,109.08	2021-2022	11.25% to 12.00%
210942	1,356.92	6	226.15	2021-2022	11.60% to 12.00%
1397137 (partially disbursed)	14,203.41	10	1,420.34	2027-2028	10.85% to 11.25%
1397723 (partially disbursed)	6,342.91	10	634.29	2027-2028	10.85% to 11.25%
1398197 (partially disbursed)	19,060.06	10	1,906.01	2027-2028	10.50% to 11.25%
1398244 (partially disbursed)	3,805.95	10	380.59	2027-2028	10.50% to 11.25%
1398242 (partially disbursed)	3,089.83	10	308.98	2027-2028	10.50% to 11.25%
1397724 (partially disbursed)	987.68	10	98.77	2027-2028	11.25%
1397725 (partially disbursed)	2,430.68	10	243.07	2028-2029	10.50%
1397698 (partially disbursed)	5,525.09	10	552.51	2028-2029	10.50%
1398198 (partially disbursed)	5,037.39	10	503.74	2028-2029	10.50%

Tranche-wise disbursement of each loan bear interest rate prevailing at the time of disbursement and are subject to reset after 3/10 years from such date.

- (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:

₹. in lakhs

Loan No.	Loan Amount	No. of balance instalments (Quarterly)	Installment Amount	Maturity year	Interest Rate(%)
NABARD (NIDA) I (partially drawn)	5,978.13	43	139.03	2026-27	10.25%
NABARD (NIDA) II (partially drawn)	8,567.25	47	182.29	2027-28	10.40% to 10.75%
NABARD (NIDA) III (partially drawn)	8,313.68	48	173.20	2028-29	10.40% to 10.75%
NABARD (NIDA) IV (partially drawn)	8,101.44	48	168.78	2030-31	10.40%

Repayments of NABARD (NIDA) I, NABARD (NIDA) II, NABARD (NIDA) III and 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 installments of ₹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:

₹. in lakhs

Particulars	Loan Amount	No. of balance installments. (Yearly)	Maturity year	Installment Amount
Opening Loan transferred from WBSEB	70,474.48	17	2032-33	4,145.69
05(sanction)-PO/P/C/II/1B-10/2004	514.06	12	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004	505.24	12	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004	669.89	12	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004	971.81	12	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006	49.59	12	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(pt)	1,164.94	12	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004	1,256.98	13	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004	776.85	13	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004	2,163.97	13	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	98.07	13	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004	719.46	14	2029-30	51.39

- (l) 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.

5 Other Long-term Liabilities

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Deposits & Retention Money deducted from Contractor/Suppliers	27349.83	19245.37
	27349.83	19245.37

6 Provisions

₹ in lakhs

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits	5737.74	1252.74	743.22	59.17
	5737.74	1252.74	743.22	59.17

7 Short-term Borrowings

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Loans repayable on demand from Banks : Cash Credit from Canara Bank (Secured)	10627.74	20550.23
	10627.74	20550.23

Cash Credit facility from Canara Bank is secured by way of exclusive charge on current assets (debtors and stock) and bears interest at Bank's Base Rate i.e 9.65% on reporting date.

There was no default in repayment of principal or payment of interest on short-term Borrowings during the year.

8 Trade Payables

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Trade Payables	5668.42	4507.92
	5668.42	4507.92

9 Other Current Liabilities

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term borrowings (refer note 4 above)	22415.62	16966.60
Interest accrued but not due on borrowings	1482.94	2031.36
Deposits from Agencies	26067.76	19175.74
Payable to WBSEDCL Gratuity & Pension Trusts	377.59	306.43
Payable to WBSETCL Gratuity, Pension & GPF Trusts	1330.10	191.83
Liabilities for Capital Works	6498.18	5253.37
Others	1237.41	1116.89
Statutory Dues Payables	78.23	40.98
	59487.83	45083.20

