



WBSETCL

ANNUAL REPORT

2017-18

**WEST BENGAL STATE ELECTRICITY
TRANSMISSION COMPANY LIMITED**

(A Government of West Bengal Enterprise)

Transmission Com



BOARD OF DIRECTORS



Shri S. K. Gupta, IAS, Chairman



Shri Rajesh Pandey, IAS, Managing Director



Shri Biswanath Bandopadhyay
Director (Projects)



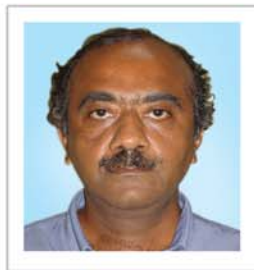
Shri Sabyasachi Roy
Director (Operations)



Shri Trilochan Panda
Director (F & A)



Shri Hari Krishna Dwivedi
IAS
Director



Shri Utpal Biswas, IAS
Govt. Nominee Director



Smt Saswati Banerjee
IAS (Retd.)
Independent Director



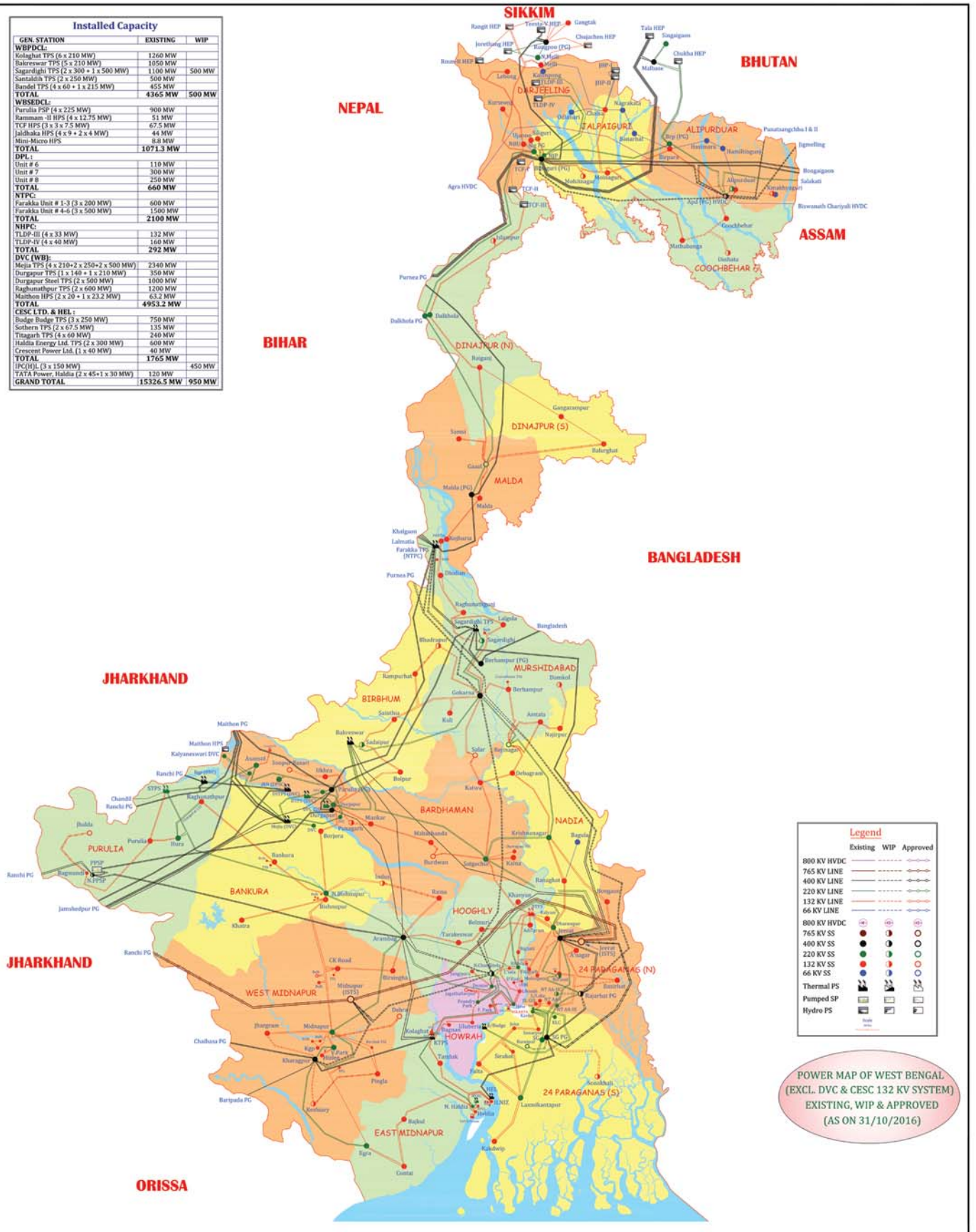
Shri Biswaranjan Mishra
Independent Director



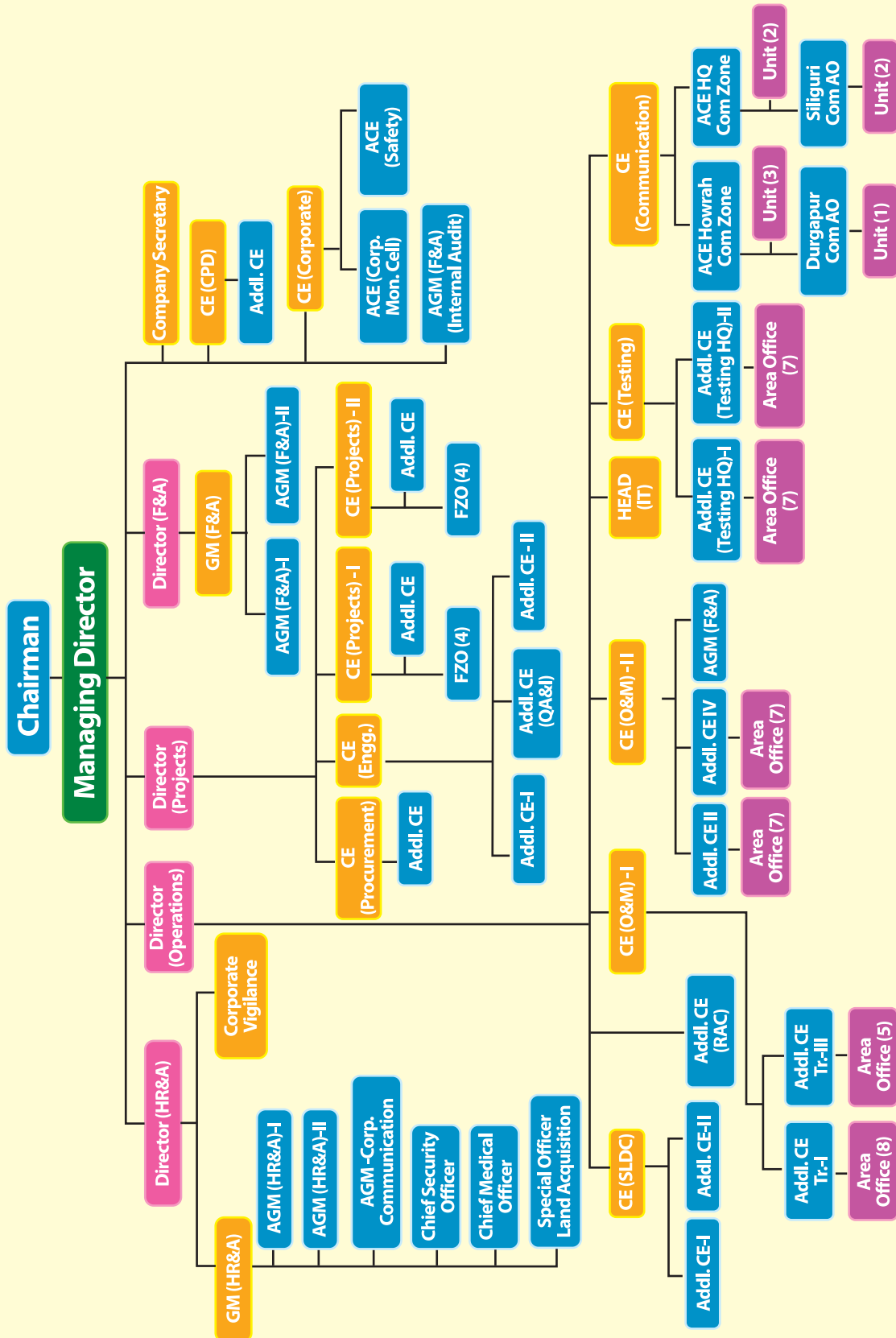
CA Srikumar Banerjee
Independent Director

POWER MAP OF WEST BENGAL

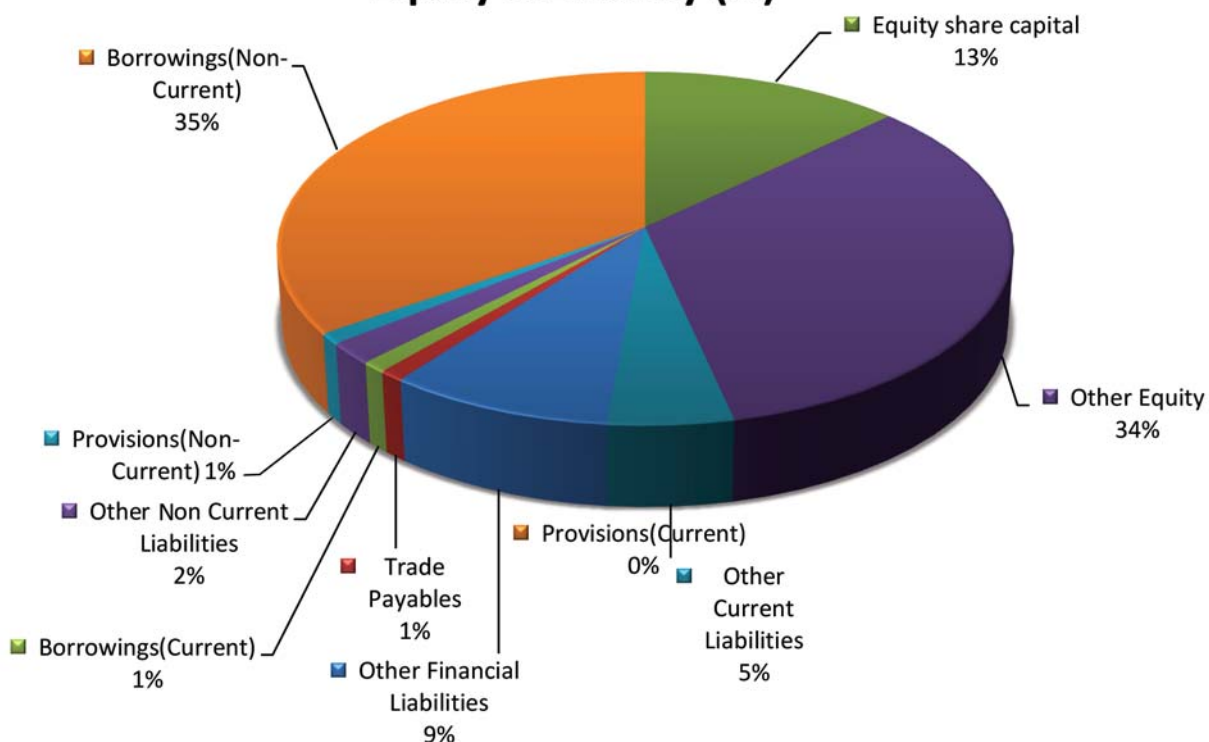
Installed Capacity		
GEN. STATION	EXISTING	WIP
WBPDCL:		
Kolaghat TPS (6 x 210 MW)	1260 MW	
Bakreswar TPS (5 x 210 MW)	1050 MW	500 MW
Sagarighi TPS (2 x 300 + 1 x 500 MW)	1100 MW	
Santalah TPS (2 x 250 MW)	500 MW	
Bundel TPS (4 x 60 + 1 x 215 MW)	455 MW	
TOTAL	4365 MW	500 MW
WBSEDCL:		
Purulia PSP (4 x 225 MW)	900 MW	
Rammam - II HPS (4 x 12.75 MW)	51 MW	
TCF HPS (3 x 3 x 7.5 MW)	67.5 MW	
Jaldihaka HPS (4 x 9 + 2 x 4 MW)	44 MW	
Mini-Micro HPS	8.8 MW	
TOTAL	1071.3 MW	
DPL:		
Unit # 4	110 MW	
Unit # 7	300 MW	
Unit # 8	250 MW	
TOTAL	660 MW	
NTPC:		
Farakka Unit # 1-3 (3 x 200 MW)	600 MW	
Farakka Unit # 4-6 (3 x 500 MW)	1500 MW	
TOTAL	2100 MW	
NHPC:		
TLDP-II (4 x 33 MW)	132 MW	
TLDP-III (4 x 40 MW)	160 MW	
TOTAL	292 MW	
DVC (WB):		
Meira TPS (4 x 210 + 2 x 250 + 2 x 500 MW)	2340 MW	
Durgapur TPS (1 x 140 + 1 x 210 MW)	350 MW	
Durgapur Steel TPS (2 x 500 MW)	1000 MW	
Raghu Nathpur TPS (2 x 600 MW)	1200 MW	
Mathon HPS (2 x 20 + 1 x 23.2 MW)	63.2 MW	
TOTAL	4953.2 MW	
CESC LTD. & HEL:		
Budge Budge TPS (3 x 250 MW)	750 MW	
Sonthern TPS (2 x 67.5 MW)	135 MW	
Titagarh TPS (4 x 60 MW)	240 MW	
Haldia Energy Ltd. TPS (2 x 300 MW)	600 MW	
Crescent Power Ltd. (1 x 40 MW)	40 MW	
TOTAL	1765 MW	
IPC(HL) (3 x 150 MW)		450 MW
TATA Power, Haldia (2 x 45 + 1 x 30 MW)		120 MW
GRAND TOTAL	15326.5 MW	950 MW



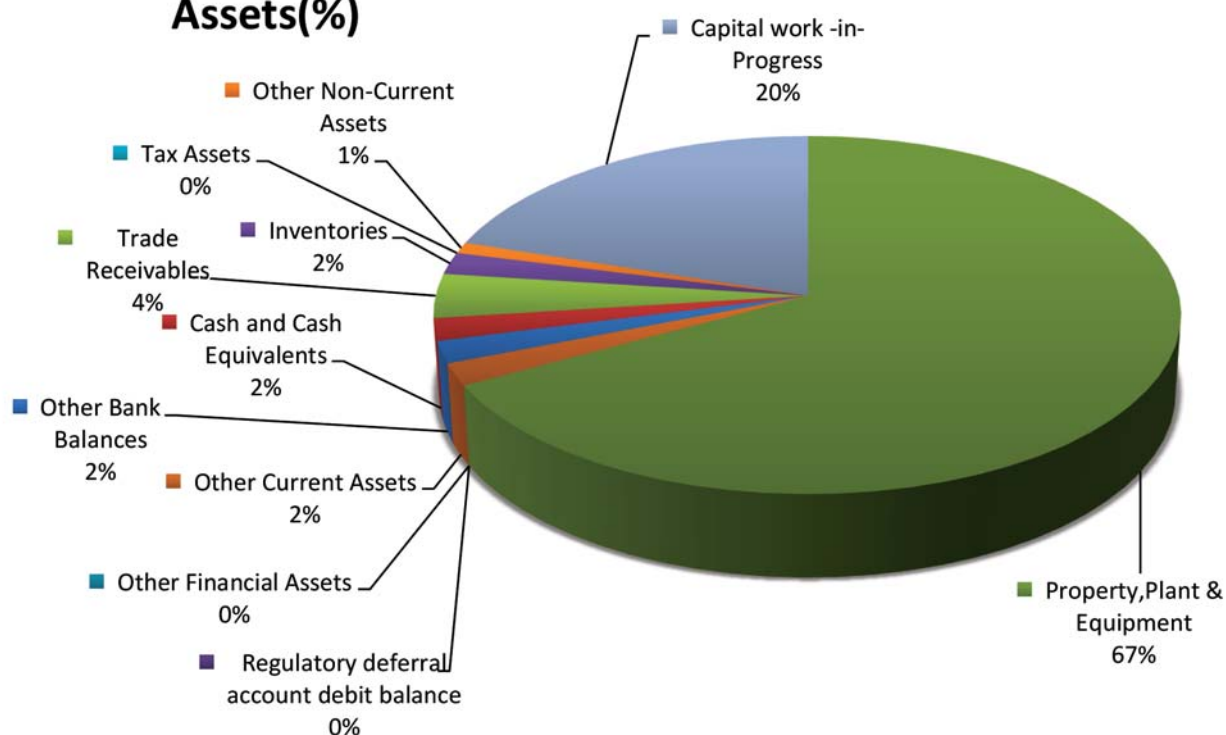
ORGANISATION CHART

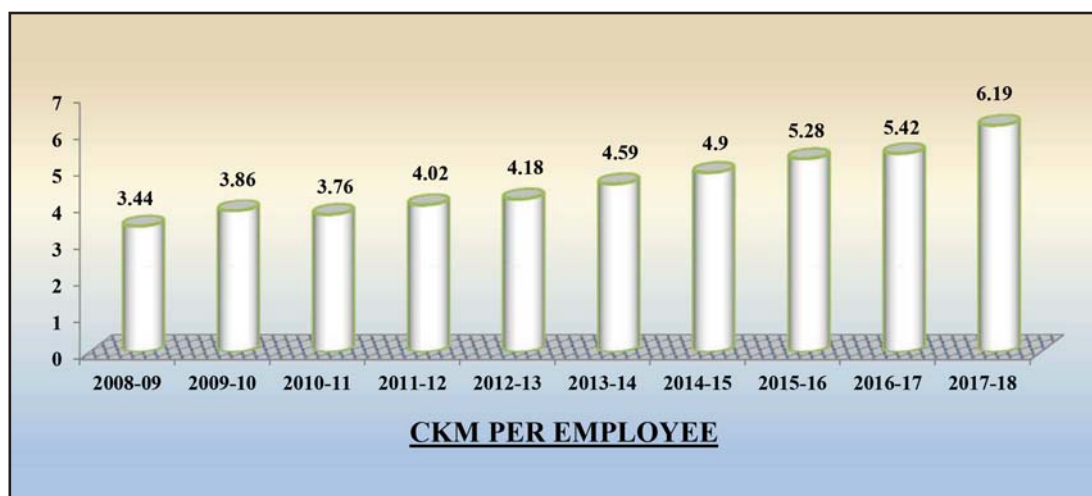
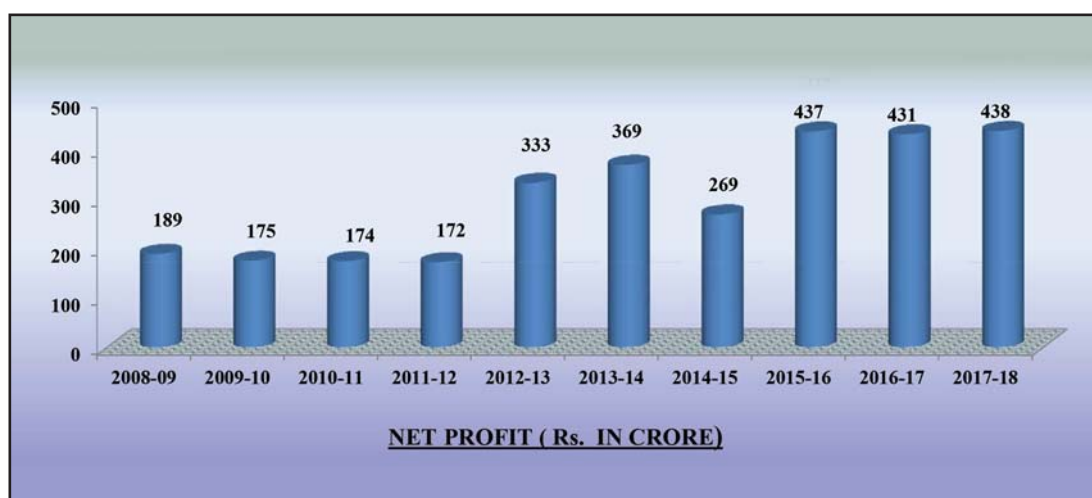
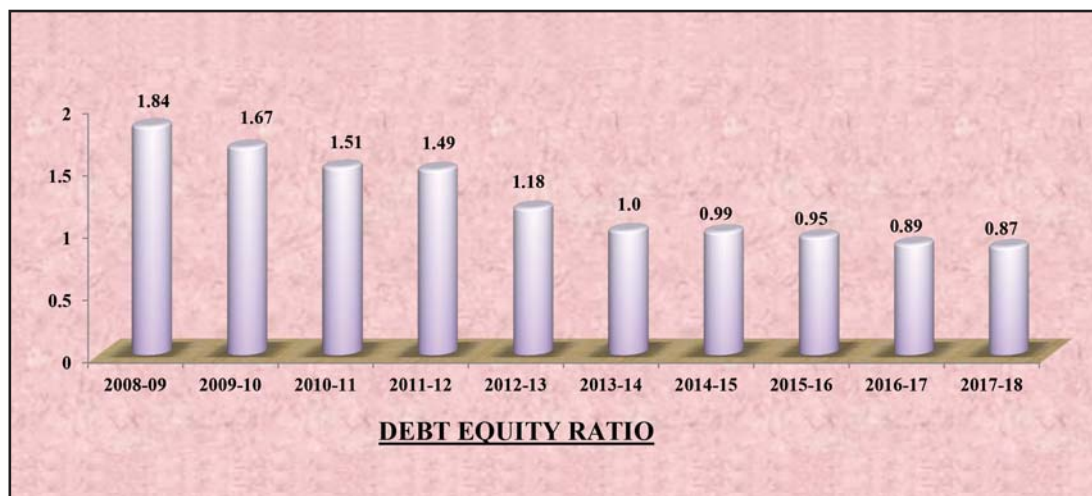


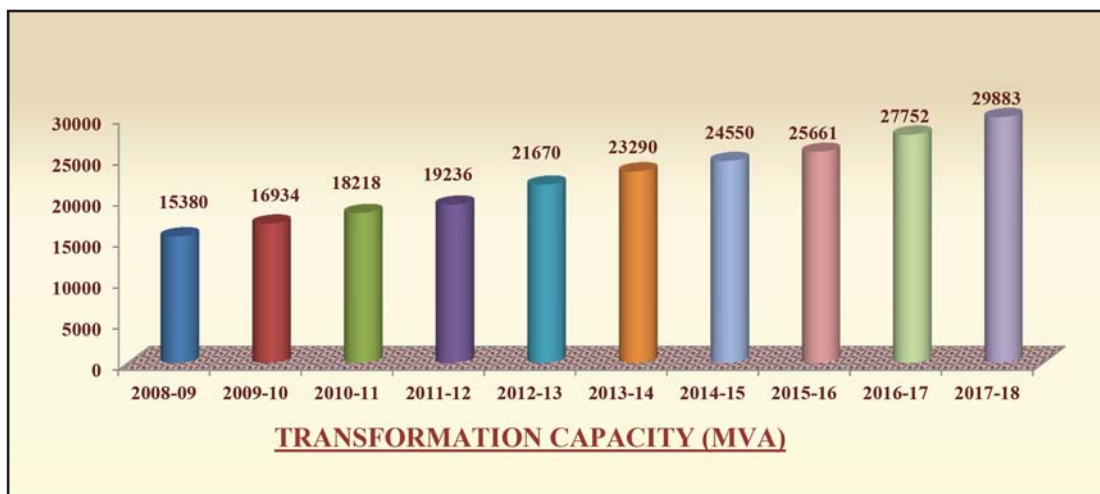
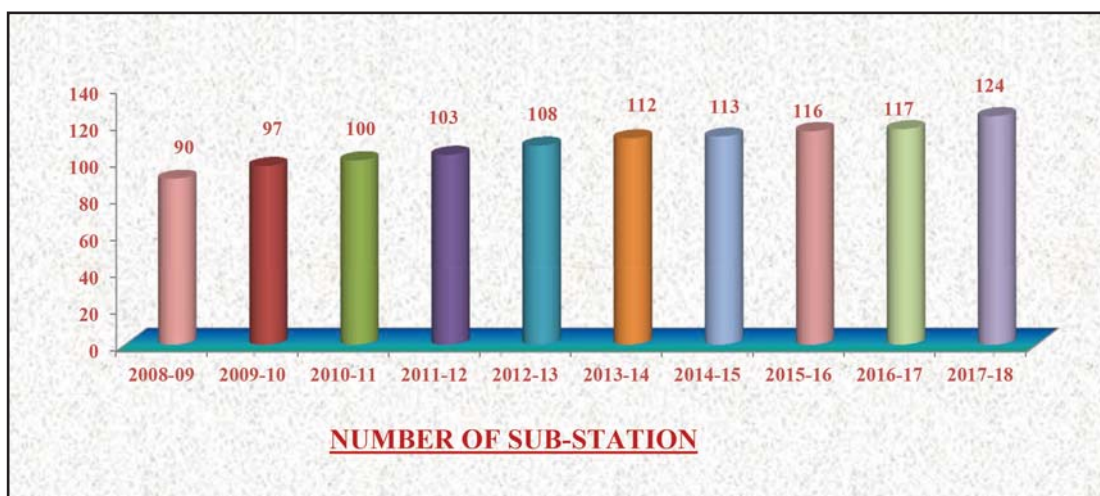
Equity & Liability (%)

