BEFORE

THE HON'BLE

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

FILE NO. .....

PETITION NO.....

In the matter of :

Approval under Regulation – 86 of CERC (Conduct of Business) Regulation 1999 for transmission tariff as per CERC (Terms & Conditions of Tariff) Regulations 2009 for 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014 as directed by Hon'ble Commission vide its order dated 14/03/2012 and order dated 25.4.2013 against the Petition no: 15/Suo-Motu/2012.

And

In the matter of:

West Bengal State Electricity Transmission Company Limited.

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

-------- **Petitioner.**

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

To
The Secretary,
Central Electricity Regulatory Commission,
New Delhi – 110003.

Sub: Request for registration of the Tariff Petition.

Sir,

The application filed under Regulation 86 of CERC (Conduct of Business) Regulations 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2009 for Transmission Tariff may please be registered.

PETITIONER

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Pulak Kumar Sengupta

KOLKATA
DATED:

PRESENTED BY: PULAK KUMAR SENGUPTA
Addl. Chief Engineer,
Regulatory Affairs Cell

BEFORE

THE HON'BLE

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION FOR

APPROVAL OF TARIFF AS PER CERC (TERMS AND CONDITIONS OF TARIFF) REGULATIONS 2009

FOR

(I) 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL)

and

(II) 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL)

in

Eastern Region

PETITION NO:_____

TARIFF BLOCK: 2011-2014

WEST BENGAL STATE ELECRTICITY TRANSMISSION COMPANY LIMITED

Registered office: Vidyut Bhavan,
Block –DJ, Sector –II,
Bidhannagar, Kolkata – 700 091.

BEFORE

THE HON'BLE

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

FILE NO. .....

PETITION NO.....

In the matter of :

Approval under Regulation – 86 of CERC (Conduct of Business) Regulation 1999 for transmission tariff as per CERC (Terms & Conditions for Tariff) Regulations 2009 for 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014 as directed by Hon'ble Commission vide its order dated 14/03/2012 and order dated 25.4.2013 against the Petition no: 15/Suo-Motu/2012.

And
In the matter of:

West Bengal State Electricity Transmission Company Limited.
Registered Offiece: Vidyut Bhavan,
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Bidhannagar, Kolkata-700 091.

-------- **Petitioner.**

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PETITIONER

Through

TRILEGAL
Advocate for Petitioner
A-38, Kailash Colony,
New Delhi-110048

:

New Delhi
Dated ;3.10.2013

1

A

BEFORE

THE HON'BLE

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

FILE NO. .....

PETITION NO.....

In the matter of :

Approval under Regulation – 86 of CERC (Conduct of Business) Regulation 1999 for transmission tariff as per CERC (Terms & Conditions for Tariff) Regulations 2009 for 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014 as directed by Hon'ble Commission vide its order dated 14/03/2012 and order dated 25.4.2013 against the Petition no: 15/Suo-Motu/2012.

And
In the matter of:

West Bengal State Electricity Transmission Company Limited.
Registered Offiece: Vidyut Bhavan,
Block- DJ, Sector-II
Bidhannagar, Kolkata-700 091.

-------- **Petitioner.**

THE PETITIONER MOST RESPECTFULLY SHEWETH:

1. That the West Bengal State Electricity Transmission Company Limited, hereinafter referred to as "WBSETCL", is a deemed Transmission Licensee in terms of Section 14 of the Electricity Act, 2003 and engaged in the business of transmission of electricity in the state of West Bengal, as per Power Sector Reforms Transfer Scheme 2007 notified by the Department of Power and Non-Conventional Energy Source, Government of West Bengal vide No 12- PO/O/III/3R-29/2006 dated 25/01/2007 followed by subsequent notifications made through Notification No. 313-PO/O/III/3R-29/2006 dated 19.09.2008. Copies of the Notifications issued by the State Government vide Nos. 12-PO/O/III/3R-29/2006 dated 25.01.2007 and 313-PO/O/III/3R-29/2006 dated 19.09.2008 in connection with the Power Sector Reforms Transfer Scheme 2007 are annexed herewith and marked as ***Encl 1 and 2*** respectively.

2. That the Government of West Bengal in exercise of power conferred under sub-section 1 of section 39 of the Electricity Act 2003 has notified and authorized WBSETCL to function as STU with effect from 01/04/2007 vide No 89-PO/O/III/3r-5/2007 dated 26/03/2007 annexed herewith and marked as ***Encl-3***.