₹ in lakhs

10 : FIXED ASSETS

Sl. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01.04.15	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 01.04.15	Additions	Deductions/ Adjustments	As at 31.03.2016
	(1)	(2)	(3)	(4)	(5)=(2+3-4)	(6)	(7)	(8)	(9)=(6+7-8)
A	Tangible Assets:								
1	Land & Land Rights	6239.66	-	-	6239.66	-	-	-	6239.66
2	Buildings	33253.39	897.54	-	34150.93	10379.23	632.03	-	23139.67
3	Plant & Equipment	563218.11	60839.77	928.08	623129.80	173107.92	16830.98	688.17	433879.07
4	Vehicles	60.20	-	-	60.20	54.18	-	-	6.02
5	Furniture and Fixtures	735.57	124.00	-	859.57	223.10	39.63	-	596.84
6	Office Equipment	760.47	127.82	-	888.29	549.90	29.84	-	308.55
7	Spare Units / Service Units	107.10	-	-	107.10	14.12	1.93	-	91.05
	Sub - Total	604374.50	61989.13	928.08	665435.55	184328.45	17534.41	688.17	201174.69
Less:	Consumer Contribution towards cost of capital asset								
		3834.98	3765.37	-	7600.35	-	-	-	7600.35
	Total Tangible Asset	600539.52	58223.76	928.08	657835.20	184328.45	17534.41	688.17	456660.51
B	Intangible Assets								
	TOTAL	600539.52	58223.76	928.08	657835.20	184328.45	17534.41	688.17	201174.69
Previous Year Total									
	Gross	554665.46	51887.45	2,178.41	604374.50	168145.00	18127.68	1,944.23	184328.45
Less:	Consumer Contribution towards cost of capital asset								
		-	-	-	3834.98	-	-	-	3834.98
	TOTAL	-	-	-	600539.52	-	-	-	184328.45
									416211.07

10.1 Depreciation for the year includes Prior Period Depreciation of ₹104.02 Lakhs (Net) (Previous Year ₹1499.06 Lakhs) .

10.2 Amortisation of Government Grant to the extent of Rs.0.18 lakhs being the value of depreciation on asset constructed out of grant, is reduced from the total depreciation for the year 2015-16.

Please also refer to Notes 23.1 to 23.5

11 Loans & Advances (Unsecured, Considered good)

₹ in lakhs

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Capital Advances	12221.66	9407.18		
Other loans and advances				
Income Tax Advances (Net of provisions)			5714.58	5843.90
Advances recoverable in cash or kind or for value to be received			3202.39	3122.35
	12221.66	9407.18	8916.97	8966.25

Please also refer to Note 25

12. Other Non-Current Assets

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Regulatory Assets		
Opening Balance	4471.26	11175.86
Less: Recovery orders issued by Hon'ble WBERC during the year	–	6704.60
Closing Balance*	4471.26	4471.26

*The above amount represents balance recoverable against APR order dated 09/09/2013 for 2011-12, pending receipt of requisite order for recovery from WBERC

13. Inventories

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Stock of Materials (net of Provision for obsolete inventories ₹ 760.96 lakhs; previous year ₹ 760.96 lakhs)	10890.19	9538.92
	10890.19	9538.92

Please refer to Note 24.1

14. Trade Receivables

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good For a period not exceeding six months from the date they are due for payment	17485.05	20935.05
Others*	12012.97	4160.10
	29498.02	25095.15

* This amount includes:

- Amount withheld by WBSEDCL from the Bills of Transmission Charge for the month of February'2015 and March'2015
- Inter State Transmission Charges for the period 01.04.2011 to 31.03.2014 recoverable from inter-state uses of such lines as per the Hon'ble Central Electricity Regulatory Commission's Order dated 29.06.2015.

7852.87

–

12012.97

4160.10

15. Cash and Bank balances

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Cash and Cash equivalents		
Balances with Banks		
Balance with Scheduled Banks in Current Account including Remittance in Transit and balances in Auto Fixed Deposit Account excluding SLDC Fund	3486.14	2973.09
Cash on hand	1.22	1.42
Imprest Cash including imprest with Staff	11.38	9.84
Cheques in hand	–	650.00
Balance with Banks in Deposit Accounts	5246.66	1281.97
Fixed Deposits against Reserve for U/F Exigencies	5362.06	4804.69
Fixed Deposits against Debenture Redemption Reserve	7736.70	5979.20
Deposits of SLDC Fund (including Auto Fixed Deposit)	8289.96	7154.72
	30134.12	22854.93