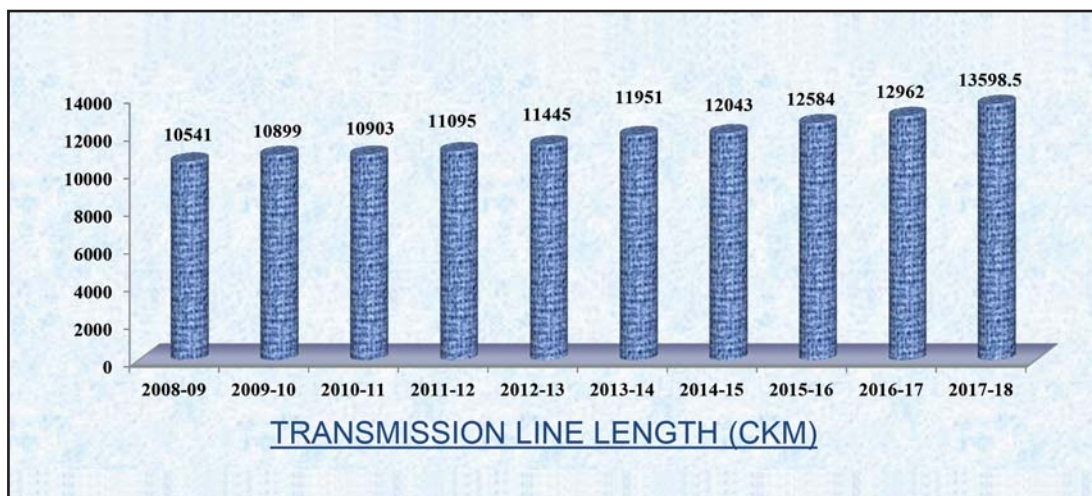


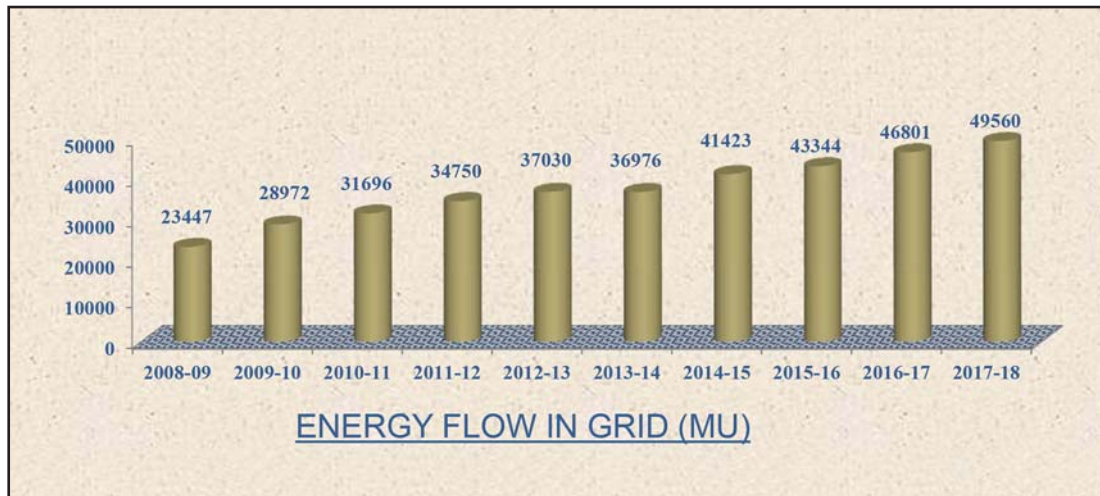
Assets(%)











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BOARD OF DIRECTORS

Executive Directors

Rajesh Pandey, IAS
Managing Director

Somnath Bhattacharya
Director (Projects)
[till 08.01.2018]

Biswanath Bandopadhyay
Director (Projects)
[from 16.08.2018]

Trilochan Panda
Director (Finance & Accounts)

Sabyasachi Roy
Director (Operations)

Non-Executive Directors

Sunil Kumar Gupta, IAS
Chairman
[from 14.09.2017]

S. Kishore, IAS
Chairman
[till 13.09.2017]

Hari Krishna Dwivedi, IAS
Director

Utpal Biswas, IAS
Govt. Nominee Director

INDEPENDENT DIRECTORS

Shri Biswaranjan Mishra
CA, Srikumar Banerjee
Saswati Banerjee, IAS (Retd.)

COMPANY SECRETARY

Virendra Singh

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor, Kolkata-700002

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

STATUTORY AUDITOR

M/s. LB Jha & Co
Chartered Accountants,
B-2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700001

COST AUDITOR

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

SECRETARIAL AUDITOR

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 11th Annual General Meeting of the Members of **West Bengal State Electricity Transmission Company Limited (the Company)** will be held at its Registered Office at Vidyut Bhawan, Block-DJ, Sector-II, Bidhannagar, Kolkata- 700-091, on 8th Floor, 'A' Block on 27th September, 2018, at 1.30 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 March 31, 2018, 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 Auditor:

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 office at B2/1, Gillander House, 8, Netaji Subhas Road, Kolkata-700001 bearing firm registration no.: 301088E has been appointed by Comptroller and Auditor General of India vide No. CA.V/COY/WEST BENGAL, WBSETCL(1)/1244 dated 20th September, 2018 for the year 2018-19.

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 (bearing firm registration no.: 301088E), having their office at B2/1, Gillander House, 8, Netaji Subhas Road, Kolkata-700001 appointed by the Comptroller and Auditor General of India as the Statutory Auditors for the financial year to be ended on 31st March, 2019 be and is hereby noted."

"RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to fix remuneration of Statutory Auditor, appointed by the Comptroller and Auditor General of India for the financial to be ended on 31st March, 2019."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act 2013 and any rules or modification(s) or re enactment made there under the remuneration of Rs.1,00,000/- (Rupees one lakh only) plus applicable taxes and usual travelling allowances and daily allowances as per the Rules of the Company, shall be payable to the M/s DGM & Associates, Cost Accountants having their office at 64, B.B Ganguly, Street (2nd Floor), Kolkata-700012 appointed by the Board of Directors of the Company, for auditing the cost record relating to transmission of electricity for the financial year to be ended on March 31, 2019, be and is hereby ratified."

4. Appointment of Shri Biswanath Bandyopadhyay as Director (Projects):

"RESOLVED THAT pursuant to section 196 read with section 203 (1) of the Companies Act, 2013 Shri Biswanath Bandyopadhyay [DIN 08210494], appointed in the capacity of Director (Projects) in accordance with the terms & conditions laid down in the memorandum no.: 701-PO/O/C-IV/2E-02/09 dated 14th August, 2018 issued by the Department of Power & NES, Govt. of West Bengal and applicable rules of the Company and modification made there under with effect from 16th August, 2018".

By order of the Board of Directors

West Bengal State Electricity Transmission Co. Ltd.



Virendra Singh

Company Secretary

Membership No.: ACS 9872

Dated : 27th September, 2018

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 BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY. THE PROXIES SHALL BE MADE IN THE FORM MGT-11.**
- 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. In this connection, the Department of Power & NES, Govt. of West Bengal has appointed Shri Subhasis Gangulee, WBA&AS in the capacity of the representative of the Hon'ble Governor of West Bengal vide memo no: 759-PO/O/C-IV/3E-02/07 dated 6th September, 2018
- 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

West Bengal State Electricity Transmission Co. Ltd.



Virendra Singh

Company Secretary

Membership no.: ACS 9872

Dated : 27th September, 2018

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 64th Meeting, held on 26th July, 2018, has approved the appointment of M/s DGM & Associate, Cost Accountants, having their office at 64, B.B. Ganguly Street, Kolkata-700012 as Cost Auditor of the Company for the financial year to be ended on 31st March, 2019. Their remuneration was fixed at Rs.1,00,000/- (Rupees one lakh only) plus applicable taxes and are entitled to receive usual travelling allowance and daily allowance, as per applicable rules of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditor for the financial year to be ended on 31st March, 2019.

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

Item No. 4

Shri Biswanath Bandyopadhyay [DIN 08210494], who is an engineering graduate having more than 35 years of experience in the power sector, especially in the field of project execution. Before joining as Director (Projects) on 16th August, 2018 he retired from West Bengal State Electricity Transmission Co. Ltd. in the year 2017 as Chief Engineer - Project.

He has been bestowed with the responsibility of Project department of the Company, along with other allied departments, viz., Procurement & Engineering department of the Company. He has also been appointed as Key Managerial Personnel of the Company in pursuant to section 203 of the Companies Act, 2013 and accordingly, necessary intimation in MR 1 has been given to the Registrar of Companies, West Bengal.

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

By order of the Board of Directors
West Bengal State Electricity Transmission Co. Ltd.



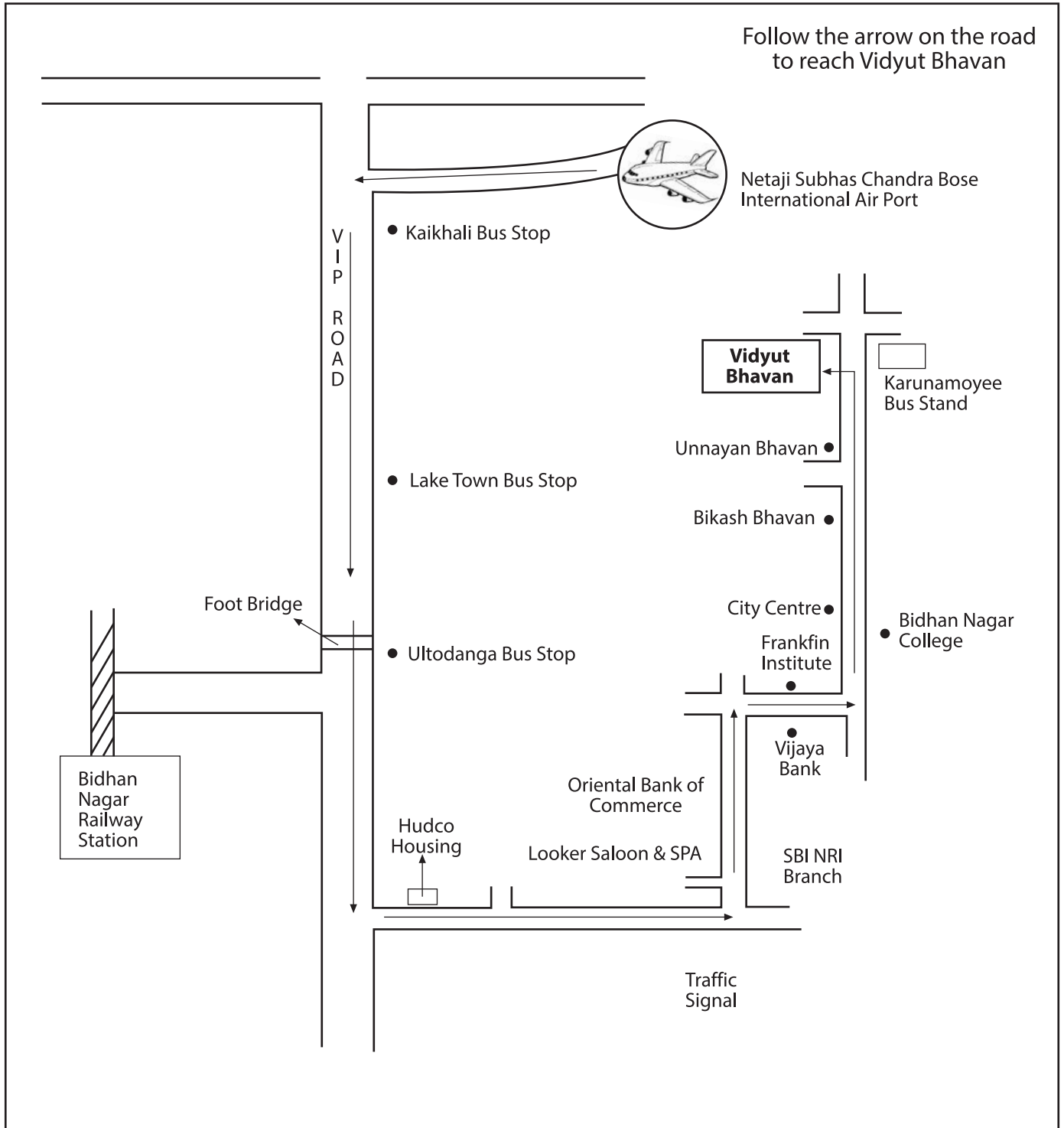
Virendra Singh
Company Secretary
Membership No.: ACS 9872

Dated : 27th September, 2018

Registered Office :

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

ROUTE MAP OF REGISTERED OFFICE AT VIDYUT BHAVAN



CHAIRMAN'S MESSAGE

Dear Shareholders,

A decade had passed and your Company has been making its journey of progress keeping an eye on its commitment to develop one of the robust, stable and technologically upgraded transmission networks across the state of West Bengal and to maintain its leading position & reputation amongst the State Transmission Utilities in the Country. It would be pertinent to mention that your Company since its incorporation has always been a profit-making corporation and financial year 2017-18 is not an exception to this legacy.

It is my pleasure to share about the performance of your Company during eleventh year of its operation at this forum. During the financial year 2017-18, your Company has recorded a turnover of ₹ 1,349 crore out of which revenue from operations is ₹ 1,295 crore and has made a profit after tax of ₹ 367.74 crore. Total comprehensive Income for the financial year is ₹ 438.12 crore.

Total Transmission network under your Company's command is about 13598.5 ckm of EHV transmission lines along with 124 sub-stations (ranging from 400 kV to 66 kV) having total transformation capacity of 31050 MVA, spread across the State and maintained at an availability factor of more than 99.85%. During the reporting year, the total energy flow was 49560.472 Million Unit, which shows a growth of 1.53% in comparison to the previous financial year. The Company has also been able to restrict the transmission losses during the year 2017-18 below the prescribed limits of the Regulator.

Your Board of Directors believe that timely introduction of latest available technology would enhance core competency and efficiency of the Company, thereby contributing effectively in Planning and Engineering of the Investments, maintaining the Grid Stability, revenue and cash management.

In today's world information plays a pivotal role in organisational growth and prosperity. So, your Company has decided to replace entire communication network with Optical Fibre Cable (OFC) which would allow unhindered and fast communication amongst all installations of WBSETCL. Moreover, your Company is exploring the possibility of an additional source of revenue by monetising the un-utilised 'bandwidth' of the installed OFCs.

In order to cope up with the future challenges your Company is in the process to prepare a vision document till the year 2030 identifying the areas of growth and critical interventions in its path..

Your Company has presently taken initiatives for adopting 'State of Art' technologies for implementing of new substation & transmission lines, which would minimize the requirement of land. Your Company endeavored laying underground EHV cables beneath the main thoroughfare of the metropolis, to feed uninterrupted power supply to Salt Lake Stadium.

Considering capital intensive nature of transmission industry and prolonged gestation periods of the projects, your Company makes every effort to harness appropriate sources of funding to minimize cost of funds and restrict additional borrowings to the possible extent. Current debt-equity ratio is 0.87:1 against normative allowance of 2.33:1. It continues to enjoy the credit rating of "A" as assigned by the Rating Agencies CARE and INDIA Ratings, indicating adequate degree of safety in meeting debt servicing obligations.

Your Company has Zero tolerance towards Accident'. Substations are rewarded for maintaining highest level of safety and propagating safety in various awareness programmes. This year the Company has also introduced the concept of Legal Compliance Audit to look into the compliance in respect of labour & industrial laws applicable to the Company, in order to achieve best in class compliance mechanism across the various spectrums of business operations.

On behalf of the Board of Directors, I would like to take this opportunity to thank every stakeholder for the continued support and faith reposed in the Company and its management. I would like to appreciate dedication & efforts of the employees who by overcoming the environmental challenges & infrastructural constraints, have contributed immensely to make this Company, where it stands today. My earnest gratitude to the Department of Power & NES, Govt. of West Bengal, West Bengal Electricity Regulatory Commission and Central Electricity Authority for extending timely support, the banks and financial institutions and all other esteemed stakeholders for their continued faith, support and patronage for achieving what we have and for reposing their confidence for our future growth & success.

With best wishes,

Yours sincerely,



S.K. Gupta
Chairman

DIRECTORS' REPORT

Your Board of Directors has the pleasure of presenting the **Eleventh Annual Report** on the performance and operations of the Company during the financial year ending on 31st March, 2018 together with the Audited Financial Statement, Auditors' Report and Review of the Financial Statement by the Comptroller and Auditor General of India for the under reporting period.

Change in Board of Directors:

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

- (i) Shri Sunil Kumar Gupta, IAS, Addl. Chief Secretary, Department of Power & NES, Govt. of West Bengal appointed as the Chairman of the Company, w.e.f 28th August, 2017 in place of Shri S. Kishore, IAS
- (ii) CA Srikumar Banerjee appointed in the capacity of the Independent Director, w.e.f 16th August, 2017.
- (iii) Shri Somnath Bhattacharya, ceased to be the Director (Projects) of the Company, w.e.f. 8th January, 2018 upon cessation of his term.
- (iv) Shri Sreekumar Majumder, ceased to be the Independent Director of the Company, w.e.f 1st April, 2018 upon cessation of his term.
- (v) * Shri Biswanath Bandopadhyay, appointed as Director (Projects) of the Company w.e.f. 16th August, 2018.

* Such appointment pertains to financial year 2018-19

Financial Performance:

Your Directors are pleased to inform you that this year the Company is able to retain the performance legacy both in physical and financial terms since its formation due to a stable tariff regime. In the year 2017-18 the financial performance by your Company by reporting a Total income of ₹ 1349.45 crore against which a profit of ₹ 367.74 crore was earned after tax, with total comprehensive income of ₹ 438.12 crore.

	Current Year (Rs. in crores)	Previous Year (Rs. in crores)	YOY % Variance
Profit before Interest, Depreciation and Tax	926.45	906.22	2.23
Less: Interest & Finance Charges	245.11	238.56	2.74
Less: Depreciation	213.11	195.78	8.85
Profit before Taxation	468.23	471.87	-0.77
Less: Provision for Taxation	100.49	100.70	-0.21
Profit after Tax	367.74	371.16	-0.92
Other Comprehensive Income	70.37	59.60	18.08
Total Comprehensive Income	438.12	430.76	1.71%

After appropriation of an amount of ₹ 17.57 crore to Debenture Redemption Reserve and ₹ 5.59 crore to Reserve for Unforeseen Exigencies, the balance profit for the year ended 31st March, 2018 of ₹ 414.94 crore was transferred to Other Equity.

During the FY 2017-18, your Company made a capital expenditure of ₹ 916.50 crore (as against ₹ 1141.50 crore in the FY 2016-17) 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), Housing and Urban Development Corporations 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 debts. The Company's current debt-equity ratio is 0.87 against a previous year debt equity ratio of 0.86. Normative debt equity ratio permitted by WBERC is 7:3 for funding capital expenditure.

In view of need to conserve resources for financing the capital projects program, your Board is not recommending any dividend for the reporting 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 and copy of the Annual Report will be hoisted on the website of the Company together with extract of Annual Return.

Number of the Meeting of the Board of Directors

The Board meets at regular intervals to discuss and decide on the business strategies/policies and review the financial performance and operational performance of the Company. The Notice of the each meeting together with the detailed agenda of the meeting has been 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 Annual Report. The interval between the two consecutive Board meetings was not more than 120 days as stipulated under section 173 of the Companies Act, 2013.

Declaration given by the Independent Directors

In pursuance to section 149(6) of the Companies Act, 2013 declaration given by the 3(three) independent directors to the Company, viz., Shri Biswaranjan Mishra, Smt. Saswati Banerjee, IAS (Retd.) and CA Srikumar Banerjee 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 vide 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, as notified vide notification no. GSR 463(E) dated 5th June, 2015, issued by the Ministry of Corporate Affairs, Govt. of India.

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

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

Shri Rajesh Pandey, IAS	Managing Director;
Shri Trilochan Panda	Director (F&A) & CFO;
Shri Sabyasachi Roy,	Director (Operations);
Shri Somnath Bhattacharya	Director (Projects) [till 8th January, 2018]; and
Shri Virendra Singh	Company Secretary

Deposits

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

Particulars of loans, guarantees or investments under section 186

No such loan, guarantees or investments made or given by the Company during the year under review, which falls under the purview of Section 186 of the Companies Act, 2013. However, the Company has given an advance to Durgapur projects Ltd. (DPL), towards acquisition of the assets to tune of Rs. 45 crore, under the instruction of Govt. of West Bengal, which is yet to be adjusted. DPL is also a wholly owned Govt. of West Bengal Enterprise, and another Power Utility.

Significant and Material Order Passed by the Regulator

The Hon'ble West Bengal Electricity Regulatory Commission (the Commission) by an order dated 28th October, 2016 has approved the tariff order for the financial year 2016-17, which allowed recovery of Annual Revenue Requirement of ₹ 1,178.45 crore by the Company from its customers for the financial year 2016-17. A copy of the order has been uploaded on the website of the Company, i.e., www.wbsetcl.in. Your Company has already submitted the 'Annual Revenue Requirement' for the financial year 2017-18 and 'Annual Performance Review' for the financial year 2016-17 within the stipulated time frame before the Commission. However, the Commission has not issued any 'Tariff Order' for the financial year 2017-18, during the reporting period.

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 major consumer of the Company is West Bengal State Electricity Distribution Co. Ltd. (WBSEDCL), which is a wholly-owned government company and all the transactions took place in accordance with the rate determined by the Hon'ble West Bengal Electricity Regulatory Commission, which is the sole statutory authority to determine the price of electricity distribution, transmission and generation in the State of West Bengal. Apart from this all other transaction took place with other Govt. and non Govt. organizations on 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 2017-18 in order to conserve the financial resources and to utilize such surplus for planning and executing new projects of the Company. Therefore, the entire surplus for the year, i.e., Rs 414.94 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:

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

- b) accounting policies selected have been applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts has been prepared on a going concern basis.
- e) the Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating properly; and
- f) the Directors have laid down proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

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

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

Internal Financial Control

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

The Company has a dedicated Internal Audit Department, which is being headed by the Addl. General Manager (F&A) and involved in carrying out the internal audit of the Company to ensure proper Internal Financial Control across the Company.