3. That the petitioner owns, maintains and operates the 128.615 km of 400 KV Kolaghat-Baripada S/C Transmission line and 73.9 km of 220 KV Santaldih-Chandil S/C Transmission Line A schematic diagram of the said lines is annexed herewith and marked as ***Encl-4***. A LILO of the 400 KV

Kolaghat-Baripada S/C line has recently been made at Kharagpur 400 KV S/stn, which is not yet loaded. This petition therefore excludes the cost and ARR related to the LILO portion.

4. That, Central Electricity Regulatory Commission, hereinafter referred to as "Hon'ble Commission", vide its order dated 14th March, 2012 in Petition No. **15/Suo-Motu/2012** has directed WBSETCL (respondent no 11 of the petition) as under:

"6. As a first step towards inclusion of non-ISTS lines in the PoC transmission charges, the Commission proposes to include the transmission lines connecting two States, for computation of PoC transmission charges and losses. However, for the disbursement of transmission charges, tariff for such assets needs to be approved by the Commission in accordance with the provisions of Sharing Regulations. Accordingly, we direct the owners of these inter-State lines to file appropriate application before the Commission for determination of tariff for facilitating disbursement.

7. We direct the respondents to ensure that the tariff petitions for determination of tariff is filed by the developers/owners of the transmission line or by State Transmission Utilities where the transmission lines are owned by them in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, by 20.4.2012."

Hon'ble CERC also listed the name of the lines mentioned under paragraph 3 in the Annexure of the order. Copy of the order dated 14th

March, 2012 in Petition No. 15/Suo-Motu/2012 is annexed herewith and marked as ***Encl-5***.

5. That, the petitioner had already described its difficulties through affidavit on 25.03.2013 to the Hon'ble Commission and had prayed one month time for preparation of the YTC of the Transmission lines mentioned under paragraph 3 above.

6. That the Hon'ble Commission in its order dated 25.04.2013 under Petition No. 15/Suo-Motu/2012 has directed the petitioner as under:

   "11. In view of the submissions made by the respondents and difficulties expressed by them, we discharge the notice under Section 142 of the Electricity Act, 2003 against the respondents and direct the present proceedings be dropped with the direction that the respondents, who have not filed tariff petitions, shall file tariff petitions in accordance with the 2009 Tariff Regulations, along with prescribed fees, before 20.9.2013."

   Copy of the order dated 25.04.2013 in Petition No. 15/Suo-Motu/2012 is annexed herewith and marked as ***Encl-6***.

7. That to comply with the directives of Hon'ble Commission this petition is filed for the Financial Year 2011-12, 2012-13 and 2013-14 covering the Transmission lines mentioned in paragraph 3 above as POC sharing of transmission charges has been introduced since 01.07.2011.

8. **COMMERCIAL OPERATION:**

The dates of commercial operations of the above lines as per the data available are as below:

Sl No.	Name of The Circuit	Date of Commercial Operation
1	400 KV Kolaghat-Baripada	16/03/1992
2	220 KV Santaldih-Chandil	01/04/1987

9. **TRANSMISSION TARIFF:**

9.1 The Tariff Block 2011-2014 has been worked out as per Appendix-I of the CERC (Terms and Conditions of Tariff) Regulations, 2009. The relevant information and calculations for working out the tariff along with supporting documents (Relevant Forms) are annexed herewith and marked as ***Encl-7.***

9.2 The annual revenue requirement from 01.04.2011 to 31.03.2014 for 400 kV Kolaghat-Baripada S/C Transmission line excluding Kharagpur LILO, which is not loaded yet and 220 kV Santaldih-Chandil S/C Transmission Line (portion related to WBSETCL only), is summarized below.

(Rs in Lakh)

Period	YTC for 400 KV Kolaghat-Baripada	YTC for 220 KV Santaldih-Chandil	Total
2011-2012	182.59	48.00	230.59
2012-2013	182.82	48.37	231.19
2013-2014	183.18	48.74	231.92

The revenue requirement indicated above is inclusive of return on equity, interest on loan, depreciation, O&M expenses, interest on working capital.

10. That the Annual Report along with Audited annual account of WBSETCL for the year 2010-11, 2011-12 and 2012-13 is given in ***Encl 8, 9 & 10*** respectively.