16. Other Current Assets

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Interest accrued on fixed deposits	2286.54	1935.47
Receivable from WBSEDCL	6596.82	2264.65
Receivable from CPF Trust - WBSEDCL	71.58	67.13
Receivable from GPF Trust - WBSEDCL	9.03	145.88
Receivable from WBPDCCL	–	2158.86
Others	89.05	38.91
	9053.02	6610.90

17. Revenue from Operations (Transmission Charges)

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
1	Transmission Charges	107119.30	95548.68
2	Short Term Open Access Charges	7594.94	4791.04
3	Inter-State Transmission Charge (ISTL)	7852.87	0.00
4	Scheduling Charges and SLDC Charges	1699.84	1738.87
	Total	124266.95	102078.59

17.1 Income from Operations during the year ended 31.03.2016 includes ₹7852.87 lakhs (Previous Year Rs.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. Pending issuance of similar orders for subsequent periods no further amounts have been considered for such periods as per the Accounting Policy of the Company.

18. OTHER INCOME

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
1	Interest from Bank on Fixed Deposits	1431.74	1404.93
2	Interest Income from FD investment against Reserve for Unforeseen Exigencies Fund	563.95	504.25
3	Recoveries from Transport. Facilities	1.46	1.95
4	Sale of Tender Papers	25.52	17.86
5	Income from Sale of Scrap (net of Direct Commn on Sale of Scrap)	0.40	192.43
6	Supervision Charges-Bulk Connection	543.39	–
7	Miscellaneous Income	497.76	736.96
	Sub-Total	3064.22	2858.38
8	Prior Period Income/(Expenditure) (Net) *	(696.01)	(2923.80)
	Total	2368.21	(65.42)

*	Prior Period Expenditure (Net) includes the following:	Year Ended 31.03.2016	Year Ended 31.03.2015
i)	Proportionate decapitalisation of interest on Asset capitalised	–	1041.02
ii)	Prior Period Depreciation	104.02	1499.06
iii)	Licence Fees for Communication Equipment	360.80	–

19 EMPLOYEE COSTS
₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
1	Salaries, wages and bonus	16541.76	15352.80
2	Contribution to Provident and Other Funds	2994.40	2025.04
3	Staff welfare expenses	538.62	246.34
	Total	20074.78	17624.18
4	Less: Employees Cost Capitalised	3022.24	2883.56
	Net	17052.54	14740.62

* Includes remuneration to Wholetime Directors amounting to ₹ 74.41 Lakh (P.Y. - ₹ 75.80 Lakh)

19.1 As per Notification No. 984-PO/O/C-IV/1E-88/13 dated 28.10.2015 issued by the Department of Power & NES, Government of West Bengal, the services of 1029 employees of WBSEDCL were transferred to WBSETCL from the effective date of end of working hours of 31.10.2015. Consequent to the above, such 1029 numbers employees previously working in WBSEDCL became employees of WBSETCL with effect from 01.11.2015 or such later date from which they joined duty in WBSETCL. The liability on account of past service of such employees in WBSEDCL in respect of pension, gratuity and leave encashment till 31.10.2015 was determined by actuarial valuation. Due to shortfall in funds with the WBSEDCL Employees' Pension and Gratuity Fund Trusts and transfer of the full amounts of liabilities in lump sum not being possible, the State Government by the aforesaid Notification has approved part payments of the Pension and Gratuity liabilities by the WBSEDCL Employees Pension and Gratuity Trusts to the WBSETCL Employees' Pension and Gratuity Trusts with the balance amounts being payable in 5 equal annual instalments along with accrued interest at the weighted average rate at which interest is earned each year by the WBSEDCL Employees' Pension Fund and WBSEDCL Employees' Gratuity Fund, respectively. As per such actuarial valuation, the liability on account of Pension payable by the WBSEDCL Employees' Pension Fund to WBSETCL Pension Fund was ₹ 24695 lakhs of which ₹ 16138 lakhs was transferred by WBSEDCL Employees' Pension Fund to WBSETCL Employees' Pension Fund within 31.03.2016 and against actuarial liability as on 31.10.2015 of ₹ 5058 lakhs on account of Gratuity, a sum of ₹ 2245 lakhs was transferred by WBSEDCL Employees' Gratuity Fund to WBSETCL Employees' Gratuity Fund within 31.03.2016. Further, the Leave Encashment liability of the transferred employees as on 31.10.2015 was determined as ₹ 2254.40 lakhs against which, no amount has been transferred by WBSEDCL to WBSETCL. Leave Encashment being a non-funded liability, mode of payment of the same is to be mutually decided by WBSETCL and WBSEDCL.