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

Disclosure of Vigil Mechanism

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

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

Statutory Auditors

The report of the Statutory Auditors on the financial statement of the Company for the financial year ended on 31st March, 2018 together with the comment given by the CAG is also forming the part of this report. The Management explanation to such qualification has been depicted in this report.

The Comptroller and Auditor General of India (CAG) vide its Order No. CA.V/COY/WEST BENGAL, WBSETCL(1)/1244 dated 20th September, 2018 for the year 2018-19 has appointed M/s L.B. Jha & Co., Chartered Accountants in the capacity of the statutory auditor of the Company for the financial year 2018-19, which is to be noted by the shareholders of the Company in the ensuing 11th 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 2018-19.

Your Company has filed the Cost Audit Report for the financial year ended on 31st March, 2018 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 2018-19.

The Report of the Secretarial Auditor together with the Management explanation to such qualification pertaining to financial year ended on 31st March, 2018 is forming the part of this report and marked as **Annexure-VI**.

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

The independent directors evaluated the performance of the Company's Board of Directors and its Committee. The evaluation of the Board and its Directors was done by the Independent Directors at its meeting held on 16th March, 2018. Moreover, evaluations of the Board are done in accordance with guideline prescribed by the Institute of Company Secretaries of India as applicable in respect of the Company.

Right to Information Act, 2005 (RTI Act)

The Company has put in place a RTI mechanism for effective implementation of the provision of the RTI Act. Public Information Officer (PIO) has been designated to dispose of the request for information sought under RTI Act. The Company Secretary is appointed in the capacity of the 1st Stage Appellate Authority under section 19 of the RTI Act. There were 09 nos. of RTI applications were received and disposed of by the Company during the reporting period.

Compliance with Applicable laws

Your Company also maintains a proper system in place to ensure compliance of all applicable laws to the Company. It follows the "Comply or Explain" principle. The Company has appointed M/s Vinod Kothari & Co., Company Secretaries as Legal Compliance Auditor for auditing legal provisions that are applicable to the Company and compliances made there under. Apart from this Human Resource Department of the Company ensure proper implementation of Industrial law and practice across the Company and to execute the suggestion given by the Legal Compliance Auditor.

Particulars of Employee

In pursuance with Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 it is informed that no employee of the Company draws salary of Rs. 1.20 crore per annum or Rs. 8.5 lakh per mensem for employed in part in a financial year. 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 2200 as on 31st March 2018 against sanction strength of 4181.

Director's & Officer's Liability Insurance

You Company has already taken up Director's & Officer's Liability Insurance Policy from National Insurance Co. Ltd. for all Directors (including Independent Directors) and the Company Secretary. The value of the insurance coverage is Rs. 2 crore for 'Any One Accident' and Rs. 5 crore for 'Any One Year'. Such measure was taken up by the Company on account of good corporate governance and to allow the Board members to take appropriate decision for the Company at warranted time without the fear of personal financial loss.

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

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

Management Discussion & Analysis

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

Corporate Governance Report

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

Code of Business Conduct and Ethics

To enhance ethical and transparency process in managing the affairs of the Company and its compliance in letter and spirit, the Board of Directors adopted "**Code of Business Conduct and Ethics**", (Code) which has been made applicable from 1st April 2011 to all Directors and Senior Management Personnel of the Company. The Code is available on the Company's website. All the members of the Board and Senior Management Personnel have affirmed compliance with the Code for the financial year ended on 31st March 2018. A certificate given by the Managing Director of the Company pertaining to the affirmation of the Code by the Board of Directors and Senior Management Personnel of the Company in pursuance to Part D of Schedule V of SEBI (Listing obligations and Disclosure Requirement Regulations), 2015 is forming the part of the this report as an **Annexure-IIA**.

Operational Performance

The Directors are pleased to inform that to deliver uninterrupted quality power across the state, your Company is adding new transmission assets continuously to its portfolio.

In the process of total electrification programme undertaken by both State and Central Government, the demand of electricity across the state of West Bengal has purchased to manifold. In order to cope up with constant increase in the demand from the consumers your Company commissioned set of new sub-stations, which made the total count of substation under its command to 124 having 31050 MVA transmission capacities. During the reporting period your Company added 588.5 ckm to its existing transmission network, whereby the total transmission network under its command is 13598.5 ckm.

During the reporting period your Company was to maintain the system availability more than 99.85%, which place the Company amongst best state transmission utility in the country. In order to reduce downtime of the transmission system outage your Company is proposing to procure drones for monitoring the health of the transmission system, which would enable to timely detect the fault and to adopt appropriate measure to rectify the same. To maintain the performance of the transmission system, the Company has replaced 451 nos. of Relays during FY 2017-18 and in the process for phasing out all old static Relay with renewable Relay within financial year 2018-2019.

Project Monitoring

Your Company has a team of highly dedicated professionals in the field of Planning and Design of transmission system as well as in project executions. It has a well-established system of continuous feedback from the field, thus helps in up-grading of the system, wherever necessitated. In pursuit to improvement project implementation period, your Company is pursuing the standardization of design to reduce procurement time.

In tandem with the State Government's emphasis on regular monitoring of development projects, your Company has developed a project monitoring system commensurate with the organization structure and complexities/intricacies involved in project implementation and a Management information system based thereupon. A Project Review Team (PRT) meeting is conducted in each month presided over by the top management to monitor the progress of the Projects and to accelerate the decision required for timely execution. The project department has also introduced 'vendor rating' of the EPC contractors engaged with sub-station projects. The system calls for increasing details in all functions such as Project engineering, procurement of bought out items, civil work and equipments installation at Project sites, testing & communication and project monitoring and control for preparing a management summary report for the top management.

Projects Execution

Your Board of Directors is glad to inform that, during the period under review, total nos. of 8 (eight) Sub-stations and 12 nos. of feeder bays have been commissioned with total capacity addition in the system of 2085MVA at a total project cost of Rs.498.72 crore. Further, a total of 588.504 ckm of Transmission lines were also commissioned at a cost of Rs. 422.52 crore.

Your Company is in the process of constructing 17 new substations, which includes 5 nos of 220kV and 12 nos. of 132 kV substations and after the completion of the said substations there will be an addition of 3260 MVA transformation capacity to the existing system. The Company is also constructing 46 nos of Transmission line at a cost of Rs. 1402.40 crores, which include 3 nos of 400 kV, 12 nos of 220 kV and 31 nos of 132 kV lines and after the completion of the said projects another 2157.127ckm 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 2024-25

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

Up gradation of one no 132 kV Substation to 220 kV and construction of one no 132 kV GIS, with addition of 420 MVA Transformation capacity and 106 ckm Transmission line has already been completed during the year 2018 - 19. It is expected that another 13 no EHV Substation and up gradation of one 66 kV Substation to 132 kV with addition of 2753 MVA Transformation capacity and 1784 ckm Transmission line will be commissioned during the balance period of this year (2018-19).

During the Period from 2019-20 to 2024-25, establishment of another 45 nos new EHV Substation & 8 nos upgradation of existing Substation with 9311 MVA addition in Transformation capacity (excluding augmentation) and addition of 3704 CKM Transmission lines has been contemplated.

Description	Nos. of Sub-Station		Capacity in MVA		Line length in ckm	
	31/03/2018	31/03/2025	31/03/2018	31/03/2025	31/03/2018	31/03/2025
400 kV	7	9	5670	7470	1952.6	2556
220 kV	23	40	12070	17370	3670.8	4588
132 kV	86	129	11930	17274	7642.1	11706
66kV	8	5	213	253	333	248
Total	124	183	29883	42367	13598.5	19098

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

- Improvement of reliability of power supply to the comment areas leading to reduction in customer interruption frequency index and customer interruption duration index;
- Considering Voltage profile improvement and better system stability & reduction of losses;
- Improvement in system redundancy all across network.
- Increased development in industrial, agricultural sector and facilitating rapid urbanization across the State; and
- Reduce congestion for evacuation of power from State Sector Generators.

Total capital expenditure of around Rs. 2000 Crore for ongoing and upcoming projects has already been approved. In order to achieve the planned growth and objectives your company requires further fund of around Rs. 4900 Crore, for construction of new substations, up-gradation of existing substations & Transmission Lines (excluding cost of land, supervision charges & IDC) which are in pipeline or will be commissioned during the Period from 2019-20 to 2024-25. Implementation of the aforesaid schemes will take place over the next five years in 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 international standards 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 test 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) Application of thermo vision scanning in sub-stations for detecting hot spot in situ and initiating preventive maintenance / repair work before breakdowns.
- b) Commissioning of gas-insulated substations for optimum utilisation of land.
- c) Laying of underground XLPE cables at 400, 220 and 132 kV levels in congested urban areas even in the Kolkata metropolitan area.
- d) 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.
- e) Utilisation of modern survey technique for route selection and length optimization.
- f) Application of OPGW for digital communication and protection between the sub-stations.
- g) 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.

WEST BENGAL STATE LOAD DESPATCH CENTRE (SLDC)

As per provision 32 under Part V of the Electricity Act 2003, the West Bengal State Load Despatch Centre (WBSLDC) is the apex body to ensure integrated operation of the power system in the state of West Bengal. SLDC acts in co-ordination with the transmission utilities, generation agencies, distribution licensees, ERLDC and ERPC. SLDC plays an important role in maintaining different system parameters (e.g: frequency, voltage, line/transformer loading etc.) of the State Grid as an integral part of the National Grid as per prevailing regulatory guideline through round-the-clock system monitoring. SLDC also carries out intra-state Energy Accounting in the state of West Bengal.

Activities of SLDC:

A. Technical functions

1. Round-the-clock monitoring of the state EHT network maintaining

- a) Security
- b) Reliability
- c) And to achieve optimum economy.

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

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

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

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

B. Commercial functions

1. State level Energy Accounting

- a) Preparation of FINAL schedules.
- b) Processing ABT compliant meter data for each day.
- c) Preparation of Deviation Settlement bills.
- d) Preparation of monthly Capacity charge statements and certification of the same.
- e) Preparation of variable energy statements and certification.
- f) Preparation of Intra-state Reactive Energy Charge bill.

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

3. Maintaining/Operating the UI pool fund.

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

C. Statistical functions:

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

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

- i) Unit-wise and total power generated by generating agencies
- ii) Total energy demand met, load-shedding and demand potential of distribution licensees and the state as a whole
- iii) Maximum demand met and maximum demand potential of distribution licensees and the state as a whole
- iv) States share in Central generating stations
- v) Tie-line exchanges
- vi) Details of power trading
- vii) Any other relevant power system reports

3. Generating reports as per Regulatory directives.

4. Providing statistical data for future system planning.

D. Other functions

1. Coordinating and organizing different meetings with state entities as well as with ERLDC and ERPC for properly addressing different techno-commercial issues within the state.
2. Implementing different directives for statutory bodies like: CERC, WBERC, CEA for secured Grid operation and commercial settlement.
3. Acting as a State Agency within the State of West Bengal for giving Accreditation certificate to Renewable Energy Generator to participate in REC mechanism.

Progress & Achievements of SLDC during the year 2017-18 :

- **Achievement:**

- a) Successful Mock Black start operation of TLDP-III - Dec 17.
- b) Successful Mock Black start operation of TLDP-IV - Mar 18.
- c) Using available resources SLDC ensured round the clock integrated operation of state power system with ER grid to provide quality power supply across the state through proper management of system parameters (e.g Voltage, VAR etc) throughout the year.
- d) Arranged for alternative power for CESC within shortest possible time after failure of CESC's internal generation (totally or partially)
- e) Introduction of new intra-state entity IPC(H)L which is currently known as Hiranmayee Energy Limited and successful incorporation of the same in intra-state Energy Accounting.
- f) SLDC's action regarding VAR management & continuous persuasion & monitoring of intra-state generators to absorb VAR during winter lean hours has helped in controlling over voltage & thereby reduction of high VAR bill of the state.
- g) WBSLDC handled the State network efficiently to transmit the power to meet the demand. During the period 2017-18, State total system (52738MU) [WBSEDCL + CESC + DPL + IPCL] has increased by 2.81% and peak system (8454 MW) increased by 1.53% w.r.t 2016-17.

- **Progress:**

- a) 100% Interface metering i.r.o WBSEDCL has been completed. However, at present due to inadequate infrastructure at WBSLDC end, energy accounting i.r.o WBSEDCL is not being done against these boundary meters. Furthermore, real time scheduling is becoming much more complex day by day with new regulatory mandates, new open access customers. Therefore, WBSLDC has the future plan for a comprehensive IT solution along with commensurate hardware installation at SLDC for intra-state energy accounting as well as for West Bengal power system data management based on 100 % metering and web-based scheduling. In line with the above plan SLDC has prepared a DPR of comprehensive IT-solution for state level energy accounting as per guideline of "SAMAST" published by Forum of Regulators. After taking necessary approval from Board of Directors, SLDC has applied to PSDF Secretariat to consider the project proposal for funding under PSDF scheme.

Load Management Highlights: 2017-18

A.	ENERGY CONSUMPTION IN WBSEDCL SYSTEM (IN MU)			
	2017-18	2016-17	GROWTH (%)	
	36153	34882.89	3.64%	
B.	ENERGY CONSUMPTION IN CESC SYSTEM (IN MU)			
	2017-18	2016-17	GROWTH (%)	
	10883	10614	2.53%	
C.	ENERGY CONSUMPTION IN DPL SYSTEM (IN MU)			
	2017-18	2016-17	GROWTH (%)	
	1978	1913	3.41%	
D.	ENERGY CONSUMPTION IN IPCL(GRID CONNECTED PART) SYSTEM (IN MU) (Haunted drawing power from J.K. Nagar S/Stn. from 11.12.2015)			
	2017-18	2016-17	GROWTH (%)	
	507	351	44.20%	
E.	ENERGY CONSUMPTION IN WEST BENGAL SYSTEM (IN MU) (Excluding the valley area served by DVC)			
	2017-18	2015-16	GROWTH (%)	
	52738	51299	2.81%	
F.	LOAD FACTOR (%) OF WBSEDCL SYSTEM			
	2017-18	2016-17		
	64.08	63.44		
G.	PEAK DEMAND (IN MW)			
	ENTITY	2017-18	2016-17	GROWTH(%)
	WBSEDCL	6441	6277	2.60%
	CESC	2131	2050	3.95%
	DPL	280	287	-2.52%
	IPCL	77	63	22.85%
	WEST BENGAL	8454	8327	1.53%

Communication & Information Technology :

Your Board of Director would like to state that WBSETCL has established a Back-Up State Load Despatch Centre (SLDC) at 'Abhikshan Bhavan', and put it in operation which would enable the Company to provide the service of SLDC in case of any major non functioning or failure of main SLDC. In order to ensure proper protection to the network system procurement of 96 nos. of Digital Protection Coupler for 400 kV & 220 kV substation is under progress. It is matter to cherish that your Company has completed laying of 3577 km OPGW cable out of 3728 km in WBSETCL network under ULDC expansion plan.

Health & Safety Management:

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

Every year your Company identify the best performing substation and award accordingly, out of many factor one of the major parameter for selecting the best performing substation is 'safety'. Every quarter Technical Audit and Safety report placed before the Audit Committee and Board of Directors respectively.

Period under reporting there were 09 nos. of safety awareness programme undertaken. Total number of incident took place during the reporting period is 05 and people affected by such accident is 09 nos. out of which 05 nos. are non fatal. The safety wing of the Company is under process to preparing the 'Safety Compensation Policy' and 'Disaster Management Manual'.

Your Company is awarding Certificate & Mementos to the Area Offices, who have achieved the status of 'ZeroAccident' under their jurisdiction during the financial year 2017-18.

Corporate Social Responsibility

Your Company is committed to utilize its resource for the development of local area of its operations, which would further resultant in 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 Composition of the Committee and details of the meeting conducted during the reporting period is stated in the Corporate Governance Report. During the period under report your Company utilized Rs. 3.63 crore for CSR activities against the sanction of Rs. 9.12 crore.

A Report on expenditure is forming the part of this report is marked as **Annexure-IV**.

Energy Conservation, Technology absorption and Foreign Exchange Earning and outgo

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

Human Resource Development

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

Recruitment and manpower addition :-

Aligning with the need of the organization 17 new employees were appointed against the existing vacant post in the Company.

Promotion :

In order to reward the hard work of the employees and to recognize their sheer dedication towards the Company 194 nos. of employees promoted to the next higher level in pursuance to promotion policy of the Company.

Training & Development Programme:

To abreast the employees with recent changes in both technical and non technical work processes, which effects overall business process of the Company, training were organized regularly by the Human Resource Department and this year 380 nos. of employees were participated in the training programme of the Company. Your Directors are glad to inform that a state of the art 'Knowledge Centre' will be set up in the heart of the Newtown, Kolkata and a Green Building has been planned to shift the Registered & Corporate Office of the Company.

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 as a part of participative management culture.

Welfare activities :

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

Acknowledgement

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

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

For and on behalf of the Board of Directors,



(S. K. GUPTA)
CHAIRMAN

Dated: 27.09.2018

Place: Kolkata.

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy has recorded a GDP growth of 6.7% in the financial year 2017-18, which make India as one of the fastest growing economies of the world. Notably, fiscal deficit remained at 3.2% of the GDP in the year 2017-18. The Wholesale Price Index and Consumer Price Index remained 2.9% and 3.5% respectively in the reporting period. In the financial year 2017-18 the foreign exchange reserve stood at \$ 409 billion, which is a result of growth in export and inflow of fund by foreign direct investment, which has also culminated into strong and robust stock indices.

The Insolvency & Bankruptcy Code (IBC) introduced by the Govt. of India is a boon for the Indian Economy, especially for the banking and financial sectors of the economy. With the help of IBC, litigations pertaining to the Non Performing Assets (NPAs) are getting resolved in short span of time, which enabling the banks and financial institution to recover their dues expeditiously. Such measures increasing the buoyancy of the Indian Economy and helping in ease of doing business.

In the financial year 2017-18 with introduction of the Goods & Service Tax (GST) – which has converged the entire economy into a single economy and partially introduced the concept of consumption based taxation in the Country. Initially, the GST was quite disruptive with multiple slab of taxes and multiple return filing has immensely affected entire business community, especially the Micro, Small & Medium Enterprises. However, with the passage of time such disruptions are getting streamlined, which is gradually bringing stability in business environment prevailing the economy.

In conjunction with the aforesaid steps, many new initiatives have been undertaken by the Govt. of West Bengal in ease of doing business, which has catapulted the state in the top ten position amongst the most business friendly and promising state of the country and Power sector of the state was one at the prime mover in this arena.

Gradually, the entire world is moving to harnessing the renewable energy sources for generation of electricity, India is not behind in such technological initiative. In order to meet the growing demand of the electricity the country needs robust transmission & distribution network across the nation. WBSETCL taking every required step for fulfilling the said dream for West Bengal. Although some resistance was faced by the Company by way of Right of Way (RoW) Issues, which affecting the timely completion of the projects but with proactive measures on the ground the Company is able to overcome such hindrances on a large scale.

Financial Review

The summary of financial result of the Company for the year ended on 31st March, 2018 is given hereunder:

FINANCIAL HIGHLIGHT		(₹ in crore)
Operating Income	2017-18	2016-17
Revenue from Operations	1298.54	1258.91
Other Income	50.91	36.62
Total (A)	1349.45	1295.53
Paid and Provided for		
Transmission & ULDC charges	49.62	51.88
Repair & Maintenance	64.18	48.98
Employees Cost	239.83	235.61
Administration & General Expenses	69.38	52.84
Sub – Total (B)	423.00	389.31
Profit before Depreciation, Interest and Tax (A – B)	926.45	906.22
Depreciation	213.10	195.78
Interest & Finance Charges	245.11	238.56
Profit before Tax	468.24	471.88
Provision for Tax (PAT)	100.49	100.71
Profit for the Year	367.75	371.17
Other Comprehensive Income	70.37	59.60
Total Comprehensive Income	438.12	430.77
Appropriations:		
Reserve for Unforeseen Exigencies	5.59	5.57
Debenture Redemption Reserve (DRR)	17.57	17.58
Balance Transferred to Other Equity	414.94	407.62

The year under review resulted in a Profit before Interest, Depreciation & Tax (PBDIT) of Rs. 926.45 crore compared to Rs. 906.22 crore in the previous year while the Total Comprehensive Income for the year stood at Rs. 438.12 crore as against Rs.430.76 crore in the previous year. After appropriation of an amount of Rs.17.57 crore to Debenture Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013 and Rs.5.59 crore on account of appropriation of accrued interest on Reserve for Unforeseen Exigencies investments to that Reserve, the balance surplus for the year 2017-18 of Rs. 414.94 crore was transferred to Other Equity.

- ❖ Transmission Charges for the year 2017-18 was Rs. 1294.76 crore against Rs. 1256.37 crore in the previous year – an increase of around 3.06 % on a y-o-y basis.
- ❖ Long Term Transmission Charges increased from Rs. 1178.18 crore in 2016-17 to Rs. 1206.21 crore on account of revision in tariff, while STOA revenues increased to Rs. 69.61 crore from Rs. 59.11 crore in the previous year.
- ❖ Other Income amounted to Rs 50.91 crore as against Rs 36.62 crore earned in the previous year. The increase was mainly attributable to increase of Interest on Fixed Deposit of Rs 1.23 crore, from sale of scrap Rs 5.67 crore, Miscellaneous Receipts Rs. 9.24 crore which was offset to some extent by decrease in income from Supervision Charge of Rs 1.94 crore.
- ❖ PBT for 2017-18 decreased to Rs. 468.24 crore from Rs. 471.88 crore in 2016-17 or by about 0.77 % primarily on account of increase in Employee Cost, Depreciation and higher Interest Charges.
- ❖ Employee Costs at Rs. 239.82 crore was higher than the previous year by around 1.7 %. This was attributable to an account of yearly increment and enhancement of terminal benefit provisioning.
- ❖ Finance Costs prior to capitalization increased considerably from Rs. 297.24 crore in 2016-17 to Rs. 318.52 crore in 2017-18. However, due to significant increase in ongoing capital expenditure, the capitalized interest during construction (IDC) has also been increased to Rs 73.41 crore from Rs. 58.68 crore in 2016-17, leading to an increase of finance costs on revenue account to Rs. 245.11 crore in 2017-18 from Rs. 238.56 crore in 2016-17.
- ❖ Out of the Total Comprehensive income of Rs. 438.12 crore earned during 2017-18, after appropriation of Rs. 17.57 crore to Debenture Redemption Reserve and Rs. 5.59 crore to Reserve for Unforeseen Exigencies, the balance of Rs.414.94 crore has contributed to increase the amount of Other Equity.

Some indicative financial ratios are provided below:

Ratios	2017-18	2016-15
Current Ratio (excl. current maturities of long term debt)	0.92	0.80
Debt to Equity Ratio	0.87	0.86
Debt Service Coverage Ratio (DSCR) (incl. current maturities of long term debt)	1.58	1.68
Interest Service Coverage Ratio (ISCR)	3.28	3.30
Earnings per Share (EPS) (₹)	3.33	3.36

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 2018.

OPERATIONAL EXCELLENCE

The transmission assets owned and operated by your Company stood at about 13598.5 ckm of transmission lines and 124 sub-stations with about 31050 MVA transformation capacities. Maintaining such a large and highly complex transmission network has been an extremely difficult and challenging task. This has been achieved through adoption of 'state-of-the-art' operation and maintenance techniques including proactive and preventive breakdown maintenance which includes modern technique of condition Monitoring, which are at par with international standards. Maintenance activities are planned well in advance and an "Annual Maintenance Plan" is chalked out for every asset such that 'Preventive maintenance' takes precedence over 'breakdown maintenance'. Constant training of the maintenance staff has also resulted in achieving operation marvels.

The result of consistent efforts and round the clock monitoring is demonstrated through your Company's high operational performance during the year in terms of transmission system availability more than 99.85%.

PROJECT EXECUTION

During the reporting period, your Company spearhead in implementation of its projects with economy of scale and largely within stipulated time frames to derive maximum economic benefits. Project implementation activities involves preparation of 'Detailed Project Report', review of the project progress constantly and monitoring including standardization of designs 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. However, some of the project failed to meet the envisaged time frame on account force majeure, which has impacted revenue generation to a little extent.

The projects completed during 2017-18 and made available to the transmission system of WBSETCL are detailed below:

• Sub-stations:

Eight new sub-stations have been commissioned during the year comprising 400 kV GIS sub station at New PPSP and New Chanditala 400/200 kV (945 MVA), 220/132/33 kV sub-station at Sadaipur (420 MVA) and Alipurduar (320 MVA). 132/33 kV GIS sub-station at Domkal (100 MVA), Mohitnagar (100 MVA), Keshiary (100 MVA) and Islampur (100 MVA). Total capacity addition in 2017-18 stands at 2085 MVA. Total project cost was Rs. 498.72 crores.

• Line/ Feeder Bays

2 nos. 132 kV Line bays at Mankar 132 kV Substation, 02 nos. of 132 kV Line Bays at Basirhat 132 kV Substation, 02 nos. of 132 kV Feeder Bays at Nazirpur 132 kV sub station, 02 nos. of 132 kV Line Bays at New Bishnupur 220/132 kV sub station, 02 nos. of 132 kV Line Bays at Jhargram 132 kV sub station and 02 nos. 220 kV AIS Feeder Bays at Domjur sub station.

• Transmission Lines:

A total of 588.504 Circuit Kilometres (ckm) covering 03nos 400kV, 02nos 220kV and 07 nos. of 132 kV transmission lines have been added to the system at an estimated cost of Rs. 422.52crores.

Ongoing Projects

• Sub-stations:

Work of following 17 nos new sub-stations (5 nos 220 KV & 12 nos 132 KV substation), various bays at existing substations are under execution. The completion of above mentioned work will result addition of a further 3260 MVA to the system.

Sl No.	Name of the substation/ bays	Installed Capacity (MVA)
1	Sagardighi 220 KV GIS	320
2	Barasat 220 KV GIS	320
3	New Town IIC 220 KV GIS	520
4	Rejinagar 220 KV AIS	420
5	Gazole 220 KV GIS	420
6	Sonakhali 132/33 KV GIS	100
7	Indus 132/33 KV GIS	100
8	Panagarh 132/33 KV GIS	100
9	Dinhata 132 KV GIS	100
10	Bhadrapur 132 KV GIS	100
11	Salt Lake Stadium 132 KV GIS	160
12	Burdwan 132 KV GIS	100
13	Debra 132/33 KV GIS	100
14	Jhalda 132/33 KV GIS	100
15	Salar 132/33 KV GIS	100
16	Minakhan 132/33 KV GIS	100
17	Harischandrapur 132/33 KV GIS	100
18	One no 132 KV Feeder Bay at Pundibari TSS.	
19	One no 132 KV Feeder Bay at Gunjaria TSS.	
20	One no 132 kV Feeder Bay at Rangapani TSS	
21	2 nos. 132 KV feeder bays each at Moinaguri 132/33 KV substation	0
22	2 nos. 132 kV Line Bays (AIS) at Durgapur 220 kV Substation	0
23	2 nos 132 KV extension line bays at Rampurhat 132/33 KV substation	0
24	1 no 132 KV AIS feeder bays at Balurghat 132/33 KV substation	0
25	2 nos 132 KV line bays at Bagmundi 132/33 KV substation	0
26	2 nos. 132 KV GIS Bay at Bagnan 132 KV GIS	
27	2 Nos. 132 KV Feeder Bays at Subhasgram Substation	0

Total estimated project cost of the above substations and bays are Rs. 661.88 crores.

Transmission Lines :

A total 46 nos. transmission lines (3 nos 400 kV, 12 nos 220 kV & 31 nos. 132 kV lines) are under execution whose completion will result in addition of a further 2157.127 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 D/C & M/C Transmission line with Twin Moose ACSR conductor from New Chanditala 400 kV Substation to Gokarna 400 kV Substation.	360
3	400 kV D/C Transmission line for LILO of Arambag – Durgapur 400 kV S/C line at New Chanditala Substation.	93.6
4	TLDP-III -TLDP-IV 220 kV S/C line	21.1
5	220 kV D/C line from Alipurduar 220 kV (PGCIL) substation to proposed Alipurduar 220 kV GIS (WBSETCL)	13
6	220 kV D/C Line from Rajarhat 400 kV Substation (PGCIL) to New Town-IIC 220 kV Substation	28
7	220 kV D/C transmission line (UG cable part with OFC) from Rajarhat S/S of PGCIL (under construction) to proposed New Town IIC 220 kV S/S.	3.6
8	D/C LILO of 220 kV D/C Gokarna – Sagardighi Line at Sagardighi Substation	11
9	S/C LILO of Arambagh – Rishra 220 kV S/C Line at New Chanditala 400 kV Substation	33
10	220 kV D/C Line from Subhasgram (PGCIL) Substation to Baruipur 220 kV Substation	58
11	Subhasgram (PG) 400 kV substation -Baruipur 220 KV D/C transmission line (UG cable part)	1.4
12	220 kV D/C Line from Domjur substation to Domjur- Arambagh 220 kV D/C line.	9.46
13	220 kV D/C Line from New Chanditala 400 kV S/Stn. to Domjur- Arambagh 220 kV D/C line.	8.02
14	220 kV D/C LILO of 220 kV D/C Gokarna- Krishnanagar line at Rejinagar	9
15	220 kV D/C LILO of 220 kV D/C Malda-Dalkhola line (PGCIL) at Gazole 220 kV SS.	6.6
16	132 kV D/C transmission line from Food Park substation to Ambuja Cement Factory	6.078
17	132 kV S/C line on D/C tower from Coochbehar 132 kV S/Stn to proposed Pundibari traction S/Stn.	10
18	132 kV S/C line on D/C tower from TCF PS-I 132 kV S/Stn to proposed Rangapani Traction S/Stn.	7.648
19	132kV D/C Line from Coochbehar Substation to Mathabhanga Substation.	94
20	132kV D/C Line from Moinaguri Substation to Mathabhanga Substation.	15.95
21	Construction of 132 kV D/C Transmission line from composite tower near Durgapur Substation to proposed Panagarh 132 kV Substation along with its associated works and Laying of 132 kV UGXLPE cable in between composite tower and gantry tower at Durgapur Substation	61.3
22	132 kV D/C & M/C Transmission line on D/C & M/C tower from Kharagpur 400 kV Substation to Jhargram 132 kV Substation and laying of 132 kV UG Cable within Kharagpur 400 kV Substation.	93.2
23	132 kV D/C & M/C Transmission line from Subhasgram 220/132 kV Substation to Sonakhali 132/33 kV GI Substation	82
24	LILO of Domjur – Uluberia 132 kV D/C Transmission Line at Foundry Park 220 kV Substation.	7.32

25	132 kV D/C Line for LILO of one circuit of Coochbehar – Mathabhanga 132 kV D/C Line at Dinhata	94
26	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
27	132 kV D/C Line from Bashirhat 132 kV substation to nearest point of existing Barasat - New Town AA-III 132 kV line	70
28	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
29	132 kV D/C line from TL no. 21 of Midnapur- Kharagpur WBIDC 132 kV D/C line to proposed Debra 132 kV GIS.	52
30	132 kV D/C line from Bagmundi 132/33 kV SS to proposed Jhalda 132 kV GIS.	98
31	132 kV D/C line from Rampurhat to Bhadrapur.	48
32	132 kV S/C line on D/C tower from Serakol - Hotor TSS.	15
33	D/C LILO of Amtola- Debogram 132 kV D/C line at Rejinagar 220 kV SS.	16.4
34	D/C LILO of Amtola- Berhampore 132 kV D/C line at Rejinagar 220 kV SS.	44.6
35	D/C LILO of Gokarna- Katwa 132 kV D/C line at Salar 132 kV SS.	4.2
36	132 kV D/C line connectivity between Gazole 220 kV SS and Malda 132 kV SS.	1.3
37	132 kV D/C line connectivity between Gazole 220 kV SS and Raiganj 132 kV SS.	1.3
38	132 kV D/C line from Gazole 220 kV SS to Samsi 132 kV SS.	19
39	132 kV D/C line for connectivity between Gazole 220 kV SS and Balurghat 132 kV	104
40	132 kV D/C line from Baruipur 220/132 kV SS to Serakol 132 kV SS using HTLS conductor.	32
41	132 kV D/C line from Indus 132 kV SS to Raina 132 kV SS.	64.3
42	132 kV D/C line from Keshiary 132 kV SS to Pingla 132 kV SS.	80
43	D/C LILO of 132 kV Satgachia -Mahachanda transmission line at Burdwan 132 kV GIS using UG cable.	1
44	132 kV D/C UG Cable Line from Kasba 220 kV S/S to Salt Lake Stadium 132 kV GIS	12
45	132 kV S/C UG Cable Line from Salt Lake 132 kV GIS S/S to Salt Lake Stadium 132 kV GIS	4
46	132 kV S/C UG Cable Line from Salt Lake 132 kV AIS S/S to Salt Lake Stadium 132 kV GIS	4

Total estimated project cost of the above 46 nos. lines are Rs. 1402.40 crores.

Some of the future Projects are also furnished hereunder :

- Baruipur 220 kV GIS and associated line.
- Mangalpur 220 kV substation and associated line.
- Jangalpur 220/132 kV GIS and associated line.
- Ramnagar 132/33 kV GIS and associated line.
- Renia 132 kV GIS and associated line.
- Kushmundi 132/33 kV GIS and associated line.
- Lavpur 132/33 kV GIS and associated line.
- Panchami 132/33 kV GIS and associated lines.
- Kona 132/33 kV GIS and associated line.
- Bagula 132/33 kV GIS and associated line.
- Hasimara 132/33 kV GIS and associated line.
- Manbazar 132/33 kV GIS and associated line.

Incomplete / Stalled Project

Progress of quite a few transmission lines, are getting affected for problems associated with local problems / right of way issues/ court cases. Rigorous interactions with the administration and statutory bodies are on to complete those projects. Details of such projects are given below:

- Work of 132 kV D/C transmission line from Food Park to Ambuja Cement Factory could not be completed due to acute right of way problem in spite of constant persuasion with local and district administration.
- 1 tower location of Moinaguri – Mathabhanga 132 kV D/C line is held up due to acute ROW problems in spite of repeated persuasions with the administration.
- 0.257 Km stringing work is held up in Coochbehar – Mathabhanga 132 kV D/C line due to acute ROW problems, persuasions are on with district administration to sort out the issue.

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.

RISKS AND CONCERNS :

The power utility electricity sector in India has one National Grid with an installed capacity of 344 GW, out of which Renewable power plants constituted 33.23% of total installed capacity. India being third largest producer of electricity in the World but still per capita consumption is one of the lowest.

Advent of the UDAY scheme in the Country, which helped to reduce the Aggregated Technical & Commercial (AT&C) Losses to a certain extent for the couple of years of introduction, but from 2017 such situation is again reversing, as many of the UDAY complied states AT&C losses has shown an upward trend.

One of the major concern in electricity sector in India is addition of installed capacity in power generation, which is leading various states across the nation into 'Power Surplus' situation. Such scenario clearly specifies that supply of power is more than the demand. The power generators are also facing problem in selling their generated power to DISCOMs due to low demand and non-execution of Power Purchase Agreements (PPAs). Such situation is blocking large amount of capital in the economy. Moreover, such circumstance is also affecting availability of fresh capital for making capital investment, which further narrowing down the revenue stream in the sector.

Transmission sector across the Nation is affected with Right of Way (ROW) issues and WBSETCL is not immune from the same. However proper support of the State Government, the Company is enable to expedite the process of project execution by overcoming ROW issues in certain part of the State.

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 adequately equipped to adjust with changing business environment in which the Company operates.

The Company has a small in-house Internal Audit department whose work is supplemented by assistance of various independent professional firms of Chartered Accountants/Cost Accountants to verify compliance with the policies and procedures framed by the management across the key areas of business. The Chief of Internal Audit develops an annual audit plan based on the risk profile of business processes/sub-processes of various functions and the audit activities are undertaken accordingly. The audit plan is approved by the Audit Committee which regularly reviews compliance with the Plan. During the year, the Audit Committee met regularly to review the Internal Audit reports. All significant audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee's observations and suggestions were acted upon by the Management. The Company is already in the process of updating its 'Internal Audit Manual', which can cope with the emerging business challenges. The Internal Audit department of the Company bestowed with the responsibility for making audit replies and filing various submission before the Comptroller & Auditor General of India (C&AG).

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 has been carried out in the EHV sub-stations during the reporting period. The technical audit findings and action arising out of technical audits are placed before the Audit Committee periodically.

The Company has already introduced the process of Legal Compliance Audit by a firm of practicing company secretaries, who have carried out the audit across the Area Offices of the Company. This audit looks into process of labour laws compliance, which is applicable across the various spectrum of the Company. This audit took place twice during the reporting period. The Report is directly placed for deliberation at the Board meeting.

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

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

Forward – Looking Statements

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

Corporate Governance

Corporate governance is a code that sets the principles, systems, and practices through which the Board of Directors of the Company ensures transparency, fairness and accountability in the Company's relationship with all its stakeholders, viz. regulators, shareholders, creditors, government agencies, employees, among others. The code of governance is based on the principle of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner.

We at WBSETCL, practice a trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of Corporate Governance practices in the best interest of all its stakeholders. WBSETCL believes that it not only has legal, contractual and social responsibilities, but also has obligations towards its stakeholders such as shareholders, bankers, regulators, government agencies, employees, creditors and customers, among others. WBSETCL strives that all its stakeholders have an access to clear, adequate and factual information relating to the Company. It promotes accountability of its management and the Board of Directors acknowledges its responsibilities towards its stakeholders for creation and safeguarding their wealth.

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. Independent Directors are also appointed by the Governor of West Bengal and hold such position in accordance with instruction/order issued by the Government of West Bengal from time to time.

The Board of WBSETCL comprises of optimum combination of Executive and Non-Executive Directors as required under the various applicable provisions of the Companies Act, 2013. Independent Directors are persons with rich experience in diverse areas like energy, finance administration, etc.

During the year under review, due to new induction / cessation of term, the composition of the Board has undergone changes. As on 31st March, 2018, the Board comprised of nine Directors

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

The following was the composition of the Board of Directors as on 31st March, 2018.

Category	No. of Directors	Percentage to total number of Directors
Executive Director	3	33.33%
Non-Executive Director	3	33.33%
Independent Director	3	33.34%
Total	9	100%

The details of the Directors and their attendance in the Board Meetings held during the year 2017-18 are tabulated hereunder:

Name of Directors	Category	DIN	Tenure		Number of Board Meetings attended during 2017-18
			From	To	
Shri S. Kishore, IAS	Chairman (Non-executive)	00062396	02.02.2016	28.08.2017	One
Shri S. K. Gupta, IAS	Chairman (Non-executive)	07841512	28.08.2017	Continuing	Four
Shri Rajesh Pandey, IAS	Managing Director	03569753	02.09.2016	Continuing	Six
Shri Trilochan Panda	Director (F&A) & CFO	00836793	06.09.2016	Continuing	Six
Shri Sabyasachi Roy	Director (Operations)	07599524	01.08.2016	Continuing	Six
Shri Somnath Bhattacharya	Director (Projects)	07097990	26.12.2014	08.01.2018	Four
Shri Hari Krishna Dwivedi, IAS	Non-Executive Director (Govt. Nominee)	01952502	03.02.2012	Continuing	None
Smt. Saswati Banerjee, IAS (Retd.)	Non Executive Director (Independent)	05141833	08.05.2014	Continuing	Five
Shri Biswaranjan Mishra	Non-Executive Director (Independent)	06455252	30.07.2014	Continuing	Four
CA Srikumar Banerjee	Non-Executive Director (Independent)	03504452	16.08.2017	Continuing	Three
Shri Utpal Biswas, IAS	Non-Executive Director (Govt. Nominee)	07821853	01.04.2017	Continuing	Five

Other Directorship of Board Members as on 31st. March, 2018

Director	Category	Other Directorship	
		Name of the Company	Position held
Shri S. Kishore, IAS	Chairman (from 02.02.2016 upto 28.08.2017)	The Durgapur Projects Limited	Chairman
		West Bengal Housing Infrastructure Development Corporation Ltd.	Director
		West Bengal Highway Development Corporation Ltd.	Director
		W.B. Infrastructure Development Finance Corporation Limited	Director
Shri S. K. Gupta, IAS	Chairman (from 28.08.2017)	W.B. Infrastructure Development Finance Corporation Limited	Govt. Nominee Director
		The Durgapur Projects Ltd.	Chairman
		West Bengal Housing Infrastructure Development Corporation Ltd.	Director
		West Bengal Highway Development Corporation Ltd.	Director
		Damodar Valley Corporation	Director
Shri Rajesh Pandey, IAS	Chairman & Managing Director (from 02.09.2016)	West Bengal State Electricity Distribution Co. Ltd.	CMD
		New Town Electricity Supply Co. Ltd.	Chairman
		The Durgapur Projects Ltd.	Director
Shri Trilochan Panda	Director(F&A) [from 06.09.2016]	None	–
Shri Sabyasachi Roy	Director(Operations) [from 01.08.2016]	None	–
Smt. Saswati Banerjee, IAS	Independent Director	The Durgapur Projects Ltd.	Independent Director
		The West Bengal State Electricity Distribution Company Ltd.	Independent Director
Shri Biswaranjan Mishra	Independent Director	Madhya Pradesh Power Transmission Company Ltd.	Independent 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
		West Bengal State Beverage Corporation Ltd.	Director
		Goods & Service Tax Network	Director
CA Srikumar Banerjee	Independent Director	The West Bengal Power Development Corporation Ltd.	Independent Director
		Beekay Steel Industries Ltd.	Independent Director
		Accountant's Library	Director
Shri Utpal Biswas, IAS	Non-Executive Director (Govt. Nominee)	West Bengal Green Energy Development Corporation Ltd.	Director

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

Meetings and Attendance

The Company has adhered to all statutory provisions laid down in respect of conducting and convening the Board meetings and accordingly, the Board met 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, especially the items which are price sensitive in nature. The agenda items for the Board meetings and other meetings of various statutory and non-statutory matters are comprehensive and informative in nature to facilitate informed deliberations and appropriate decision making. Sometimes, certain business transactions take place by way of passing Resolution by Circulation in order to address urgent issues. Your Company has undertaken every measure to adhere with the applicable secretarial standards issued by the Institute of Company Secretaries of India pertaining to the Board Meeting and General Meeting.

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

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

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

The Board Minutes are prepared at the earliest, after the Board Meetings and thereafter circulated to all the Directors for their comment on the same. After receiving the comment of the Directors the matter is forwarded to the Chairman for signature within the envisaged time frame. Relevant Minutes are then circulated to the concerned department / group for implementation and to all Directors for comments. Action Taken Report (ATR) on the decisions of the Board are obtained and placed for review in the succeeding Board meeting.

During the financial year ending 31st March 2018, Six Board meetings were held on 11th May, 25th July, 15th September, 14th November in the year 2017 and 16th March in the year 2018. The interval between any two successive meetings was less than 120 days.

The details of attendance in Board meetings held during 2017-18 are tabulated hereunder:

Sl. No.	Date of meeting	Board strength	No. of Directors present	% of Attendance in the Board
1	11.05.2017	9	7	77.78
2	25.07.2017	9	8	88.89
3	15.09.2017*	10	7	70
4	14.11.2017	10	8	80
5	09.01.2018**	9	8	88.89
6	16.03.2018	9	7	77.7

* CA Srikumar Banerjee, inducted as the Independent Director of the Company w.e.f 16th August, 2017, which raised the total strength of the Board of Directors to 10 (ten).

** Shri Somnath Bhattacharya, Director (Project) ceased to be the Director of the Company, w.e.f, 8th January, 2018 – which reduce the strength of the Board of Directors to 9 (nine) again.

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
28.09.2015	Registered Office	Eighth A.G.M.	No Special Resolution was passed in this meeting
26.09.2016	Registered Office	Ninth A.G.M.	No Special Resolution was passed in this meeting
15.09.2017	Registered Office	Tenth A.G.M.	No Special Resolution was passed in this meeting

Committees of the Board

There are 5 statutory committees in the Company and 2 committees, which have been constituted as per the Delegation of Power (DoP) adopted by the Company from time to time. The names of the committees are given hereunder:

Statutory Committees

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

DoP Committees

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

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

The composition of Board Committees and details of attendance in Committee Meetings held during the financial year ended 31st March 2018 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 of all relevant statutes.

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

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

The role of the Committee includes the following :

- (a) Overseeing the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statements are correct, credible and adequate to explain its financial activities or activities having financial implications;
- (b) Recommending the fixation of audit fee and payment of fees for any other services rendered by the auditors;
- (c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - The going concern assumption
 - Major accounting entries based on exercise of judgment by management
 - Significant adjustments, if any, arising out of audit
 - Compliance with Accounting Standards
 - Compliance with Stock Exchange and legal requirements concerning financial statements
 - Related party transactions
 - Qualifications, if any, in draft audit report
 - Report of the Directors & Management Discussion and Analysis; and
 - Review the Internal Audit Report as submitted by the Internal Audit Department.
- (d) Recommending the appointment (including their remuneration) and removal of external firm of accountants to assist and handhold the Internal Audit Department to perform their assignment.
- (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 Department 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) Reviewing the Company's financial and risk management policies;
- (k) 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;
- (l) Looking into the reasons for substantial defaults, if any, in payment to creditors;
- (m) Reviewing of status of legal cases of the Company;
- (n) 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.
- (o) Review of functioning of Vigil mechanism.
- (p) Obtaining legal and other independent professional advice and to secure the attendance of outsider with relevant experience and expertise, when considered necessary
- (q) Considering such other matters as may be required by the Board;

Composition

The Audit Committee during the period under review comprises of two Independent Director (upto 16th August, 2017) but after 16th August, 2017 another Independent Director joined the Audit Committee, which makes total number three Independent Director in the Audit Committee. Apart from it there is one Non Executive Director, who is a Govt. Nominee. The Chairman of the Audit Committee is an Independent Director. The Audit Committee meetings are attended by the Managing Director, Director (Finance & Accounts), Director (Operations), Director (Projects), Head of Internal Audit and Chief Engineer (Corporate) as permanent invitees. The representatives of the Statutory Auditors are also invited to each Audit Committee Meeting where financial results are placed. The Cost Auditors and Secretarial Auditor are also invited when the Cost Audit and Secretarial Audit Reports are considered by the Audit Committee.

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

The Chairman of the Audit Committee was not present at the last Annual General Meeting on account of certain personal preoccupation; however, CA Srikumar Banerjee being an Independent Director remained present in the meeting.

The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance

During the financial year ended 31st March 2018, four meetings of the Audit Committee were held on 11th May, 25th July and 10th November in the year 2017 and 16th March, 2018.

Attendance at Audit Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Shri Biswaranjan Mishra, Chairman	4	4
Smt.Saswati Banerjee, IAS (Retd.), Member	4	3
Shri Utpal Biswas, IAS Member	4	4
CA Srikumar Banerjee, Member**	4	1

** CA Srikumar Banerjee appointed in the capacity of the Independent Director, w.e.f 16th August, 2017

(b) Board Committee for Nomination and Remuneration:

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

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

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

- 1) Smt. Saswati Banerjee, IAS (Retd.), Chairman
- 2) Shri Biswaranjan Mishra, Member

The Company Secretary is the Secretary of the Committee.