19.2 The provision for pension, gratuity and leave encashment for the year in respect of the absorbed and directly recruited employees of the Company has been made based on the actuarial valuations. For the employees on deputation, the contribution towards Pension and Gratuity as claimed by their Parent organization has been charged to the Statement of Profit & Loss and recognized as Liability. Provision towards leave encashment of deputed employees of WBSEDCL has been considered based on the Actuarial Valuation of such Liability as on 31.03.2016 as carried out and confirmed by WBSEDCL. The amounts paid by the Company and claimed from WBSEDCL are duly accounted for.

19.3 Terminal Benefits (Disclosure under AS-15)

The Pension and Gratuity entitlements of the absorbed and directly recruited employees of the Company are funded Defined Benefit Plans. Leave encashment obligations for such employees are unfunded and are recognized on the basis of valuation by the Actuary. The Actuarial Valuation of Pension, Gratuity and Leave Encashment as on 31.03.2016 are detailed as under :

Actuarial Assumptions

Mortality Table	IALM 2006-2008 ULTIMATE
Superannuation Age	60
Early Retirement & Disablement	10 per thousand P.A. 3 between 29 and 45 1 below age 29
Discount Rate	8.00%
Inflation Rate	6
Return on Asset	8.00%
Remaining Working Life	31 Years
Formula Used	PROJECTED UNIT CREDIT METHOD

TABLE 1

Table showing changes in present value of obligations as at 31.03.2016

₹ in lakhs

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation at the beginning of the year	2410.82	505.51	1006.74
Acquisition Adjustment	24695.00	5058.00	4254.40
Interest Cost	1016.03	208.86	177.47
Past Service Cost	–	–	–
Current Service Cost	3919.68	236.08	678.08
Benefits Paid	–	4.48	1122.14
Actuarial gain/loss on obligations	-2749.89	5.66	727.18
Present value of obligation at end of Year	29291.64	6009.62	5721.73

TABLE 2

Table showing changes in Fair Value of Plan Assets:

₹ in lakhs

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair Value of Plan Asset at the beginning of the year	2372.36	352.13	–
Acquisition Adjustment	24695.00	5058.00	–
Expected Return on Plan Asset	1012.96	196.77	–
Contributions	38.46	153.37	–
Benefits Paid	–	4.48	–
Actuarial gain/loss on Plan Asset	82.72	17.97	–
Fair Value of Plan Asset at the end of the year	28201.50	5773.76	–

TABLE 3

Table Showing Funded Status

₹ in lakhs

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Obligation at the end of the year	29291.64	6009.62	–
Fair Value of Plan Asset at the end of the year	28201.50	5773.76	–
Funded Status	-1090.14	-235.86	–
Unrecognised Actuarial gain/loss at the end of the year	–	–	–
Net Asset (Liability) recognized in Balance Sheet	-1090.14	-235.86	–

TABLE 4

Table showing expenses Recognised in the statement of Profit and Loss

₹ in lakhs

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	3919.68	236.08	678.08
Past Service Cost	–	–	–
Interest Cost	1016.03	208.86	177.47
Expected Return on Plan Asset	1012.96	196.77	–
Curtailment Cost	–	–	–
Settlement Cost	–	–	–
Actuarial gain/loss recognized in the year	-2832.62	-12.31	727.18
Expense Recognized in the Statement of Profit / Loss	1090.14	235.86	1582.73