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

During the financial year ended on 31st March, 2018, two meetings of the CSR Committee were held on 25th July and 8th November, 2017 and attendances are given below:

Sl. No.	Name	No. of Meeting	Attendance
1.	Smt Saswati Banerjee, IAS (Retd.), Independent Director & Chairman	2	2
2.	Shri Trilochan Panda, Director (F&A) & Member	2	2
3.	Shri Somnath Bhattacharya, Director (Projects) & Member (till 08.01.2018)	2	2
4.	Shri Virendra Singh (Member Secretary)	2	2

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

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

(d) Risk Management Committee:

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

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

The Risk Management Committee comprised of the three Executive Directors of Shri Trilochan Panda, Shri Somnath Bhattacharya (till 8th January, 2018) and Shri Sabyasachi Roy. After cessation of Shri Somnath Bhattacharya on 8th January, 2018, the post of Director (Projects) remained vacant in the Company and therefore, the strength of the Committee has been reduced to two. The Company Secretary has been appointed as the Chief Risk Officer of the Company and the Secretary of the Committee.

Meeting and Attendance

During the financial year ended on 31st March 2018, two meetings of the Risk Management Committee were held on 10th January and 12th March, 2018.

Attendance of Risk Management Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Shri Trilochan Panda, Chairman	2	2
Shri Sabyasachi Roy, Member	2	2

(e) Board Committee for Contracts, Purchases and Procurements:

Keeping in mind the best practices of corporate governance, ensuring transparency and to expedite the process of decision making, the Board Committee for Contracts, Purchases and Procurements was constituted to exercise powers for award of contracts and other procurement related activities exceeding Rs 30 crore and up to Rs 50 crore and beyond which Board approval is required. During period under reporting, two meetings of the Board Committee for Contracts, Purchases and Procurements were held on 11th May, 2017 and 16th March, 2018.

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

Name of the Director	Meetings	
	Held	Attended
Shri Rajesh Pandey, IAS Member & Chairman	2	2
Shri Trilochan Panda, Member	2	2
Shri Sabyasachi Roy, Member	2	2
Shri Somnath Bhattacharya, Member (till 08.01.2018)	2	1
Smt. Saswati Banerjee, IAS (Retd.), Member	2	2
Shri Biswaranjan Mishra, Member	2	2
Shri Utpal Biswas, IAS Member	2	1

The Company Secretary acts as the secretary of the Committee.

(f) Board Committee for Projects Appraisal and Monitoring

The Board Committee for Projects Appraisal and Monitoring exercises powers in relation to investment decisions related to new projects/schemes for modernization/renovation including administrative and technical approvals and monitoring status of various ongoing projects/schemes and budget utilization. During the period under reporting, three meetings of the Board Committee for Projects Appraisal and Monitoring were held on 11th May and 15th September, 2017 and 9th January, 2018.

The Attendance of the Committee Members are given below :

Name of the Director	Meetings	
	Held	Attended
Shri Rajesh Pandey, IAS Member & Chairman	3	3
Shri Trilochan Panda, Member	3	3
Shri Sabyasachi Roy, Member	3	3
Shri Somnath Bhattacharya, Member (till 08.01.2018)	3	2
Smt. Saswati Banerjee, IAS (Retd.), Member	3	2
Shri Utpal Biswas, IAS Member	3	3

The Company Secretary acts as the secretary of the Committee.

(g) Stakeholder Relationship Committee:

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

- (i) To receive the complains from the security holder pertaining to transfer of securities, non receipt of Annual Report, Non Receipt of Interest and any other matter relating to investor's grievances; and
- (ii) To specifically look into the mechanism of Redressal of Grievance of shareholders, debenture holders and other security holders.

The Stakeholder Relation Committee is comprised of Shri Trilochan Panda, Director (F&A) and Shri Virendra Singh, Company Secretary. The position of Chairman remained vacant after the cessation of Office of Shri Sreekumar Majumdar, Independent Director on 31st March, 2017. However, the Company is in the process to identify any one Independent Director as the Chairman of this Committee. No meeting of this committee held during the period under reporting. Moreover, the Investors' Grievance placed before the Board for perusal and during the period under reporting 'No Investors' Grievance was received by the Company.

DETAILED ISSUED OF BONDS

The issued bonds are listed on BSE Ltd. (formerly known as Bombay Stock Exchange) in Wholesale Debt Market (WDM). Apart from the applicable provisions of the Companies Act 2013, the issues of Bonds are also governed by SEBI (Debenture Trustees) Regulations 1993 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreements executed with BSE Ltd. and with IDBI Trusteeship Services Ltd., who is the trustee of the aforesaid bonds issued by the Company.

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

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

Shri Virendra Singh, Company Secretary, has been designated as the 'Chief 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. The Company has also introduced the practice of Legal Compliance Audit by a Company Secretary firm to look into the compliances in the various non financial laws, which are applicable to the Company. Such practice undertaken by the Company as a measure of Internal Audit in the legal audit, other than financial aspect. The report is placed before the Board on half yearly basis.

Means of Communications

The half yearly/annual unaudited/audited financial results together with limited review report given by the Statutory Auditor and Annual Financial results together with Auditor's report were submitted to the stock exchange, within the statutory time frame of 45 days from the end of the every 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. The half yearly/annual unaudited/audited financial results are also uploaded in the portal of the BSE Ltd. in XBRL format on the same day of the Board meeting in which it is approved/ taken on record.

Such financial results are published in (i) The Financial Express [English- All Edition]; (ii) The Indian Express [English- All Edition] and (iii) Aaj Kaal [Bengal-All Edition]

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

General Shareholders Information:

Details of the 11th Annual General Meeting for the financial year 2017-18

Date & Time	27 th September, 2018 at 1: 30 pm
Venue	Chamber of the Managing Directors, WBSETCL, at its Registered Office at Vidyut Bhavan, Block-DJ, Sector, II, 8th Floor, 'A' Block, Bidhannagar, Kolkata-700091

Stock exchange where the bonds are listed:

BSE Ltd.,
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	15 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	15 days before the date of payment

Disclosures :

Materially significant related party transaction

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

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

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

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

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

b) Relationship between Directors

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

Compliance Officer

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

Registrar & Share Transfer Agents (RTA)

RTA for 9.75% Bonds of ₹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
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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 2017-18.

For and on behalf of
West Bengal State Electricity Transmission Company Limited



(Rajesh Pandey)
Managing Director

Place: Kolkata
Date: 27th September, 2018

**S.SARKAR & ASSOCIATES**

Company Secretaries

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

Annexure - II B

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
West Bengal State Electricity Transmission Company Limited
Bidyut Bhavan, Block-DJ
Sector-II, Bidhan Nagar
Kolkata-700091

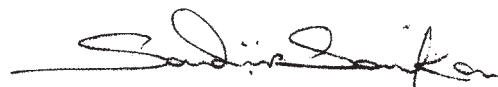
We have examined the compliance of conditions of corporate governance by WEST BENGALSTATE ELECTRICITY TRANSMISSION COMPANY LIMITED (the Company) for the year 31st March 2018 for the period of 1st April, 2017 to 31st March 2018 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015(Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulation for the said period.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has 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: 27.09.2018

Place : Kolkata

PARTICULARS REQUIRED TO BE PROVIDED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT 2013 AND COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY :

India is one of the world's emerging economic giants with ever increasing energy demand. It is facing formidable challenges in meeting its energy needs and ensuring sustainable development. Energy conservation through energy efficiency measures play an important part to address these challenges to a large extent. It has been the endeavour of WBSETCL to make all out efforts for conservation of energy in all its projects – right from the planning stage to the execution stage and throughout the operation and maintenance period. Before finalising the transmission schemes, various alternatives / technologies for power transfer are examined and one of the major criteria for selection of transmission system/technology is to ensure reduction in loss.

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

- (i) Construction of Green Office Buildings for energy conservation.
- (ii) Replacement of all lamps and luminaries by CFL and LED.
- (iii) Use of electrical appliances of 5 Star rating of BEE.
- (iv) Use of digital instruments and Relays for reduction of energy consumption.
- (v) Installation of Capacitor Bank and upgradation of Transformer for reduction of loss.
- (vi) Upgradation of 66 kV lines to 132 kV for reduction of loss.

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 400 kV, 220 kV and 132 kV Gas Insulated sub-station 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) Adoption of SF6 gas filled current transformers on experimental basis;
- (v) Utilisation of high ampacity conductor in new and existing lines;
- (vi) 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;
- (vii) Hybrid Transmission line with combination of OH conductor & UG cable at 400 kV, 220 kV and 132 kV voltage level;
- (viii) Application of OPGW for Digital Communication between the substations;
- (ix) Application of HTLS Conductor for up-rating the power flow on the existing Transmission Lines;
- (x) Special insulators like Polymer composite insulators have been adopted in transmission lines particularly in polluted areas;

- xi) Residual Life Assessment testing of sub-station equipments is done to decide on replacement of old and defective equipments / machines;
- xii) Thermo Vision Scanning is conducted in sub-stations for detecting Hot Spot and to take up repair work before breakdown. PID (Puncture Insulator Disc) scanning is also adopted for reduction of breakdown of Tr. Lines.
- xiii) Procurement of emergency restoration system (ERS) and other diagnostic tools & equipments is being considered to reduce the down time and increase the system availability.

There has been no direct import of technology by the Company during the last three years.

D. FOREIGN EXCHANGE EARNING & OUTGO :

- i) Foreign Exchange Earning Nil
- ii) Foreign Exchange Outgo Nil

Annexure-IV

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

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

The approach of WBSETCL towards Corporate Social Responsibility would hence be to identify and formulate CSR projects/programmes for the well being of the society in which the Company operate.

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, 2018
The CSR Committee consists of Shri Saswati Banerjee Independent Director, Shri Somnath Bhattacharya, Director (Project) [upto 08.01.2018], Shri Trilochan Panda, Director (F&A)
4. Average Net Profit of the Company for last 3 financial years: Rs 456.78 Crores
5. Threshold Limit (2% of this amount as in 4 above). Rs.9.12 crore
6. Details of CSR activities/projects undertaken during the year:
 - a. Total amount to be spent for the year; Rs.9.12 crore
 - b. Amount spent during the year as below; Rs.3.63 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 Kheya Ghat to Chaduria Ghat under Nadia Zilla Parishad	Infrastructure	Krishnanagar, Nadia	3.3(2.52 Crore sanctioned during 2016-17 and 0.78 Lakh sanctioned during 2017-18)	2.12	2.12	Through Nadia Zilla Parishad
2	Construction of road from Panchghara Mondal Pharmacy to Bidyadharpur Malipur Road Via Daspara adjacent to Subhasgram 220 kV Sub-station under Mallickpur Gram Panchayet, P.S-Baruipur in the District of South 24 Parganas	Infrastructure		1.23	1.23	1.23	Through South 24 Parganas Zilla Parishad
3	Construction of Pucca Drain around New Chanditala to the nearby Koushiki Canal for a length of 580 metres	Sanitation	New Chanditala, Hooghly	1.13	0.28	0.28	BDO, Chanditala-1, Development Block, Hooghly
	TOTAL			5.66	3.63	3.63	

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

The Company during the year has made earnest endeavors to spend the allotted sum of Rs 9.12 Crore into various social schemes so as to fulfill its obligation towards the society at large preferably to local area(s) around where it operate but on account of non receipt of suitable viable projects during the reporting period, therefore, CSR corpus for the said period could not be utilized in entirety.

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

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

The CSR Policy has been complied in letter and spirit.



(Rajesh Pandey)
Managing Director



(Saswati Banerjee)
Independent Director &
Chairman of CSR Committee

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details :

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto ₹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 in Shareholding 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
1	At the beginning of the year				
2	Date wise increase /Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
3	At the end of the year				

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

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

v) Shareholding of Directors and Key Managerial Personnel^^

Sl. No.	Name of the Shareholders	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
1	Shri Sunil Kumar Gupta, IAS	40,100	>1%	40,100	>1%
2	Shri Rajesh Pandey, IAS	9,500	>1%	9,500	>1%
3	Shri Sabyasachi Roy	100	>1%	100	>1%
4	Shri Utpal Biswas, IAS	100	>1%	100	>1%
	At the end of the year	49,800	>1%	49,800	>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	2,18,999.31	96,114.85	0.00	3,15,114.17
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1,144.96	310.17	0.00	1,455.13
Total (i + ii + iii)	2,20,144.27	96,425.02	0.00	3,16,569.30
Change in Indebtedness during the financial year				
Addition	49,800.85	0.00	0.00	49,800.85
Reduction	14,851.63	10,250.50	0.00	25,102.13
Net Change	34,949.22	-10,250.50	0.00	24,698.72
Indebtedness at the end of the financial year				
i) Principal Amount	2,53,948.53	85,864.35	0.00	3,39,812.89
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1,295.81	244.80	0.00	1,540.61
Total (i + ii + iii)	2,55,244.34	86,109.15	0.00	3,41,353.50

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)			
		Managing Director	T. Panda Director (F&A)	S. Roy 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	0	28.55	18.76	11.93
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	0	0	0	0
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of Profit	0	0	0	0
	- Others, Specify	0	0	0	0
5	Others, Please specify	0	0	0	0
	Total (A)	0	28.55	18.76	11.93
	Ceiling as per the Act				

* Calculation done upto 9th January, 2018.

B. Remuneration to other directors :

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Srikumar Banerjee	Biswaranjan Mishra	Saswati Banerjee	
1	Independent Directors ■ Fee for attending board & committee meetings ■ Commission ■ Others, Please Specify	0.40	1.1	1.5	
	Total (1)	0.40	1.10	1.50	3.00
		S.K. Gupta	U. Biswas		
2	Other Non-Executive Directors ■ Fee for attending board & committee meetings ■ Commission ■ Others, Please Specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)= (1+2)	0.40	1.10	1.50	3.00
	Total Managerial* Remuneration	0	0	0	0
	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/WT D*

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company* Secretary V. Singh	CFO	Total
1	Gross Salary a) Salary as per provisions Contained in Section 17(1) of the Income Tax Act, 1961	0	14.96	0	0
	b) Value of Perquisites under Section 17(2) of Income Tax Act, 1961	0	0	0	0
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of Profit	0	0	0	0
	- Others, Specify	0	0	0	0
5	Others, Please specify	0	0	0	0
	Total	0	14.96	0	0

*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	-	-

On behalf of the Board



(S. K. Gupta)
Chairman



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, 2018

[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 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process 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 **West Bengal State Electricity Transmission Company Limited** ("the Company") for the financial year ended on 31.03.2018 according to the provisions of :

- I) The Companies Act, 2013(the Act) and the rules made there under (As per Annexure);
- II) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under Not applicable for the reporting period under review:
 - (i) The Depositories Act, 1996 and the Regulation and Bye-laws framed there under
 - (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable for the reporting period under review)
- III) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, act 1992
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable for the reporting period under review)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable for the reporting period under review)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable for the reporting period under review)

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable for the reporting period under review)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable for the reporting period under review)
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable for the reporting period under review) and
- (h) The Secretarial Standard I has been complied except in relation to the circulation of minutes and authentication of the attendance sheet of the Board of Directors meeting.
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable for the reporting period under review)
- IV) Industrial Disputes Act 1947 (As per Annexure)
- V) Electricity Act 2003
- VI) Provident Fund Act 1952
- VII) *Payment of Gratuity Act 1972. In majority cases the payment has been made beyond 30(Thirty) days of the date of relinquishment of the service of employees.*
- VIII) Sexual Harassment (Prevention and Redressal) Act 2013
- IX) Environmental Laws

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

- X) Listing Obligation and Disclosure Requirements Regulation, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance; however the compliance as per Section 152(6) of the Companies Act 2013 in relation to retiring by rotation the Annual General Meeting has not been complied during the reporting period. The changes in the composition of the Board of Directors that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**For S. Sarkar & Associates
Company Secretaries**



**SANDIP SARKAR
(Proprietor)
Membership No-FCS7524
No-9483**

Date: 12/07/2018

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

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

- (i) There is one Director (DIN-01952502) who has not attained a single Board Meeting during the Financial Year 2017-18 and in spite of that continuing as a Director of the Company in contravention of Section 167(1)(b) of the Act.
- (ii) The Company could spend only Rs.3.63 crore as CSR expenditure as per Section 135 of the Act against the estimated amount of Rs.9.12 crore during the reporting period under review.

2. Industrial Disputes Act 1947

- a. The Company did not form any works committee as required under Section 3 of the Act during the reporting period under review.
- b. There was no grievance redressal committee formed under Section 9C of the Act during the reporting period under review.

Management Explanation Pertaining to Secretarial Audit

	Qualification	Explanation
1	Payment of Gratuity Act 1972: In majority cases the payment has been made beyond 30 (Thirty) days of the date of relinquishment of the service of employees	The Company released the payment to all employees within 30 (thirty) days from date of completion of full legal documentations pertaining to retired employees. Further certain relieving documents i.r.o. the superannuating employees, which are given by the concerned controlling officer, can be issued only after the superannuation date of the employees and thereafter, the same is forwarded to the Gratuity Cell for further processing. However, the Gratuity cell processes the entire claim after receipt of all requisite documents in respect of every retired employees within 30 days of such receipt of duly completed claim forms.
2	Companies Act, 2013 As per Section 152(6) of the Companies Act 2013 in relation to retiring by rotation the Annual General Meeting has not been complied during the reporting period	All the Directors are appointed in the Company by the Notification of Govt. of West Bengal and they are deemed to be Nominated Director. The provision of retiring by rotation is not applicable for the Nominee Director.
3	The Company could spend only Rs. 3.63 crore as CSR expenditure as per section 135 of the Act against the estimated amount of Rs. 9.12 crore during the reporting period under review.	The Company has made best endeavor to utilize the approved budgetary allocation for the CSR activities during the period but the same could not be done on account of lack of suitable projects for carrying out the CSR activities of the Company.
4	There is one Director (DIN-01952502) has not attended a single Board Meeting during the Financial Year 2017-18 and in spite of that continuing as a Director in the Company in contravention of Section 167(1)(b) of the Act.	Power to appoint/remove Directors vested with the Govt. of West Bengal, therefore, the Board of Directors does not have any role to appoint or remove Directors of the Company. However, the matter has been communicated to the Department of Power & NES, Govt. of West Bengal for necessary direction(s).
5	Industrial Disputes Act 1947 a. The company did not form any works committee as required under section 3 of the Act during the reporting period under review. b. There was no grievance redressal committee formed under section 9C of the Act during the reporting period under review.	a) The appropriate Government did not constitute any works committee during the reporting period for the Company. The Power to constitute the Works committee vested with appropriate Government. Moreover, pursuant to Section 3 of the Industrial Dispute Act, 1947, "Industrial Establishment" do neither have any role towards formation of the Committee nor can voluntarily constitute the same. b) Such committee is only constituted upon occurrence of any grievances between employers and the workmen. In the Company none of the regular employees falls under the purview of definition of "workmen", as per section 2(s) of the Industrial dispute Act, 1947.



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/2017-18/1531
Date: 26.09.2018

To
The Managing Director,
West Bengal State Electricity Transmission Company Limited
Vidyut Bhavan (9th Floor), Block-DJ, 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 2018

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 2018.

Yours Faithfully

Encl. As stated:

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

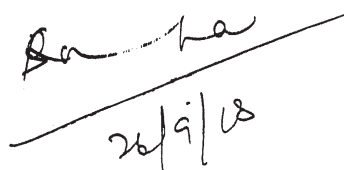
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF WEST BENGAL STATE ELECTRICITY TRANSMISSION
COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2018 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 26.07.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report supplementary.

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



(Reena Saha)
Accountant General (E&RSA)
West Bengal

Date : 26th September 2018
Place : Kolkata

INDEPENDENT AUDITORS' REPORT**To the Members of****WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED****Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

10. We draw attention to the following matters in the notes to financial statements :
- The formalities of registration of transfer of land and building re-vested in favour of the Company are pending since adequate information is not yet available. (Refer note no. 1.1 (b)).
 - Due to non-receipt of confirmations of certain balances of Capital Advances, loans and Advances, Trade payables etc. the consequential adjustments, if any , are to be made on receipt thereof. (Refer note no. 33).
 - In absence of any agreement between WBSEDCL and the Company, no counter claim/reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the Companies. (Refer note no. 8.4).
 - The Company is in the process of segregating its freehold and leasehold land. However, the Company has segregated and amortised the lease premium paid only for the leasehold lands identified till date. (refer Note. 1.3)
 - The Company is in the process of reconciling advances received from customers for construction of transmission assets with the status of the related projects. Pending such reconciliation, no adjustments have been made in the accounts. (Refer note no.17.2)
 - The Company is in the process of reviewing and evaluating amounts withheld from contractors. Adjustments, if any, will be made after completion of such assessment. (Refer note no. 16.2).
 - Capital Work-In-Progress includes Rs. 194.47 lakhs relating to projects whose progress have been affected due to severe Right of Way issues and the matter is being pursued early resolution. (Refer no.1.2).
 - The Company is in the process of identifying significant components of its Property, Plant and Equipment keeping with the requirements of Indian Accounting Standard (Ind AS) 16 Property, Plant and Equipment. Although, depreciation on assets capitalized in the current year has been charged correctly, depreciation on assets capitalized prior to 31.03.2017 has been charged on the total cost of the items of Property Plant and Equipment without allocating such total costs to the significant and other parts of the items, which have different rates notified by the West Bengal Electricity Regulatory Commission (Terms & Condition of Tariff) Regulations, 2011.

Report on Other Legal and Regulatory Requirements

11. As required under section 143 (5) of the Act, replies to the directions and sub-directions issued by the office of the Accountant General (Economic and Revenue Sector Audit) West Bengal, are furnished in "Annexure-A" to this report.
12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except any report as might have been made by the Vigilance department of the Company and for the effects of the matters described in the Basis for Qualified Opinion paragraph above.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the units not visited by us.
- c) The balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts and with the returns received from the units not visited by us.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e) The provision of section 164(2) are not applicable to the Company as it a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-C".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements refer Note 29.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Kolkata
Date : 26.07.2018

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



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

ANNEXURE – A : TO THE INDEPENDENT AUDITOR'S REPORT

TO the Members of West Bengal State Electricity Transmission Company Limited
[referred to in paragraph 11 of the Independent Auditor's Report of even date]

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

Description		Auditor's Response														
(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 101 numbers of cases were pending as on 31st of March, 2018 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>7</td></tr><tr><td>1 - 5 years</td><td>60</td></tr><tr><td>6 - 10 years</td><td>21</td></tr><tr><td>11 - 15 years</td><td>8</td></tr><tr><td>16 & above</td><td>5</td></tr><tr><td>Total</td><td>101</td></tr></table> Out of the above, it has been reported that only ten cases have a monetary involvement of Rs. 3259.67 lakhs. The Company has a separate Legal cell under the administrative control of the Company Secretary for effective monitoring of the cases.	No. of years pending	No. of Cases	< 1 year	7	1 - 5 years	60	6 - 10 years	21	11 - 15 years	8	16 & above	5	Total	101
No. of years pending	No. of Cases															
< 1 year	7															
1 - 5 years	60															
6 - 10 years	21															
11 - 15 years	8															
16 & above	5															
Total	101															

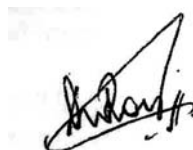
Description		Auditor's Response																					
(V)	Title/Lease Deeds																						
	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company presently procures land for its Projects through Long Term settlement as per LR Manual, 1991 and purchases private land by following defined procedures. In case of acquired land there is no requirement for execution of deed. The details as provided to us in respect of the availability of title deeds for land is given below : <table border="1"> <thead> <tr> <th>Particulars</th><th>Total Area (acre)</th><th>Deed Executed (acre)</th></tr> </thead> <tbody> <tr> <td>Leasehold Land</td><td>125.18</td><td>31.55</td></tr> <tr> <td>Purchased/Gifted land</td><td>31.9</td><td>15.88</td></tr> <tr> <td>Land transferred From other Organization (except WBSEDCL)</td><td>352.16</td><td>41.19</td></tr> <tr> <td>Land transferred from WBSEDCL</td><td>51.95</td><td>-</td></tr> <tr> <td>Acquired Land (under Land Acquisition Act)</td><td>1064.86</td><td>-</td></tr> <tr> <td>Land for which no documentation is available</td><td>23.25</td><td>-</td></tr> </tbody> </table>	Particulars	Total Area (acre)	Deed Executed (acre)	Leasehold Land	125.18	31.55	Purchased/Gifted land	31.9	15.88	Land transferred From other Organization (except WBSEDCL)	352.16	41.19	Land transferred from WBSEDCL	51.95	-	Acquired Land (under Land Acquisition Act)	1064.86	-	Land for which no documentation is available	23.25	-
Particulars	Total Area (acre)	Deed Executed (acre)																					
Leasehold Land	125.18	31.55																					
Purchased/Gifted land	31.9	15.88																					
Land transferred From other Organization (except WBSEDCL)	352.16	41.19																					
Land transferred from WBSEDCL	51.95	-																					
Acquired Land (under Land Acquisition Act)	1064.86	-																					
Land for which no documentation is available	23.25	-																					

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

Description		Auditor's Response
1.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts ?	As reported to us, the transmission loss of WBSETCL at the transmission boundary during the financial year 2017-18 remained within the prescribed norms of Hon'ble West Bengal Electricity Regulatory Commission. Since the business of the Transmission Company is that of a Carrier/Facilitator for arranging infrastructure to enable transmission of Power from the Evacuation point of the Generating Stations to the Voltage level of the Distribution Company, any transmission loss is passed to the Account of Generator/Distributor and thereof accounted for at their end. Further Transmission charges being determined by the Regulator as fixed charges and on the quantum of Power dealt with, there is no scope for accounting of Transmission loss in the books of accounts of WBSETCL.

	Description	Auditor's Response
2.	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	No asset has been completed or handed over to other agencies during the year.

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



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

Place: Kolkata
Date:26.07.2018

ANNEXURE -B : TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of West Bengal State Electricity Transmission Company Limited

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

1. (a) The Company is in the process of updating its Fixed Asset Register which will contain full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, the transmission equipments and Lines have been physically verified by the management. Other fixed assets of the Company could not be physically verified during the year. The discrepancy, if any, could not be ascertained.
- (c) As per the information and explanation given to us, the details of title deeds for the land is given below :-

Particulars	Total Area (acres)	Deed Executed (acres)	Deed pending to be executed (acres)
Leasehold Land	125.18	31.55	93.63
Purchased/Gifted land	31.9	15.88	16.02
Land transferred from other organization (except WBSEDCL)	352.16	41.19	310.97
Land transferred from WBSEDCL	51.95	-	51.95
Acquired Land (under Land Acquisition Act)	1064.86	-	1064.86
Land for which no documentation is available	23.25	-	23.25

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

2. The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others during the year.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the rules framed there under.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, The Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, Goods and Service tax, cess and any other statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at 31st March 2018 which have not been deposited on account of any dispute are as follows :

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

8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings due to financial institutions banks, Government or debenture holder during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The related statutes are not applicable as the Company is not a Nidhi Company.
13. According to the information and explanations given to us and the records of the Company examined by us, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in Note-27 of the financial statements as required by the applicable Ind AS.
14. The Company has neither made any preferential allotment of shares nor fully or partly convertible debentures during the year under audit.

15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company and the holding Company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



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

Place: Kolkata
Date:26.07.2018

ANNEXURE- C TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of West Bengal State Electricity Transmission Company Limited

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

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

1. We have audited the internal financial controls over financial reporting of West Bengal State Electricity Transmission Company Limited ("The Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for the external purpose 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 to the records that, in reasonable detail, accuracy and fairly reflect the transactions and dispositions of the assets of the Company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of the Company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitations of internal financial control over financial reporting, including possibilities 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 evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31st March, 2018:
 - a) No ERP Software or any integrated software is being used for preparations 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) Considering the volume of business of the Company and the nature of compliance to be ensured, it is felt that manpower set up at corporate head office and units need to be further increased and strengthened to ensure better compliances. Further the units are also required to be adequately manned so that three tier checking is ensured.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as of 31st March, 2018, based on "the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.
11. We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31st March, 2018 financial statements of the Company and these material weakness does not effect our opinion on the financial statements of the Company.

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



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

Place : Kolkata
Date : 26.07.2018

Balance Sheet as at 31st March, 2018
₹ in lakhs

PARTICULARS	NOTE	As at 31.03.2018		As at 31.03.2017	
ASSETS					
Non-current assets					
(a) Property, plant and equipment	1	5,75,392.22		5,04,015.76	
(b) Capital work-in-progress	1	1,72,632.61		1,78,167.68	
(c) Other non-current assets	2	8,169.87		10,851.73	
(d) Tax assets	3	4,077.50		4,076.45	
Total Non-current assets			7,60,272.20		6,97,111.62
Current assets					
(a) Inventories	4	15,667.23		14,302.87	
(b) Financial assets					
(i) Trade Receivable	5	30,624.22		22,365.55	
(ii) Cash and cash equivalents	6	20,067.82		17,090.79	
(iii) Other bank balances	6(i)	19,490.79		17,733.29	
(iv) Other financial assets	7	2,542.27		2,070.19	
(c) Other current assets	8	13,752.03		10,802.56	
Total Current assets			1,02,144.36		84,365.25
Total Assets			8,62,416.56		7,81,476.87
Regulatory deferral account debit balance	9		-		4,471.26
Total Assets and Regulatory deferral account debit balance			8,62,416.56		7,85,948.13
Equity					
(a) Equity share capital	10	1,10,552.00		1,10,552.00	
(b) Other Equity		2,90,560.51		2,46,748.88	
Total Equity			4,01,112.51		3,57,300.88
LIABILITIES					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	11	3,03,737.14		2,81,529.61	
(b) Provisions	12	6,657.91		7,330.29	
(c) Other non-current liabilities	13	13,577.26		10,919.16	
Total Non-current liabilities			3,23,972.31		2,99,779.06
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	14	9,722.89		10,751.74	
(ii) Trade payables	15	5,319.04		6,464.70	
(iii) Other financial liabilities	16	80,276.59		78,312.70	
(b) Provisions	12(i)	980.66		772.64	
(c) Other current liabilities	17	41,032.56		32,566.41	
Total Current liabilities			1,37,331.74		1,28,868.19
Total Equity and Liabilities			8,62,416.56		7,85,948.13

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

In terms of our report of even date attached herewith.

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



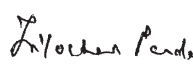
(D.N Roy)
Partner

Membership No :-300389



(Virendra Singh)
Company Secretary

For and on behalf of the Board of Directors



(Trilochon Panda)
Director (F&A)



(Rajesh Pandey)
Managing Director

Kolkata
Date 26-07-2018

Statement of Profit and Loss for the year ended 31st March 2018

₹ in lakhs

PARTICULARS	NOTE	Year ended 31.03.2018	Year ended 31.03.2017
I Revenue from operations	18	1,29,854.15	1,25,891.57
II Other Income	19	5,090.74	3,661.73
III Total Income (I + II)		1,34,944.89	1,29,553.30
IV EXPENSES			
(a) Employee benefits expense	20	23,982.77	23,561.75
(b) Finance costs	21	24,510.95	23,856.49
(c) Depreciation expense	22	21,310.52	19,577.81
(d) Other expenses	23	18,317.13	15,369.65
Total Expenses (IV)		88,121.37	82,365.70
V Profit before tax (III - IV)		46,823.52	47,187.60
VI Tax Expense			
(1) Current tax		10,049.12	10,070.71
(2) Deferred tax			
Total tax expense		10,049.12	10,070.71
VII Profit for the year (V - VI)		36,774.40	37,116.89
VIII Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss - Remeasurement of defined Benefit plan		8,946.57	7,576.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		1,909.34	1,616.78
(B) (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total Other Comprehensive Income for the year (A+B)		7,037.23	5,959.50
X Total Comprehensive Income for the year (VII + IX)		43,811.63	43,076.39
XI Earnings per equity share (Face value Rs. 10 each):			
(1) Basic (in Rs)		3.33	3.36
(2) Diluted (in Rs)		3.33	3.36

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

In terms of our report of even date attached herewith.

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



(D.N Roy)
Partner

Membership No :-300389

Kolkata
Date 26-07-2018



(Virendra Singh)
Company Secretary

For and on behalf of the Board of Directors



(Trilochon Panda)
Director (F&A)



(Rajesh Pandey)
Managing Director

Statement of Cash Flow for the year ended 31st March 2018

₹ in lakhs

PARTICULARS	As at 31.03.2018	As at 31.03.2017
Cash flows from operating activities		
Profit before tax	46,823.52	47,187.60
Adjustment for :-		
Depreciation and amortisation	21,310.52	19,577.81
Finance cost	31,852.01	29,724.12
Interest Income	(2,863.54)	(2,740.70)
Amortisation in respect to depreciation of consumer asset	(378.13)	(254.58)
	96,744.38	93,494.25
Movement in working capital:-		
Increase in Inventories	(1,364.36)	(3,412.68)
(Increase)/ Decrease in Trade Receivable	(8,258.67)	7,132.47
Decrease in Other Financial Asset	-	-
Increase in Other Current Asset	(2,949.47)	(833.69)
(Increase)/ Decrease in Regulatory Asset	4,471.26	
Increase/ (Decrease) in Trade payable	(1,145.66)	(491.43)
Increase in other Financial liability	(2,274.05)	12,044.35
Increase in Other Current Liability	8,466.15	4,276.82
Increase in provision	8,482.21	9,198.25
Increase in Deposit and Retention Money	593.74	8,618.55
Cash generated from operation:-	1,02,765.53	1,30,026.89
Income taxes paid	(11,959.51)	(10,049.38)
Net cash generated by operating activities	90,806.02	1,19,977.51
Cash flow from investing activities		
Payment for property, plant and equipment	(90,372.08)	(57,678.80)
Payment for capital work in progress	8,216.93	(53,446.93)
Increase in other bank balances	(1,757.50)	(4,634.53)
Interest received	2,391.46	2,957.06
Grant received from Gov WB	721.33	14.92
Net cash (used) in investing activities	(80,799.86)	(1,12,788.28)
Cash flow from Financing Activity		
Proceeds from borrowings	25,727.58	22,494.12
Interest paid	(31,727.86)	(29,751.92)
Net cash (used in) /generated by Financing activities	(6,000.28)	(7,257.80)
Net (decrease)/ increase in cash and cash Equivalent	4,005.88	(68.56)
Cash and cash equivalents at the beginning of the year	6,339.05	6,407.62
Cash and cash equivalents at the end of the year	10,344.93	6,339.05

Note

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

Cash and Cash Equivalent (Note 6)	20,067.82	17,090.79
Cash Credit Facility (Note 14)	9,722.89	10,751.74

Total

10,344.93	6,339.05
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In terms of our report of even date attached herewith.

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

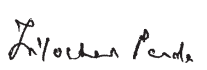


(D.N Roy)
Partner



(Virendra Singh)
Company Secretary

For and on behalf of the Board of Directors



(Trilochon Panda)
Director (F&A)



(Rajesh Pandey)
Managing Director

Membership No :-300389

Kolkata
Date 26-07-2018

Statement of changes in equity as at 31st March 2018

a. Equity share capital

₹ in lakhs

PARTICULARS	Amount
Balance as at April 1, 2016	1,10,552.00
Changes in equity share capital during the year	-
Balance as at March 31, 2017	1,10,552.00
Changes in equity share capital during the year	-
Balance as at March 31, 2018	1,10,552.00

₹ in lakhs

Particulars	Reserves and Surplus				Total
	General reserve	Debenture Redemption Reserve	Reserve for Unforeseen Exigencies Fund	Retained earnings	
Balance as at April 1, 2016	1,87,838.30	9,494.20	6,339.99	-	2,03,672.49
Profit for the year	-	-	-	37,116.89	37,116.89
Total comprehensive income for the year net of tax	-	-	-	5,959.50	5,959.50
Transfer to Debenture Redemption Reserve	-	1,757.50	-	(1,757.50)	-
Transfer to Unforeseen Exigencies fund	-	-	556.74	(556.74)	-
Transfer to General Reserve	40,762.15	-	-	(40,762.15)	-
Prior period Expenditure	-	-	-	-	-
Balance as at March 31, 2017	2,28,600.45	11,251.70	6,896.73	-	2,46,748.88
Profit for the year	-	-	-	36,774.40	36,774.40
Total comprehensive income for the year net of tax	-	-	-	7,037.23	7,037.23
Transfer to Debenture Redemption Reserve	-	1,757.50	-	(1,757.50)	-
Transfer to Unforeseen Exigencies fund	-	-	559.67	(559.67)	-
Transfer to General Reserve	41,494.46	-	-	(41,494.46)	-
Balance as at March 31, 2018	2,70,094.91	13,009.20	7,456.40	-	2,90,560.51

- 1 The company maintains Reserve for Unforeseen Exigency to the extent of amount allowed under tariff.
- 2 The company is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures as per the provision of Companies Act 2013. During the year an amount of Rs 1757.50 Lakhs (Previous Year Rs 1757.50 Lakhs) was transferred to Debenture Redemption Reserve.
- 3 Other Comprehensive income arises due to re-measurement of post employment benefit obligation and the same is recognized directly to retained earnings.

In terms of our report of even date attached herewith.

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

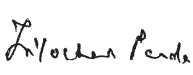

(D.N Roy)
Partner

Membership No :-300389

Kolkata
Date 26-07-2018


(Virendra Singh)
Company Secretary

For and on behalf of the Board of Directors


(Trilochon Panda)
Director (F&A)


(Rajesh Pandey)
Managing Director

Notes forming part of the Financial Statements

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

	₹ in lakhs	
	As at 31.03.2018	As at 31.03.2017
(A) Carrying amounts of:		
Freehold land	9,306.83	8,775.99
Lease hold Land	2,383.89	232.79
Building	35,012.50	27,006.30
Plant and Machinery	5,27,454.58	4,66,936.58
Furniture and Fixtures	703.83	646.81
Vehicle	6.01	6.01
Office Equipment's	437.36	322.13
Spare units and Service units	87.22	89.15
	5,75,392.22	5,04,015.76
(B) Capital Work in progress	1,72,632.61	1,78,167.68
	7,48,024.83	6,82,183.44

Cost or Deemed Cost

Description	Freehold land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicle	Office Equipment's	Spare units and Service units	Total
Cost or Deemed Cost									
Balance as at April 1, 2016	6,006.86	232.79	23,771.70	4,49,917.83	636.46	6.01	338.39	93.00	4,81,003.04
Addition	2,769.13	-	4,560.59	51,848.69	96.59	-	57.71	-	59,332.71
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	8,775.99	232.79	28,332.29	5,01,766.52	733.05	6.01	396.10	93.00	5,40,335.75
Addition	2,707.24	2,176.40	8,867.63	85,308.69	108.46	-	193.06	-	99,361.48
Disposals/Adjustment	(2,176.40)	-	-	(4,702.90)	-	-	-	-	(6,879.30)
Balance as at March 31, 2018	9,306.83	2,409.19	37,199.92	5,82,372.31	841.51	6.01	589.16	93.00	6,32,817.93

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Description	Freehold land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicle	Office Equipment's	Spare units and Service units	Total
Accumulated Depreciation and Impairment									
Balance as at April 1, 2016	-	-	632.03	16,038.79	39.63	-	29.84	1.92	16,742.21
Depreciation	-	-	693.96	18,791.18	46.61	-	44.13	1.93	19,577.81
Eliminated on Disposal	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	-	1,325.99	34,829.97	86.24	-	73.97	3.85	36,320.02
Depreciation	-	25.30	861.43	20,292.59	51.44	-	77.83	1.93	21,310.52
Eliminated on Disposal	-	-	-	(204.80)	-	-	-	-	(204.80)
Balance as at March 31, 2018	-	25.30	2,187.42	54,917.76	137.68	-	151.80	5.78	57,425.74
Carrying amounts									
Balance as at April 1, 2016	6,006.86	232.79	23,139.67	4,33,879.07	596.83	6.01	308.55	91.08	4,64,260.86
Additions	2,769.13	-	4,560.59	51,848.69	96.59	-	57.71	-	59,332.71
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(693.96)	(18,791.18)	(46.61)	-	(44.13)	(1.93)	(19,577.81)
Balance as at March 31, 2017	8,775.99	232.79	27,006.30	4,66,936.58	646.81	6.01	322.13	89.15	5,04,015.76
Additions	2,707.24	2,176.40	8,867.63	85,308.69	108.46	-	193.06	-	99,361.48
Disposals	(2,176.40)	-	-	(4,498.10)	-	-	-	-	(6,674.50)
Depreciation expense	-	(25.30)	(861.43)	(20,292.59)	(51.44)	-	(77.83)	(1.93)	(21,310.52)
Balance as at March 31, 2018	9,306.83	2,383.89	35,012.50	5,27,454.58	703.83	6.01	437.36	87.22	5,75,392.22

Note 1.1

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

(b) Except for the acquired land where there is no requirement of execution of deed, the formalities for registration of transfer of balance land measuring 472.56 acres & buildings re-vested in favour of the Company are still under process since adequate information is not yet available.

Note 1.2

Capital Wok in progress includes an amount of Rs. 194.47 lakhs incurred upto 31.03.2018 on 132KV D/C transmission line from Food Park substation to Ambuja Cement Factory, the progress of work in respect of this line is affected due to severe Right of Way problems. The matter is being pursued with the EPC contractor as well as the District Administration for early resolution of the issues.

Note 1.3

The company is in the process of Segregating Freehold and Leasehold Land. Till date, the company has identified and reclassified Leasehold land amounting to Rs 2176.40 lakhs. Accordingly the company has amortised the lease premium on such leasehold land over the remaining lease period.

Notes forming part of the Financial Statements

Note 2 - Other Non Current Asset

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Advances	8,169.87	10,851.73
Total	8,169.87	10,851.73

Note 3 - Tax Assets

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Current tax assets		
Income tax paid in Advance (net of provision)	4,077.50	4,076.45
Total	4,077.50	4,076.45

Note 4 - Inventories

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Inventories (At Lower of cost and net realisable value)		
Stores and Spares	15,667.23	14,302.87
Total	15,667.23	14,302.87

Note 4.1

- Physical verification of stocks was conducted by engaging external agencies at all Store Units under the jurisdiction of Area Offices. On the basis of such verification an amount of Rs 71.94 lakhs being Stock shortage is charged to Statement of Profit and Loss.
- During the course of physical verification of store identification of slow/non moving, obsolete inventories has been made except three area office . On completion of the process an amount of Rs.302.06 lakhs has been adjusted with the provision of Rs 760.96 lakhs made in earlier years (Prior 2014-15). The remaining balance of the provision of Rs 458.90 lakhs has been reduced from the value of stock.

Notes forming part of the Financial Statements

Note 5 - Trade Receivable

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	30,624.22	22,365.55
(c) Doubtful	-	-
Less: Allowance for doubtful receivable	-	-
Total	30,624.22	22,365.55

5.1 Trade Receivable

- (a) As per agreement dated 4 th January 2011 between "WBSEDCL" and "WBSETCL", in case the payment of bills of transmission charges are through Letter of credit on presentation , WBSETCL shall allow a rebate of 2% , Where the payment is made other than through a Letter of Credit within a period of one month of presentation of bills , WBSETCL shall allow a rebate of 1% .Similarly in case the payment of the transmission charges by the beneficiary or beneficiaries are delayed beyond the period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month or prorated for part of the month thereof shall be levied by WBSETCL for the defaulted period reckoning from the due date.
- (b) Amount receivable in respect to trade receivable includes dues receivable from WBSEDCL for the month of February 2014 and March 2014 amounting to Rs. 4,160.10 lakhs. The stated matter has been represented to the Department of Power and NES, Government West Bengal for issuing direction to WBSEDCL to release the amount involved and seeking permission of raising demand on delayed payment surcharge on WBSEDCL as per Transmission Service Agreement. While the deducted amount of Rs. 4160.10 lakhs is being reflected as receivable in the accounts as on 31 March 2018 and March 31 2017.

₹ in lakhs

	As at 31.03.2018	As at 31.03.2017
(c) Age of receivables		
Within credit period days	26936.60	18543.97
1-30 days past dues	122.01	115.93
31-60 days past dues	-	122.01
61-90 days past due	-	-
More than 90 days past dues	3565.61	3583.64

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

Notes forming part of the Financial Statements
Note 6 - Cash and Cash Equivalents
₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Balance with banks	1,897.13	2,297.50
(b) Cheques, drafts in hand	-	-
(c) Cash in hand	12.47	12.84
(d) Others		
(1) Short-term deposits		
Other term deposits including deposits under auto facilities	18,158.22	14,780.45
Total	20,067.82	17,090.79

Note 6 (i) - Other bank balances
₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Earmarked Balances with banks		
(i) In deposit accounts		
a. Term deposits held against redemption of debentures	13,009.20	11,251.70
b. Term deposits held against Unforeseen exigencies	6,481.59	6,481.59
Total	19,490.79	17,733.29

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

Note 7 - Other Financial Assets
₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Interest accrued on term deposits	2,542.27	2,070.19
TOTAL	2,542.27	2,070.19

Notes forming part of the Financial Statements

Note 8 - Other Current Asset

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Others		
(a) Advances to employees	74.58	234.36
(b) Advances to contractors and suppliers	166.65	196.92
(c) Receivable from WBSEDCL	6,838.18	6,613.47
(d) Advance to CPF Trust-WBSEDCL	79.17	79.16
(e) Advance to GPF Trust-WBSEDCL	7.00	90.18
(f) Advance to Pension Trust-WBSEDCL	-	2.24
(g) Advance to Gratuity Trust-WBSEDCL	0.09	0.73
(h) Advance to Pension Trust-WBSETCL	1,933.08	1,011.72
(i) Advance to Gratuity Trust-WBSETCL	-	54.03
(j) Advance to GPF Trust-WBSETCL	0.35	-
(k) Advances to Durgapur Projects Limited	4,500.00	2,500.00
(l) Other Assets	152.93	19.75
Total	13,752.03	10,802.56

- 8.1** An amount of Rs 4500 Lakhs has been paid as advance to Durgapur Projects Limited (DPL) as per directives vide letter no 50-PO/O/C-I/5M-01/08 dated 12th March 2015 and letter no 4-PO/O/C-II/4M-03/2016 dated 10th January 2018 issued by Department of Power and NES, Government of West Bengal against future acquisition of transmission asset of DPL on later date, which is under active consideration of the Government of West Bengal. The amount is hence included in Other Current Asset
- 8.2** Advance to employees include medical and leave travel advance as per their entitlement. During the Financial Year 2017-18 and amount of Rs 189.94 lakhs has been provided in the accounts on the basis of submitted bills and deducted from amount of 'Advance to employees'.
- 8.3** Receivable from GPF and CPF trust is on account excess amount paid on account of actuarial valuation to the trust maintained in respect to gratuity and pension.
- 8.4** In absence of any agreement between WBSEDCL and the Company, no counter claim/re-imbursement of expenditure have been recognized or accounted for in the books of account with respect to use of buildings, infrastructure and other facilities enjoyed by WBSEDCL or vice-versa. The actual expenditures of such facilities are borne by the company owning such facilities.

Notes forming part of the Financial Statements

Note 9 - Regulatory deferral account debit balance

₹ in lakhs

Particulars	01.04.2016	Balances arising during the period	Recovery / Reversal	31.03 2017
Electricity Transmission				
Regulatory assets	4,471.26	-	-	4,471.26
Total	4,471.26	-	-	4,471.26

₹ in lakhs

Particulars	01.04.2017	Balances arising during the period	Recovery / Reversal	31.03 2018
Electricity Transmission				
Regulatory assets	4,471.26	-	4,471.26	
Total	4,471.26	-	4,471.26	

- 9.1** Regulatory deferral account is recognized on the expectation that the future economic benefit associated with it will flow to the company as a result of actual expected actions of the Regulator under the applicable regulatory framework and the amount is measured reliably.
- 9.2** As per Ind AS 114 accounting of Regulatory Deferral balance has been considered in the accounts of 2016-17. The same method of accounting was followed in the current year.
- 9.3** The above amount represents balance recoverable against APR order dated 09.09.2013 for 2011-12. The recovery order from WBERC is received on 04.07.2018 and the said amount will be realised in the Financial Year 2018-19 hence the amount is shown under Trade Receivables.