20 Finance Costs

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
1	Interest Expense	27091.39	25531.78
2	Less: Interest Capitalised	4977.61	2304.83
3	Net Interest Expense (A)	22113.78	23226.95
	Other Borrowing Cost		
4	Service Fee/Commitment Charges	39.82	19.29
5	Guarantee Charges	3.64	7.61
6	Total (Other Borrowing Costs) (B)	43.46	26.90
7	Total Finance Cost (A + B)	22157.24	23253.85

21 Other Expenses

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
1	Transmission Charges (WBPDCL)	5343.48	3563.78
2	ULDC Charges	281.91	556.59
3	Various Charges of ERPC	16.00	16.00
4	Repairs & Maintenance		
	Plant & Machinery	2909.11	3083.18
	Buildings	1420.19	1157.45
	Others	187.00	195.06
5	Rent	151.60	100.03
6	Rates & Taxes	126.17	133.68
7	Security Expenses (Outsourced)	1716.67	1777.96
8	Consultancy Charges	24.69	32.74
9	Conveyance & Travel	111.09	116.01
10	Vehicle Running Expenses	719.83	708.51
11	Advertisements	364.67	369.20
12	Contribution towards Social Responsibility	46.66	144.26
13	Scrapped Assets written off	75.93	216.03
14	Licence Fees to SERC	207.11	178.60
15	Fees for Filing Petition/Application to SERC	14.51	15.07
16	Other Expenses	954.33	1190.68
	Total	14670.95	13554.83
17	Less: Administration and General Expenses Capitalised	242.87	231.66
	Total	14428.08	13323.17

22. 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.

23. Fixed Assets & Capital Work-in-Progress ('CWIP') [Note:10]

23.1 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.

The Company has issued a 'no objection' letter for handing over a piece of land measuring 96 sq.mt. at Joka 132 KV Sub-Station in the Behala area to Metro Railway Project (RVNL). The formalities for transfer of the said land is under process and necessary adjustments will be made in the accounts in the year of completion of the transfer formalities.

The Board of Directors of the Company has accorded in principle approval for relinquishing title on upto 0.5636 hectares of land along with structures at Ranaghat Sub-Station, 0.44 hectares of land along with structures at Krishnanagar Sub-Station and upto 6172 sq.mtrs. of land with structures at Jeerat 400 KV Sub-station to National Highway Authority of India (NHAI) for broadening of National Highway 34.

An amount of ₹101.18 lakhs and ₹20.48 lakhs has been received during the year for land and structures in respect of Jeerat Sub-station and Krishnanagar Sub-station, respectively. The cost against these age old assets being negligible the entire amount has been accounted for as other income in the books of account.

- 23.2** Location wise identification and value assessment of the individual assets of transmission lines and sub-station equipments with detailed specification has been completed by the management with the help of an independent agency.

An amount of ₹759.33 lakhs and ₹683.40 lakhs being the Gross value and accumulated depreciation, respectively, of the assets discarded in 2015-16 have been reduced from Tangible Fixed Assets and the residual value amounting to ₹75.93 lakhs has been charged to revenue account.

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. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy of the Company.

- 23.3** Except for the acquired land where there is no requirement of execution of deed, the formalities for registration of transfer of balance land measuring 481.8773 acres & buildings re-vested in favour of the Company are still under process since adequate information is not yet available.
- 23.4** In the view of the management, the carrying cost of the fixed assets does not exceed its recoverable value and as such there is no impairment.
- 23.5** The completed works pertaining to TLDP III-NJP 220 KV S/C transmission line was capitalized in 2014-15 with retrospective effect from 15.01.2013, the date the line was brought into use, at a provisional base cost of ₹12415.00 lakhs; as received from NHPC Ltd., the implementing agency for the Project. Subsequently the implementing agency has intimated an additional cost of ₹57 lakhs which has also been capitalized with effect from the original date of capitalization. During the year NJP- TLDP IV 220 KV D/C transmission line was also capitalized at a provisional cost of ₹9675.00 lakhs. Details of actual cost are yet to be received from NHPC Ltd., the implementing agency for the Project.
- 24.** Inventories [Note: 13]
- 24.1** The management has conducted physical verification of stocks by engaging external agencies at all Store Units under the jurisdiction of Area Offices and net difference between the value of physical inventory and its corresponding book value, amounting to ₹18.04 lakhs (debit) has been adjusted in the Statement of Profit and Loss.
- 24.2** 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 ₹760.96 lakhs, has been reduced from the value of stock.