Notes forming part of the Financial Statements

Note 10 - Equity Share Capital

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised: 200,00,00,000 fully paid equity shares of Rs. 10 each (As at March 31, 2018: 200,00,00,000) (As at March 31, 2017: 200,00,00,000)	2,00,000.00	2,00,000.00
Total	2,00,000.00	2,00,000.00
Issued Subscribed and Paid Up:- 110,55,20,000 Equity shares of Rs 10 each fully paid (As at March 31, 2018: 110,55,20,000) (As at March 31, 2017: 110,55,20,000)	1,10,552.00	1,10,552.00
Total	1,10,552.00	1,10,552.00

Note 10.1 - Fully paid equity shares

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Balance as April 1, 2016	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00
Issue of shares during the year	-	-	-	-
Balance as at March 31, 2017	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00
Issue of shares during the year	-	-	-	-
Balance as at March 31, 2018	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00

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

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

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	% age of holding of equity shares	No. of shares held	% age of holding of equity shares
Government of West Bengal	1,10,54,70,000	99.99%	1,10,54,70,000	99.99%
	1,10,54,70,000	99.99%	1,10,54,70,000	99.99%

Notes forming part of the Financial Statements
Note 11 - Borrowing - Non current
₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Long Term	Current Maturities	Long Term	Current Maturities
A Secured Borrowings - at amortised Cost				
(1) Bonds / Debentures				
Non-convertible				
(i) 9.75 % Market Bonds	1,830.00	1,830.00	3,660.00	1,830.00
(ii) 10.29% Market Bonds	25,000.00		25,000.00	-
(2) Term Loans				
(a) From Banks				
(i) Allahabad Bank (HUDCO)	6,692.26	1,274.71	7,255.08	1,668.00
(ii) ICICI Bank		245.07	245.07	1,000.00
(b) From Financial Institutions & Others				
(i) Power Finance Corporation Ltd (PFCL)	10,146.47	534.03	2,048.87	-
(ii) Rural Electrification Corporation (RECL)	1,43,049.36	9,195.81	1,14,128.88	5,394.22
(iii) Life Insurance Corporation of India (LIC)	7,387.34	615.61	8,618.56	615.61
(iv) National Bank for Agricultural and Rural Developments	34,017.85	2,407.13	34,708.80	2,074.48
B Unsecured Borrowings - at amortised Cost				
(1) Bonds / Debenture				
(i) 8.5% Pension Trust Bonds	10,800.00	5,400.00	16,200.00	5,400.00
(2) From Financial Institution				
(i) State Government Loan	64,813.86	4,850.50	69,664.35	4,850.50
Total	3,03,737.14	26,352.86	2,81,529.61	22,832.81

11.1 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.
- 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. 265,121,179.
- Term Loan from HUDCO 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.
- 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.
- 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.
- 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.
- 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.

Notes forming part of the Financial Statements

Note 11.2- Non Current Borrowings

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

- Balance of 9.75% Market Bonds are repayable in two equal yearly installments of Rs 1830 lakhs each ending in 2019-20.
- 10.29% Market Bonds are repayable in a single installment in 2021-22.
- Balance of 8.50% Pension Trust Bonds are repayable in 3 equal yearly installments of Rs 5400 lakhs ending in 2020-21.
- Balance of Term Loan from ICICI Bank Ltd (Formerly Bank of Rajasthan) (@11.85%) is repayable in further 1 quarterly installment of Rs 245.07 lakhs in June 2018.
- Balance of Term Loan from HUDCO (@ 9.45 % on reporting date) balance is repayable in 25 quarterly installments of Rs 318.68 lakhs ending in 2023-24.
- Secured Loan from PFCL of Rs 10680.50 lakhs (partially disbursed) @ 12.00% - 9.50% is repayable in 40 quarterly installments of Rs 267.01 lakhs ending in 2028-29
- Secured Loans from REC have been received for various projects in different tranches. The repayment schedule is as follows:

Loan No.	Loan Amount (Rs. in Lakhs)	No. of balance instalments (Yearly)	Instalments Amt. (Rs. in Lakhs)	Maturity year	Average Interest Rate(%)
210931	240.75	2	120.37	2019-2020	11.29%
210001	2,440.46	3	813.49	2020-2021	11.25%
210002	1,121.03	3	373.68	2020-2021	11.24%
210003	844.89	3	281.63	2020-2021	11.21%
210004	827.34	3	275.78	2020-2021	11.23%
210005	584.69	5	116.94	2022-2023	11.25%
210007	8,436.31	4	2,109.08	2021-2022	10.55%
210942	904.61	4	226.15	2021-2022	11.25%
1397137 (partially disbursed)	17,015.80	15	1,134.39	2032-2033	10.90%
1397723 (partially disbursed)	6,342.91	10	634.29	2027-2028	10.64%
1398197 (partially disbursed)	21,694.57	10	2,169.46	2027-2028	10.85%
1398244 (partially disbursed)	5,328.05	10	532.80	2027-2028	10.75%
1398242 (partially disbursed)	3,089.83	10	308.98	2027-2028	10.86%
1397724 (partially disbursed)	987.68	10	98.77	2027-2028	10.96%
1397725 (partially disbursed)	5,603.50	10	560.35	2028-2029	10.49%
1397698 (partially disbursed)	9,034.02	10	903.40	2028-2029	10.48%
1398198 (partially disbursed)	9,716.86	10	971.69	2028-2029	10.48%
1399143 (partially disbursed)	1,058.94	10	105.89	2029-2030	10.33%
1398241 (partially disbursed)	812.67	10	81.27	2029-2030	10.38%
1399635 (partially disbursed)	5,642.11	12	470.18	2031-2032	9.98%
1399649 (partially disbursed)	7,287.07	12	607.26	2031-2032	10.00%
1399650 (partially disbursed)	3,591.30	12	299.28	2031-2032	9.95%
13910640 (partially disbursed)	2,118.91	12	176.58	2031-2032	9.88%
13910643 (partially disbursed)	2,507.42	12	208.95	2031-2032	9.81%
13910644 (partially disbursed)	8,480.60	12	706.72	2031-2032	9.96%

Cont.....

Cont.....

Loan No.	Loan Amount (Rs. in Lakhs)	No. of balance instalments (Yearly)	Instalments Amt. (Rs. in Lakhs)	Maturity year	Average Interest Rate(%)
13910645 (partially disbursed)	3,224.07	12	268.67	2031-2032	9.89%
13910646 (partially disbursed)	1,265.87	12	105.49	2032-2033	9.55%
1399653 (partially disbursed)	1,740.90	12	145.07	2032-2033	9.55%
13911673 (partially disbursed)	3,637.79	12	303.15	2032-2033	9.25%
13911614 (partially disbursed)	1,452.14	12	121.01	2032-2033	9.25%
13911721 (partially disbursed)	1,786.41	12	148.87	2032-2033	9.25%
13911711 (partially disbursed)	2,903.40	12	241.95	2032-2033	9.25%
13911649 (partially disbursed)	1,504.90	12	125.41	2032-2033	9.25%
13911714 (partially disbursed)	4,134.48	12	344.54	2032-2033	9.25%
13911713 (partially disbursed)	1,088.56	12	90.71	2032-2033	9.25%
13911722 (partially disbursed)	3,794.33	12	316.19	2032-2033	9.25%

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 loan balance (@ 10.10%) is repayable in 13 equal half-yearly instalments, ending in 2024-25.

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

Loan No.	Loan Amount	No. of balance instalments (Quarterly)	Instalments Amt. (Rs. in Lakhs)	Maturity year	Interest Rate(%)
NABARD (NIDA) I	4,865.92	35	139.03	2026-27	10.25%
NABARD (NIDA) II	7,108.93	39	182.29	2027-28	10.40%
NABARD (NIDA) III (partially drawn)	8,483.82	43	197.31	2028-29	10.40%
NABARD (NIDA) IV (partially drawn)	15,966.31	48	332.63	2030-31	9.25%

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

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

Particulars	Loan Amount (in Lakhs)	No. of balance instalments. (Yearly)	Maturity year	Instalments Amt.
Opening Loan transferred from WBSEB	62,183.10	15	2032-33	4,145.69
05(sanction)-PO/P/C/II/1B-10/2004	428.38	10	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004	421.04	10	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004	558.25	10	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004	809.85	10	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006	41.33	10	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(pt)	970.78	10	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004	1,063.60	11	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004	657.33	11	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004	1,831.05	11	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	82.98	11	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004	616.68	12	2029-30	51.39

Repayment Schedule March 2017

- Balance of 9.75% Market Bonds are repayable in three equal yearly instalments of Rs 1830 lakhs each ending in 2019-20.
- 10.29% Market Bonds are repayable in a single instalment in 2021-22.
- Balance of 8.50% Pension Trust Bonds are repayable in 4 equal yearly instalments of RS 5400 lakhs ending in 2020-21.
- Balance of Term Loan from ICICI Bank Ltd (Formerly Bank of Rajasthan) (@11.85%) is repayable in further 5 quarterly instalments, 4 instalments of Rs 250 lakhs each and balance of Rs 245.07 lakhs in the last instalment ending on June 2018.
- Balance of Term Loan from Allahabad Bank (@Base Rate + 1.50% or 11.20 % on reporting date) balance is repayable in 22 quarterly instalments, 21 instalments of Rs 417.00 lakhs and balance of Rs 166.08 lakhs in the last instalment ending in Aug 2022
- Secured Loan from PFCL of Rs 2048.87 lakhs (partially disbursed) @ 12.00% - 12.25% is repayable in 40 quarterly instalments of Rs 51.22 lakhs ending in 2027-28
- Secured Loans from REC have been received for various projects in different tranches. The repayment schedule is as follows:

Loan No.	Loan Amount (Rs. in Lakhs)	No. of balance instalments (Yearly)	Instalments Amt. (Rs. in Lakhs)	Maturity year	Average Interest Rate(%)
210919	442.80	1.00	442.80	2017-2018	10.74%
210928	634.30	1.00	634.30	2017-2018	11.81%
210931	361.12	3.00	120.37	2019-2020	11.32%
210001	3253.95	4.00	813.49	2020-2021	11.70%
210002	1494.71	4.00	373.68	2020-2021	11.67%
210003	1126.52	4.00	281.63	2020-2021	11.98%
210004	1103.13	4.00	275.78	2020-2021	11.66%
210005	701.63	6.00	116.94	2022-2023	11.24%
210007	10545.39	5.00	2109.08	2021-2022	11.02%
210942	1130.77	5.00	226.15	2021-2022	11.68%
1397137 (partially disbursed)	17015.80	15.00	1134.39	2032-2033	11.15%
1397723 (partially disbursed)	6342.91	10.00	634.29	2027-2028	11.20%
1398197 (partially disbursed)	21453.90	10.00	2145.39	2027-2028	10.92%
1398244 (partially disbursed)	4703.76	10.00	470.38	2028-2029	10.83%
1398242 (partially disbursed)	3089.83	10.00	308.98	2028-2029	10.85%
1397724 (partially disbursed)	987.68	10.00	98.77	2028-2029	10.95%
1397725 (partially disbursed)	5213.68	10.00	521.37	2028-2029	10.50%
1397698 (partially disbursed)	8019.50	10.00	801.95	2029-2030	10.45%
1398198 (partially disbursed)	8507.86	10.00	850.79	2029-2030	10.50%
1399143 (partially disbursed)	300.22	10.00	30.02	2029-2030	10.50%
1398241 (partially disbursed)	380.40	10.00	38.04	2029-2030	10.50%
1399635 (partially disbursed)	4319.98	12.00	360.00	2031-2032	10.05%
1399649 (partially disbursed)	6051.51	12.00	504.29	2031-2032	10.05%
1399650 (partially disbursed)	2465.00	12.00	205.42	2031-2032	10.05%
13910640 (partially disbursed)	1094.60	12.00	91.22	2032-2033	10.05%
13910643 (partially disbursed)	939.44	12.00	78.29	2032-2033	10.05%
13910644 (partially disbursed)	6113.12	12.00	509.43	2032-2033	10.05%
13910645 (partially disbursed)	1729.61	12.00	144.13	2032-2033	10.05%

Notes forming part of the Financial Statements

- (h) LIC loan balance (@ 10.10%) is repayable in 15 equal half-yearly instalment's, ending in 2024-25.
- (i) Secured Loan from NABARD has been received for various projects. The Loan wise repayment schedule is as follows:

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

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

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

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

Notes forming part of the Financial Statements

Note 12 - Provisions

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Employees Benefits		
Leave Encashment and Leave Travel Allowance	6657.91	7330.29
Total	6,657.91	7,330.29

Note 12(i)

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Employees Benefits		
Leave Encashment and Leave Travel Allowance	980.66	772.64
Total	980.66	772.64

Note 13 - Other non-current liabilities

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Others		
1 Deferred revenue arising from Government grant (Refer Note 13.1)	3,004.58	2,283.25
Less:- Adjustment in respect to Govt Grant	119.50	26.30
Net Outstanding Government Grant	2,885.08	2,256.95
2 Deferred revenue consumer cost towards the asset (Refer Note 13.2)	11,569.16	9,254.26
Less :- Amortisation of amount received from asset provided by customer	876.98	592.05
Net Deferred revenue for consumer cost towards the asset	10,692.18	8,662.21
Total (1 + 2)	13,577.26	10,919.16

13.1 The deferred revenue arising from government grant amounting to Rs 3,004.58 lakhs includes the following:-

- ERP System Implementation amounting to Rs 514.00 lakhs.
- Emergency Restoration System Tower Procurement amounting to Rs 650.00 lakhs. Of the stated amount which Rs53.58 lakhs is recognised as a deferred revenue in the current year, previous year Rs.6.09 lakhs.
- Power sector Development Fund amounting to Rs 1,825.66 lakhs Of the stated amount of Rs 39.39 lakhs is recognised as deferred revenue in the current year ,(previous year 2016-17 Rs 19.97 lakhs) .
- PIDD grant for installation of energy efficient LED Lamps at sub-stations amounted to Rs 14.91 lakhs. Of the stated amount of Rs 0.23 lakhs was recognised as deferred revenue in the current year, Previous Year Rs.0.06 lakhs.

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

Notes forming part of the Financial Statements

Note 14 - Current Borrowings

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
A Loan repayable on demand		
1. From Banks	9,722.89	10,751.74
(Cash Credit from Canara Bank)		
Total	9,722.89	10,751.74

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

Note 15 - Trade Payables

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Payables	5,319.04	6,464.70
Total	5,319.04	6,464.70

Note 16 - Other Financial liabilities

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Deposit and retention money deducted from contractors and suppliers (Note 16.2)	36,065.43	35,471.69
(b) Current maturities of long term debt	26,352.86	22,832.81
(c) Interest Accrued	1,579.29	1,455.14
(d) Others:		
- Liabilities for capital works	4,025.58	9,560.52
- Employee house building loan payable to WBSEDCL	-	10.62
- Amount received from Power Grid Corporation (Note 16.1)	12,253.43	8,981.92
Total	80,276.59	78,312.70

16.1 An amount of Rs 20106.30 lakhs has been received on account of Inter State Transmission Charges 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) , Rs. 7,852.87 lakhs has been adjusted as per the Hon'ble Central Electricity Regulatory Commission's Order for the period 01.04.2011 to 31.03.2014, dated 29.06.2015 and balance amount of Rs 12253.43 lakhs is shown as amount received from Power Grid Corporation in the absence of any order for subsequent periods.

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

Notes forming part of the Financial Statements

Note 17 - Other Current Liabilities

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Consumer contribution to capital asset	38,069.34	31,769.71
(b) Others		
- Lease Incentives		
1. Employee Recoveries and Employer Contributions		
(a) Payable to WBSEDCL Pension Trust	2.95	-
(b) Payable to WBSETCL Pension trust	-	-
(c) Payable to WBSETCL Gratuity trust	1,463.82	-
2. Statutory Dues (Excise duty, service tax, sales tax, TDS,GST)	199.74	470.91
3. Others	1,296.71	325.79
Total	41,032.56	32,566.41

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

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

Note 18 - Revenue from Operations

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Sale of services		
1. Transmission Charges	1,20,620.81	1,17,818.23
2. Short Term Open Access Charges	6,961.03	5,911.23
3. Scheduling Charges and SLDC Charges	1,894.18	1,907.53
(b) Other operating Revenue		
(a) Amortisation of consumer contribution towards Capital Assets	284.93	228.46
(b) Amortization of Government Grant	93.20	26.12
Total	1,29,854.15	1,25,891.57

18.1 During the year 2017-18 out of Government Grants of Rs. 3,004.58 lakhs, Rs 93.20 lakhs is recognised as income (previous year Rs 2283.25 lakhs , Rs 26.12 lakhs) and out of Consumer contribution of Rs 11569.17 lakhs, Rs 284.93 lakhs is recognised as Income (previous year Rs 9,254.26 lakhs, Income Rs 228.46 Lakhs).

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

Notes forming part of the Financial Statements

Note 19 - Other Income

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Interest income earned on financial asset Bank deposits (At amortised cost)	2,863.54	2,740.70
(b) Other non-operating Income Sale of tender papers	20.16	11.04
Sale of scrap	682.75	115.99
Supervision charges	93.20	286.73
Miscellaneous Income	1,431.09	507.27
Total	5,090.74	3,661.73

Note 20 - Employee Benefits Expenses

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Salaries and wages, including bonus	15,933.97	17,799.21
(b) Contribution to provident and other funds	11,437.99	8,633.82
(c) Staff welfare expenses	178.13	194.71
Less: Amount capitalised	(3,567.32)	(3,065.99)
Total	23,982.77	23,561.75

Note 21 - Finance Cost

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Interest cost Interest on term loans from banks / financial Institutions, and Bonds	31,834.81	29,699.17
(b) Other interest expense:- (i) Service Fee/Commitment Charges	17.20	24.62
(ii) Guarantee Charges	-	0.33
Less: Amounts capitalised during the year	(7,341.06)	(5,867.63)
Total	24,510.95	23,856.49

Note 22 - Depreciation expense

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Depreciation of property, plant and equipment	21,310.52	19,577.81
Less :- Amount capitalised during the year	-	-
Total	21,310.52	19,577.81

Notes forming part of the Financial Statements

Note 23 - Other Expenses

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Transmission Charges	4,676.26	4,676.26
ULDC Charges	269.61	495.71
ERPC Charges	16.00	16.00
Repairs and Maintenance		
- Plant and Machinery	3,988.86	2,947.52
- Buildings	2,171.30	1,748.27
- Others	257.40	202.38
Rent	164.02	139.09
Rates and Taxes	139.44	218.12
Security Expenses	1,918.67	1,685.71
Consultancy Charges	79.53	38.60
Travelling and Conveyance Expenses	100.38	110.01
Vehicle Running Expenses*	883.05	838.75
Advertisements	94.65	79.16
Contribution towards Corporate Social Responsibility	363.66	10.06
License Fees	234.01	216.72
Fees for Filing Petitions	124.26	62.98
Loss on assets/capital work in progress written off**	1,864.26	-
Other Expenses	1,244.97	2,190.86
Less : Expenses Capitalised	(273.20)	(306.54)
Total	18,317.13	15,369.65

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

** In accordance with the verdict of Hon'ble Supreme Court on 31.08.2016 and subsequent notification no 293-LRC & Pr. Secy./2016 dated 01.09.2016 of Govt. Of West Bengal, Land & Land Reforms Department, Singur 220 KV Substation was dismantled. An amount of Rs 1171.86 lakhs is written off from the books of accounts of the company as per recommendation of the committee constituted by the Director(HR&A).

Notes forming part of the Financial Statements

Note 24 - Employee benefit plans

24.1. Defined benefits plans

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

(a) Pension

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

(b) Vested pension of DCRB Family Pensioners

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

(c) Gratuity

Employees irrespective to the monthly salary being Basic, D.A. and D.P are covered under the payment of Gratuity of Act 1972 and DCRB-85 Regulation as applicable . Gratuity is computed as half-months Salary, at exit, per year of Service, subject to payment of Maximum Gratuity as mentioned in payment of Gratuity Act and rules & regulations framed thereunder, where service is counted as nearest year.

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

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

No other post retirement benefits are provided to these employees. In respect of the plans in India , the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018,by Mr Bhudev Chatterjee Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation , and the related current service cost and past service cost , were measured using projected unit credit method.

Notes forming part of the Financial Statements

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

₹ in lakhs

Particulars	Valuation as at Year ended As at 31.03.2018	Valuation as at Year ended As at 31.03.2017
(a) Gratuity		
Discount rates	7.50%	7.25%
Expected rate(s) of salary increase	7.50%	7.25%
Expected increase in salary	6.00%	6.00%
Average expected future service (Remaining useful life)	19	19
Males		
Females		
(b) Pension		
Discount rates	7.50%	7.25%
Expected return on plan asset	7.50%	7.25%
Rate of Compensation	6.00%	6.00%
Average expected future service	12 years	13 years
(c) Leave Encashment		
Discount rates	7.50%	7.25%
Rate of Compensation Increase	6.00%	6.00%
Average Expected future Service	19 years	13 years
Early retirement disability	1%	1%
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60

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

₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(a) Gratuity		
Current service cost	230.10	467.48
Past service cost (vested)	2,011.15	—
Net interest expense	(18.81)	0.63
Components of defined benefit costs recognised in the profit/ loss	2,222.44	468.11
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(248.42)	(74.72)
Actuarial (gains) / losses arising due to demographic assumptions	—	—
Actuarial (gains) / losses arising from change in financial assumptions	(156.26)	343.50
Actuarial (gains) / losses arising from experience adjustments	269.08	(531.44)
Components of defined benefit cost recognised in OCI	(135.59)	(262.65)

Notes forming part of the Financial Statements

₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(b) Pension		
Current service cost	8,694.11	7,503.86
Net interest expense	(107.48)	(2.83)
Components of defined benefit costs recognised in the profit/ loss	8,586.63	7,501.02
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(210.99)	(351.75)
Actuarial (gains)/ losses arising due to demographic assumptions	-	-
Actuarial (gains)/ losses arising from change in financial assumptions	(597.48)	926.64
Actuarial (gains)/ losses arising from experience adjustments	(8,002.51)	(7,888.52)
Components of defined benefit cost recognised in OCI	(8,810.98)	(7,313.63)
(c) Leave Encashment		
Current service cost	125.38	371.97
Net interest expense	507.68	378.00
Net Actuarial Gain/loss	(309.68)	1,754.69
	323.38	2,504.66

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

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

₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(a) Gratuity		
Present value of funded defined benefit obligation	7,930.99	6,254.17
Fair value of plan asset	6,467.16	6,308.20
Funded Status	(1,463.82)	54.03
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	(1,463.82)	54.03
(b) Pension		
Present value of funded defined benefit obligation	33,224.56	31,632.41
Fair value of plan asset	35,157.64	32,644.13
Funded Status	1,933.08	1,011.72
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	1,933.08	1,011.72

Notes forming part of the Financial Statements

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

₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(a) Gratuity		
Opening defined benefit obligation	6,254.17	6,009.62
Current service cost	230.10	467.48
Interest cost	217.75	419.23
Acquisition Adjustment	2,011.15	-
Remeasurement (gain)/ losses:-	-	-
Actuarial gains and losses arising from changes in Financial assumption	(156.26)	343.50
Actuarial gains and losses arising from changes in experience adjustments	-	-
Benefits paid	269.08	(531.44)
	(895.01)	(454.23)
Closing defined benefit obligation	7,930.99	6,254.17
(b) Pension		
Opening defined benefit obligation	31,632.41	29,291.64
Current service cost	8,694.11	7,503.86
Interest cost	2,340.83	2,112.28
Acquisition adjustments	-	-
Remeasurement (gain)/ losses:-	-	-
Actuarial gains and losses arising from changes in Financial assumption	-	-
Actuarial gains and losses arising from changes in experience adjustments	(597.48)	926.64
Benefits paid	-	-
	(8,002.51)	(7,888.52)
	(842.79)	(313.49)
Closing defined benefit obligation	33,224.56	31,632.41

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

₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(a) Gratuity		
Opening fair value of the plan asset	6,308.20	5,773.76
Acquisition/Business Combination	-	-
Interest income	236.56	418.60
Return on plan assets (excluding amounts included in net interest expense)	248.42	74.72
Contribution from the employer	569.00	495.35
Benefits paid	895.01	454.23
Closing fair value of the plan assets	6,467.16	6,308.20

Notes forming part of the Financial Statements
(4) Movement in the present value of the defined obligation
₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
(b) Pension		
Opening fair value of the plan asset	32,644.13	28,201.50
Acquisition/Business Combination	-	-
Interest income	2,448.31	2,115.11
Return on plan assets (excluding amounts included in net interest expense)	210.99	351.75
Contribution from the employer	697.00	2,289.25
Benefits paid	842.79	313.49
Closing fair value of the plan assets	35,157.64	32,644.13

(5) Movement in the fair value of the plan assets are as follows
₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
a) Gratuity		
Cash & Cash Equivalents	761.78	844.65
Investment Funds	217.85	160.98
State Government Securities	1,824.93	1,525.97
Trust Receivables	1,979.20	2,411.24
Corporate Bonds	1,605.45	1,299.44
Other (Accrued Interest)	78.16	65.92
	6,467.37	6,308.20
(b) Pension		
Cash & Cash Equivalents	5,609.76	5,027.95
Investment Funds	659.67	360.16
State Government Securities	5,685.95	3,095.31
Government of India Assets	6,272.39	7,417.32
Corporate Bonds	16,675.44	16,649.16
Other (Accrued Interest)	254.42	94.23
	35,157.64	32,644.13

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

(A) Gratuity

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by Rs 8,250.68 lakhs (Increase by Rs 7,638.49 lakhs) as at March 31, 2017: decrease by Rs 6,509.96 lakhs (Increase by Rs 6,020.26 lakhs)

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would increase by Rs 8,191.44 lakhs (Decrease Rs 7,682.11 lakhs) as at March 31, 2017: increase by Rs 6343.60 lakhs (decrease by Rs 6147.84 lakhs).