25. 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 balances to some of these parties but has not received any confirmation there against.
26. In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
27. **Others**
- 27.1 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.
- 27.2 In the opinion of the Company, WBSEDCL had wrongly deducted an aggregate amount of ₹4160.10 lakhs from the transmission charges bills pertaining to the months of February and March 2014. The matter has been represented to the Department of Power & NES, Government of West Bengal for issuing directions to WBSEDCL to release the amount involved and seeking permission for raising the demand of delayed payment surcharge on WBSEDCL as per Transmission Service Agreement. While the deducted amount of ₹4160.10 lakhs is being reflected as receivables in the accounts as at 31st March, 2016, pending a final decision in this regard, no accounting has been done for the delayed payment surcharge amounting to ₹555.55 lakhs pertaining to the period of default upto 31.03.2016.
- 27.3 An amount of ₹2500.00 lakhs has been paid as an 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 the Department of Power & NES, Government of West Bengal (GoWB) against the proposed future acquisition of transmission assets of DPL on a later date, which is under active consideration of the GoWB. The amount has been included under Short Term Loans and Advances.
28. **Segmental Information Primary Segment:** There is no business carried on by the Company other than the Electricity Transmission Activity. As such there are no reportable primary segments as required under AS-17 "Segment Reporting". Secondary Segment: The Company caters only to West Bengal market representing a singular economic environment with similar risks and returns and hence there are no reportable geographical segments.

29. Related Party Disclosures

29.1 Key Management Personnel

Gopal Krishna	Chairman (upto 18.01.2016)
S Kishor	Chairman (w.e.f. 02.02.2016)
Susanta Kumar Das	Managing Director
Anjan Chowdhuri	Director (F&A) and CFO
Manas Bandyopadhyay	Director (Operations)
Somnath Bhattacharya	Director (Projects)
H.K.Dwivedi	Director (Government Nominee)
Saswati Banerjee	Director (Government Nominee)
Sreekumar Majumdar	Independent Director
Biswaranjan Mishra	Independent Director

29.2 Disclosure of transactions between the Company and related parties.

₹ in lakhs

Name of the party	Description of transactions	2015-16	2014-15
Key management Personnel	Payment of salary & allowances	74.41	75.80
Sitting Fees		2.00	2.00

29.3 The Company being a wholly State owned enterprise, no disclosure as regards "Related Party Relationship" with other State controlled enterprises vis-a-vis transactions with such enterprises is required to be made.

30. Earning Per Share

Description	2015-16	2014-15
Profit After Tax(₹ in Lakhs)	43711.93	26926.31
No. of Equity Shares	1105520000	1105520000
Face Value of Shares (in ₹.)	10.00	10.00
Basic/Diluted Earnings per Equity share(₹.)	3.95	2.44

31. Deferred Tax

Deferred Tax has not been recognized and therefore not shown in Balance Sheet in accordance with Accounting Standard Interpretation ('ASI')-3 issued by ICAI, since the deferred tax in respect of timing differences originate and reverse during the tax holiday period (keeping in view of the applicable provisions of Section 80-IA of the Income Tax Act, 1961).

32. Taxes & Duties

The Company has made Current Tax Provisions on Book Profit in accordance with the provisions of Section 115-JB of the Income Tax Act, 1961 as the tax payable under normal calculations is lower (considering the benefit of Section 80-IA of the Income Tax Act, 1961) than that of MAT computed.

33. Auditors' Remuneration:

Other expenses (Note: 21) include Auditors' remuneration as under:

₹ in Lakhs

Particulars	2015-16	2014-15
Statutory Audit Fee	5.00	5.00
Tax Audit Fee	1.00	1.00
Other Services	3.70	3.30
	9.70	9.30

Note: Fees exclusive of Service Tax & Education Cess wherever applicable.

34. As per available information there are no outstanding dues as at 31.03.2016 for over 30 days to any enterprise as defined under Micro, Small and Medium Enterprises Development Act, 2006.

35. Corporate Social Responsibility

The Company has adopted a Corporate Social Responsibility (CSR) Policy with effect from 1st April 2014. The Company was required to contribute ₹815.70 lakhs for 2015-16 as per section 135 of the Companies Act, 2013. During 2015-16 the Company had spent ₹46.66 lakhs against an estimated project cost of ₹558.00 lakhs on development of a road in Sanyalchar in Nadia district. However, due to massive erosion of the river bank along which the road was being built, the CSR Committee was of the view that no lasting benefit to the local people was likely to arise from such work, due to which, no further expenditure was incurred on the scheme. As a result, a sum of ₹769.04 lakhs of the year's CSR expenditure obligation could not be met.

36. Contingent Liabilities not provided for: Total ₹3516.83 lakhs

(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 favorable order from the District Court at Barasat for higher valuation. The State Government 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 15.2.2005 directing the Collector to deposit 50% of the total decretal dues to 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 ₹18 Lakh being 50% of decretal dues at the disposal of Collector, 24 Parganas(North). The Company deposited ₹18 lakh being 50% of the decretal dues. The balance amount of ₹18 lakh is considered as contingent liability till final decision.

(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 gravel 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 ₹4.17 lakh. The suit was dismissed by the Ld. Court and the party again moved the Hon'ble High Court appealing against the order, where the suit is still pending.

(iii) Disputed demands from Income Tax Authorities - ₹1069.66 lakhs:

₹ in lakhs

Assessment Year	Demand Raised	Pending before
2008-09	301.27	Company's Appeal pending before C.I.T. (Appeals)
2008-09	241.34	Company's Appeal pending before ITAT
2009-10	41.30	I.T. Department's Appeal pending before Hon'ble Calcutta High Court
2009-10	464.91	Company's Appeal pending before C.I.T. (Appeals)
2010-11	0.02	Company's Appeal pending before C.I.T. (Appeals)
2012-13	20.20	Company's Appeal pending before C.I.T. (Appeals)
2013-14	0.62	Company's Appeal pending before C.I.T. (Appeals)

(iv) Demand from the Income Tax Authorities on TDS against the PAN of the Company - ₹112.49 lakhs.

A consolidated demand of ₹112.49 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 2015-16 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.

(v) The Company had received a demand of ₹ 2673.31 lakhs on account of spectrum charges and interest for alleged delay in payment of such charges, from the Ministry of Communications & IT, Department of Telecommunications Wireless Planning & Co-ordination Wing, Government of India during the year. The Company admits an amount of ₹ 360.80 lakhs only on account of spectrum charges pertaining to the period 17.04.2007 to 20.03.2015 being the actual period of usage and has provided for the same in its books of account. Further, on the basis of the opinion of Legal Counsel, the Company is contemplating to prefer an Appeal before the appropriate authority shortly against the balance demand of ₹ 2312.51 lakhs, which is considered as contingent liability.

The management believes that the ultimate outcome of the proceedings listed above under Note 36 will not have a material adverse effect on the Company's financial position and results of operations.

37. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in relation to execution of works and purchase of equipment, to the extent available, is ₹ 161223.17 lakhs (Previous year ₹ 99638.04 lakhs).
38. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.

For and on behalf of Board of Directors



(V.Singh)
Company Secretary



(S.Sengupta)
Chief Financial Officer



(A.Chowdhuri)
Director
(Finance & Accounts)



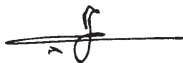
(Susanta Kumar Das)
Managing Director

In terms of our report of even date attached herewith

For N. Sarkar & Co.

Chartered Accountants

Firm Registration No. 301075E



(M.Ray)
Partner
M. No.12940

Kolkata

Date : July 28 ,2016



Jeerat 400 kv sub-station



Purulia Pumped Storage 400 kv sub-station



WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)
Registered Office: Vidyut Bhavan, DJ Block, Sector-II, Bidhannagar, Kolkata-700091