(c) Life expectancy increases/ decreases by 100 basis points year for both men and women , the defined benefit obligation would increase by Rs 7,973.81 lakhs(decrease by 7,888.16 lakhs) as at March 31, 2017:increase by Rs 6,291.69 lakhs(decrease by 6,216.64 lakhs).

(B) Pension

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by Rs 33,497.00 lakhs(Increase by Rs 32,972.05 lakhs) as at March 31, 2017:decrease by Rs 31,904.44 lakhs(Increase by Rs 31,401.49 lakhs).

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would increase by Rs 33,487.03 lakhs (Decrease Rs 32,982.02 lakhs) as at March 31, 2017: increase by Rs 31,891.79 lakhs (Decrease Rs 31,407.82 lakhs)

(c) Life expectancy increases/ decreases by 100 basis points year for both men and women, the defined benefit obligation would increase by Rs 33,284.36 lakhs (decrease by Rs 33,164.76 lakhs) as at March 31, 2017: increase by Rs 31,679.85 lakhs (decrease by Rs 31,584.95 lakhs)

The sensitivity analysis presented above may not be representative of actual change in the defined benefit obligation as it is unlikely that the change in assumption

would occur in isolation of one another as some of the assumptions may be correlated.

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

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

In respect to interest payment:-

₹ in lakhs

	Weighted average effective interest rate	Less than	1- 3 months 1 month	3 months to	1 - 5years 1 year	5 years +	Total
March 31, 2018							
Fixed interest rate instruments	8.98%	239.89	126.82	10,275.90	27,856.43	21,156.29	59,655.33
Variable interest rate instruments	10.49%	349.48	5,042.95	5,653.24	66,654.37	51,633.57	1,39,333.61
		589.37	5,169.77	25,929.14	94,510.80	72,789.86	1,98,988.94
March 31, 2017							
Fixed interest rate instruments	8.97%	819.09	138.68	11,193.31	35,014.15	25,428.25	72,593.48
Variable interest rate instruments	10.88%	155.47	4,434.88	13,271.03	56,024.44	42,175.13	1,16,060.95
		974.56	4,573.56	24,464.34	91,038.59	67,603.38	1,88,654.42

The table has been drawn up on the un discounted contractual maturities of the financial liability excluding interest that will be paid with principal.

The inclusion is necessary in order to understand company's liquidity management as the liquidity is managed on a net asset and liability basis.

In respect to principal payment :-
₹ in lakhs

	Weighted average effective interest rate	Less than	1- 3 months 1 month	3 months to	1 - 5years 1 year	5 years +	Total
March 31, 2018							
Fixed interest rate instruments	8.98%	51.39	139.53	12,505.19	61,956.87	47,874.32	1,22,527.30
Variable interest rate instruments	10.49%	1,134.39	3,191.45	9,330.91	75,989.77	1,17,916.17	2,07,562.69
		1,185.78	3,330.98	21,836.10	1,37,946.64	1,65,790.49	3,30,089.99
March 31, 2017							
Fixed interest rate instruments	8.97%	51.39	139.53	12,505.19	69,186.87	53,956.04	1,35,839.02
Variable interest rate instruments	10.88%	-	3,294.70	6,842.01	58,173.29	1,00,213.41	1,68,523.41
		51.39	3,434.23	19,347.20	1,27,360.16	1,54,169.44	3,04,362.43

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

Financing facilities:-
25.2 Secured Bank & Financial Institution facility **
₹ in lakhs

Particulars	Year ended As at 31.03.2018	Year ended As at 31.03.2017
Total Sanctioned limit	3,60,041.21	2,68,748.74
Amount used	1,70,296.16	1,39,831.82
Amount unused	1,89,745.05	1,28,916.92

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

25.3 Interest rate sensitivity analysis The sensitivity analysis below have been determined based on exposure to interest rate on floating rate facilities. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management assessments of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended March 31, 2018 would increase/(decrease) by Rs 878.85 Lakhs /(Rs 878.85 Lakhs) (for the year ended March 31, 2017 increase/(decrease) by Rs 840.72 Lakhs /(Rs 844.52 Lakhs) This mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

26.1 Risk Management framework

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

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

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

26.2 Treasury Risk

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

26.3 Regulatory Risk

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

26.4 Operational Risk

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

26.5 Credit Risk

As India's financial markets become more dynamic and the economy continues to evolve and diversify with the passage of time, investors also need to evolve the way they assess credit risk.

The Company being a Capital intensive one relies on the borrowed funds to the extent permissible under the regulations of the Hon'ble West Bengal Electricity Regulatory Commission for funding of its projects besides the internal accruals of the Company. The permissible debt equity ratio for a project is 70:30. As of now, the debt equity ratio is 0.95:1 against normative debt equity ratio of 2.33:1. The Company can utilise this leverage for borrowing additional funds from the market if they are available at cheaper rate. Therefore any fluctuation in the interest rate / coupon rate of such instruments of borrowings may impact the scenario.

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

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

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

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

₹ in lakhs

	Note No	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Fair value
March 31, 2018						
Financial Assets						
Cash and Cash Equivalent	6	-	-	20,067.82	20,067.82	20,067.82
Trade Receivable Current	5	-	-	30,624.22	30,624.22	30,624.22
Other Current Financial Assets	7	-	-	2,542.27	2,542.27	2,542.27
				53,234.31	53,234.31	53,234.31
March 31, 2018						
Financial Liability						
Borrowing Non Current	11	-	-	3,03,737.14	3,03,737.14	3,03,737.14
Borrowing Current Maturities	16	-	-	26,352.86	26,352.86	26,352.86
Trade Payable	15	-	-	5,319.04	5,319.12	5,319.12
Cash Credit facility from Bank	14	-	-	9,722.89	9,722.89	9,722.89
Other Current Financial Liability	16	-	-	53,923.73	53,944.58	53,944.58
				3,99,055.66	3,99,076.59	3,99,076.59
	Note No	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Fair value
March 31, 2017						
Financial Assets						
Cash and Cash Equivalent	5	-	-	17,090.79	17,090.79	17,090.79
Trade Receivable Current	4	-	-	22,365.55	22,365.55	22,365.55
Other Current Financial Assets	6	-	-	2,070.19	2,070.19	2,070.19
				41,526.53	41,526.53	41,526.53
March 31, 2017						
Financial Liability						
Borrowing Non Current	12	-	-	2,81,529.61	2,81,529.61	2,81,529.61
Borrowing Current Maturities	17	-	-	22,832.81	22,832.81	22,832.81
Trade Payable	16	-	-	6,464.70	6,464.70	6,464.70
Cash Credit facility from Bank	15	-	-	10,751.74	10,751.74	10,751.74
Other Current Financial Liability	17	-	-	55,479.89	55,479.89	55,479.89
				3,77,058.75	3,77,058.75	3,77,058.75

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

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

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

27 Related Party Disclosure

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

Name of the Entity	Type	No of Shares Held	Ownership interest held by the Company	
			March 31, 2018	March 31, 2017
Governor of West Bengal	Ultimate Parent	1,10,54,70,000	99.99%	99.99%

(b) All transaction carried out by the Company at a price, which has been determined by the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) and therefore, transaction with other government entities/companies take place at arm's length basis. Hence, apart from recovery of transmission charges there is no other transaction, which take places with other government entities/companies, which are materially significant in terms size. In this connection, the management has observed that the transactions entered by the Company during the reporting period with other government entities/companies are neither of Significant in term size, Carried out on non market basis or Outside normal day to day business operations and therefore, the Company is exempted (as envisaged under Paragraph 27) from reporting under Paragraph 24 and 25 of IND AS 24. However, the Company is disclosing the remuneration been paid to the Key Managerial Personnel (KMP) during reporting period, which is line with disclosure to be made in the Director's Report of the Company for said period.

Details of the remuneration of the KMP is stated hereunder:

(c) Key Management Personnel

S Kishor	Chairman upto 13.09.2017
S.K.Gupta, IAS	Chairman (w.e.f 14.09.2017)
Rajesh Pandey, IAS	Managing Director
Sabyasachi Roy	Director Operations
Somnath Bhattacharya	Director Project (upto 09.01.2018)
Trilochan Panda	Director F&A , CFO
Virendra Singh	Company Secretary
H.K Dwivedi	Director (Government Nominee)
Utpal Biswas, WBCS	Director (Government Nominee)
Saswati Banerjee	Independent Director
Srikumar Banerjee	Independent Director (w.e.f 01.09.2017)
Biswaranjan Mishra	Independent Director

(d) Key management personnel compensation

₹ in lakhs

Particulars	31-Mar-18	31-Mar-17
Payment of Salary Wages and allowances	74.19	89.69
Sitting Fees	3.00	3.30

27.1 Compensation of Key management personnel

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits	77.19	92.99

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

28 Capital Commitments

₹ in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Estimated amount of contract remaining to be executed on capital project (Operation and Project)	1,29,264.02	1,35,621.38
	1,29,264.02	1,35,621.38

29 Contingent liabilities

(a) Claims against the company not acknowledged as debt	March 31, 2018	March 31, 2017
(i) State of West Bengal vs. Md. Jamaluddin & Ors. - FAT No. 343 to 356 of 2003 The matter relates to land acquisition for construction of Purba Ichapur 132 kV sub-station (land ad measuring 2.46 acre) at Barasat. The land losers were not satisfied with the amount of compensation fixed by the Collector and they obtained a favourable order from the District Court at Barasat for higher valuation. The State Govt. filed an appeal in the Hon'ble High Court against the order of the District Court and the Hon'ble High Court passed an Order dated 15.02.2005 directing the Collector to deposit 50% of the total decretal dues with the Registrar of the Hon'ble High Court. "To comply with this order the L&LR Department requested the WBSEB to place the fund of Rs.18 Lakh being 50% of decretal dues at the disposal of Collector, 24 Parganas(North). The Company deposited Rs.18 Lakh being 50% of the decretal dues. The balance amount of Rs.18 Lakh is considered as contingent liability till final decision.	18.00	18.00
(ii) Shaw Bros & Anr Vs. WBSEB & Ors. - C.O. No. 19044 of 1996, FA No. 186 of 2009. An order was placed on M/s. Shaw Bros for spreading of gravels at 400 kV Switchyard of Jeerat 400 kV sub-station. After several disagreements, the party left without executing the contract. The party filed a Money Suit in the 2nd Court of District Judge, Barasat, for work done, damage and interest for a value of Rs 4.71 Lakh. The suit was dismissed by the Ld. Court and the party again moved the Hon'ble High Court appealing against the order.	4.71	4.71
(iii) Remittance of spectrum charges of Rs 24,63,84,772/- as demanded by Department of Telecommunications, Wireless Planning & Coordination Wing On the basis of communication dated 06.09.2016 from the WPC Wing, Dept. of Telecommunications which acknowledged the receipt of the Demand Draft, of Rs 24,63,84,772/- , which is considered by them as the due spectrum charges (upto 30.03.2015 and late fee up to September 2016). With late fee @2% per month(compounded annually) shall be applicable on the due amount for further delay on the payment."The Board of Directors in its 54th Meeting held on 26.09.2016 accorded its approval for challenging the demand of Rs 24,63,84,772/- (Rupees Twenty Four Crore Sixty Three Lakh Eighty Four Thousand Seven Hundred and Seventy Two Only) of The Department of Telecommunication (DoT) before the Telecom Dispute Settlement Appellate Tribunal (TDSAT), New Delhi with an objective to protect the interest of the Company.	2463.84	2463.84

(iv) Demand from Income Tax Authorities:-	773.12	773.12
1. The IT Department preferred an appeal against the Order of ITAT before the Hon'ble High Court at Calcutta which involves a claim of Rs 41.30 Lakh and to be treated as Contingent Liability.	41.30	41.30
2. Department's appeal against order passed by Hon'ble ITAT in matter of dismissing proceedings under 263 of the Income Tax Act, 1961 regarding the issue of additional depreciation	241.34	241.34
3. Addition of 537.00 Lakh being receivable from WBSEDCL in income as well as computation of MAT and addition of brought forward business loss in computation of MAT. (AY 2009-10)	464.91	464.91
4. Disallowance of prior period expenditure, ULDC charges, ERPC charges, filling fees to WBERC. Addition of Interest income of SLDC UI Fund and disallowance of additional depreciation. Short credit of TDS and levy of interest u/s 234A. Demand raised Rs 0.02 Lakh. (AY 2010-11)]	0.020	0.020
5. Disallowance of 449.34 lakh u/s 36(1)(vat)/2(24)(x), short allowance of depreciation, disallowance of preliminary expenses, addition of prior period expenditure and short allowance of credit of TDS. Demand Raised 20.20 Lakh.(AY 2012-13)	20.20	20.20
6. Disallowances of medical advance, ERPC charges and addition on account of accrued income and receivables as well as levying interest u/s 234D.	0.62	0.62
7. Disallowances of ERPC and CSR expenditure & Municipal taxes. Short credit of TDS and levying interest u/s 234A.	4.73	4.73

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

31 Taxation:-

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

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

32 Corporate Social Responsibility

Expenditure under Sec 135 of Companies Act 2013 on Corporate Social Responsibility (CSR) activities is Rs.363.66 lakhs as against Rs. 912.18 lacs (previous year 16-17 amount spent Rs. 10.06 lakhs as against Rs. 908.00), However, the Company is in constant endeavour to identify suitable projects under CSR scheme.

33 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.

In terms of our report of even date attached herewith.

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



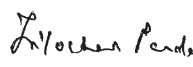
(D.N Roy)
Partner

Membership No :-300389



(Virendra Singh)
Company Secretary

For and on behalf of the Board of Directors



(Trilochon Panda)
Director (F&A)



(Rajesh Pandey)
Managing Director

Kolkata
Date 26-07-2018

Background	
Corporate information	West Bengal State Electricity Transmission Company Limited ("WBSTECL" / "the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and the entire paid up Share Capital is held by the Government of West Bengal and its nominees. It is a multi-sited Power Transmission Company in Eastern India and the Company operates and maintains a transmission network of Extra High Voltage Transmission lines along with sub-stations with capacity of 400 kV to 66 kV situated across the state of West Bengal and also defined as deemed State Transmission Utility under Electricity Act, 2003. These financial statements were approved and adopted by Board of Directors of the Company in their meeting dated 26th July, 2018.
Background	
Basis of preparation	These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC under the Electricity Act, 2003 (Tariff Regulations)). The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Ind AS 1 - Presentation of Financial Statements and Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities. The financial statements are presented in Indian Rupees (Rs.) ,which is the Company's functional and presentation currency and all the amounts are rounded off to nearest lakhs (Rs. 00,000) and two decimals thereof, except as stated otherwise.
Use of estimates	The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements. Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, impairment of financial instruments, valuation of deferred tax assets, regulatory deferral accounts and provisions and contingent liabilities.

Property, Plant and Equipment	Property, plant and equipment are stated at historical cost comprising of purchase/work contract cost incurred, pre-operational expenses like interest on borrowings, other financing cost during the period of construction and other attributable cost of bringing the assets to its working condition. Assets received from customers or assets constructed on receipt of amounts from the customers are deemed to be transferred to the Company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission (WBREC) and recognized as property, plant and equipment post commissioning. In the case of commissioned assets, deposit work / cost plus contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement. Insurance spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition. Capital work-in-progress Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in- Progress. The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters. Depreciation Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the WBERC, a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. No depreciation is charged on freehold land as well as no amortization of the Land acquired on perpetual lease is made since the same does not have a limited useful life. De-recognition of assets An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.
Impairment	At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Regulatory asset or Regulatory liability	A regulatory asset is recognized when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the West Bengal Electricity Regulatory Commission (WBERC) Tariff Regulation and the amount can be measured reliably. A regulatory liability is recognized: • when an entity has a present obligation as a result of a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • reliable estimate can be made of the amount of the obligation A regulatory asset and regulatory liability is presented as current/non-current, as the case may be, in the balance sheet, separately from other assets and liabilities. On initial recognition and at the end of each subsequent reporting period, the Company measures a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework. A regulatory asset or regulatory liability is not discounted to its present value. Impairment of Regulatory Asset The Company reviews the estimates of the amount expected to be recovered, refunded or adjusted at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with Ind AS 8. If it is concluded that it is not reasonable to assume that it will be able to collect sufficient revenues from its customers to recover its costs, this is an indication that the cash generating unit in which the regulatory assets and regulatory liabilities are included may be impaired and the Company test that cash generating unit for impairment in accordance with Ind AS 36 Impairment of Assets. De-recognition If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the Company or an outflow of resources embodying economic benefits will be required to settle a regulatory liability, the regulatory asset or liability, as the case may be, is de-recognized and any resulting loss/gain is recognized in the statement of profit and loss.
Provisions and contingencies	A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized but disclosed unless the possibility of outflow of resources is remote. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.

Leases	At the inception of a lease, the lease arrangement is classified as either a Finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. All other leases are classified as operating leases. Rental expense from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary costs increases, such increases are recognized in the year in which such benefits accrues.
Government Grants	Grants and subsidies from government are recognized at fair value provided there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with. Government grants relating to income are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.
Inventories	Inventory mainly comprises of Stores and Spares. Inventories, other than scrap, are valued at lower of the cost on weighted average basis or its net realizable value. Scrap is valued at the lower of cost or net realizable value.
Trade receivable	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price, unless it contains a significant financing component in accordance with Ind AS 18 or pricing adjustments embedded in the contract. The Company measures the loss allowance for a trade receivable at an amount equal to the lifetime expected credit losses.
Financial Instruments	Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities. Financial Assets All recognized financial assets are measured in their entirety at either amortised cost or at fair value, depending upon the classification of the financial assets. (i) Cash or Cash equivalents: The Company considers all short term bank deposits (original maturity of less than 3 months), which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortized cost:

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

(iii) Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

(iv) Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

Financial liabilities and equity instruments issued by the Company

(i) Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Other financial liabilities are measured at amortized cost using the effective interest method.

(ii) Equity Instruments:

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Amortised Cost using effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset / financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income and expenses are recognised on an effective interest basis for financial assets other than those financial assets classified as at FVTPL and the financial liabilities respectively. Interest income and expenses are recognised in the Statement of Profit and Loss and is included in the "Other income" and "Finance Cost" line item respectively.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

	Impairment of financial assets At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss. Derecognition of financial liability The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Offsetting financial instruments Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
Borrowing cost	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. The borrowed funds are earmarked to specified projects under implementation and the borrowing costs thereof are allocated to Capital Work in Progress ('CWIP'). In cases where the borrowed funds are not earmarked separately for specific projects, the borrowing costs thereof are allocated/apportioned to CWIP based on sanctioned project cost of the projects. In case of projects which have been completed and commissioned during the year, the borrowing costs thereof till the date of commissioning are allocated to fixed assets. The borrowing cost for completed projects is charged to revenue. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.
Employee Benefits	Employee benefits consist of salaries and wages, performance pay, leave travel allowances, provident fund, employee state insurance, pension, gratuity, compensated absences and other terminal benefits. a) Short term and other long-term employee benefits A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and medical leave (which is not accumulated for more than a period of 12 months) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Cost of providing benefits in respect of long-term compensated absences is determined using project unit credit method, with actuarial valuations carried out at each annual reporting period. Past service cost is recognised in profit or loss in the period of a plan amendment. Interest on the obligation is calculated by applying the discount rate at the beginning of the period to the obligation. Costs of long-term compensated absences are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest obligations; and
- re-measurement

The Company presents all the components of long-term compensated absences costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

b) Retirement Benefit costs

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to contributions.

Defined Benefits Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

Income Taxes	Income tax expense represents the sum of the tax currently payable. Current tax The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for the year Current tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax are also recognised in other comprehensive income or directly in equity respectively. Deferred taxes Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Revenue recognition and Other income	- Revenue from Transmission of Power is recognised on an accrual basis and includes unbilled revenues accrued upto the end of the accounting year. Revenue from transmission of power is accounted for based on the last tariff rates approved by the West Bengal Electricity Regulatory Commission (WBERC). - The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations (i.e. Transmission) based on the principles laid down under the relevant Tariff Regulations/Tariff Orders as notified by respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustment that may arise on annual performance review by respective Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders is made after the completion of such review. - Advance against depreciation allowed by WBERC as a component of the Aggregate Revenue Requirement of the Company is recognised as revenue for that year. - Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances. - Income from short term open access is accounted for on the basis of regulations notified by West Bengal Electricity Regulatory Commission (WBERC). - Receipts for delayed payments surcharge and liquidated damage are accounted for when it is ascertained and the collection of the amount is confirmed.

- g) Assets received from customers advances received for construction of property, plant and equipment are capitalized after commissioning with matching credit to Deferred Revenue. This deferred revenue is recognized as revenue on a systematic and rational basis over the useful lives of the related assets.

Other Income

- a) Supervision charges received for diversion/relocation of existing assets and/or against deposit work to be undertaken by the customer is treated as Advance against Supervision Charges and shown under Other Current Liabilities till the related work is completed. On completion of the works, the Supervision Charges received there against is treated as "Other Income" in the year in which the related work is completed.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. "Other Income" in the year in which the related work is completed.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-2, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is Rs. 59259.82 lakhs (March 31, 2016: Rs. 61918.68 lakhs). Details of these assets are set out in note 28.9

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. Provisions

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

b. Contingent liabilities

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

c. Fair value measurements and valuation processes:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



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NOTE

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Salt Lake
Inspection Bungalow



Kuli GI
Sub-station



Darjeeling (Lebong)
132 kV Sub-station



Jeerat
400 kV Sub-station
Switchyard



WBSETCL

**WEST BENGAL STATE ELECTRICITY
TRANSMISSION COMPANY LIMITED**

(A Government of West Bengal Enterprise)

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