11. (a) The Petitioner states that the 220 KV Santaldih-Chandil S/C line having been commissioned in 1987, details of specific loans, if any, availed for the said line by the erstwhile WBSEB for construction of the line are not available with the Petitioner. Hence, normative loan of 70% of the completed project cost has been assumed for the purpose of calculation of interest on normative loan.

(b) The Petitioner further states that 100% financing was provided by the Central Government for the 400 KV Kolaghat-Baripada line. Copies of the loan documents are annexed herewith and marked as ***Encl-11***.

(c) None of the loans granted to the erstwhile WBSEB were repaid according to their original repayment terms. At the time of revestment of

the assets during the unbundling process, the State Government therefore, vide its Notification No. 313-PO/O/III/3R-29/2006 dated 19.09.2008 specified under Note 1 appearing under Schedule 'A' – Transmission & Load Despatch Undertaking of the aforesaid Notification that the State Government loans transferred to WBSETCL will be a cumulative loan with an interest rate of 8.5% per annum repayable in 25 years in equal annual installments with a moratorium period of one year. The repayment of the loan for the 400 KV Kolaghat-Baripada line and the normative loan for the 220 KV Santaldih-Chandil S/C line and the interest rate applicable to such loans have been taken accordingly.

12. At the time of revestment of the assets of the erstwhile WBSEB to the Petitioner, only the Block wise value of each class of asset was available and no records were available for individual Transmission Lines or other assets. Petitioner therefore appointed SREI Infrastructure Finance Ltd. For carrying out a physical verification of the assets and for allocation of the class-wise value of the asset blocks to the individual assets. However, since the 400 kV Kolaghat-Baripada line was fully funded out of Central assistance, the value of the line was taken as the aggregate value of the loans received through the State Government for the aforesaid project. The methodology followed by SREI Infrastructure Ltd. for the above purpose is detailed in their letter dated 19.09.2013, a copy of which is annexed, marked ***Encl-12***.

13. The present petition is filed without prejudice to the rights of the Petitioner to seek apportionment of the costs of any of its other transmission lines that are involved in the transmission of inter-State power in line with the definition of inter-State transmission system under the Electricity Act, 2003.

SUDIP CHAUDHURI * NOTARY 6584/2008 * BIDHANNAGAR Court PGS(N) GOVT OF INDIA

14. That as per 2 (2) of CERC (Payment of Fees) Regulations, 2008 and as per Regulation 3(2) and 12 of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 a fee of Rs 2, 40,000/- (Rs. 40,000/- for 2011-12 and Rs. One lakh each for 2012-13 & 2013-14) has been paid to the Hon'ble Commission through RTGS for this Tariff Petition. Details of remittance through RTGS as per Form –I is attached as Enclosure 14 of this Petition.

15. PRAYER TO THE HON'BLE COMMISSION

The Petitioner humbly prays to the Hon'ble Commission to:

a) Accept the accompanying Application seeking Tariff approval of 400 kV Single Circuit Kolaghat-Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014.

b) Approve the Transmission Tariff for the asset covered under this petition as per paragraph 9.2 above.

c) Approve recovery of petition filing fee of Rs. 2.40 Lakh and expenses towards publication of notice in the news papers and other expenditure relating to filing of this petition as per regulation 42 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 as amended time to time.

d) Condone any inadvertent ommissions /errors/short commings.

e) Pass such an order or orders on this petition, as the Commission may deem fit, keeping in mind the facts and circumstances of the case.

S. CHAUDHURI
★NOTARY★
GOVT. OF INDIA
Regn. No.-6584/08
Bidhannagar Court
Dist-North 24 Pgs.

19 SEP 2013

Pulak Kumar Sengupta
(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
t Bhavan, Kol-91

Through Shantanu Singh
Trilegal
Advocates for Petitioner



पश्चिमबंग पश्चिम बंगाल WEST BENGAL 15AA 36985

BEFORE THE NOTARY PUBLIC

DISTRICT NORTH 24 PARGANS

BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

SUDIP CHAUDHURI * GOVT OF INDIA * NOTARY 6584/2008 * BIDHANNAGAR COURT 24 PGS(N)

FILE NO. .....

PETITION NO.....

In the matter of :

Approval under Regulation – 86 of CERC (Conduct of Business) Regulation 1999 for transmission tariff as per CERC (Terms & Conditions of Tariff) Regulations 2009 for 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014 as directed by Hon'ble Commission vide its order dated 14/03/2012 and order dated 25.4.2013 against the Petition no: 15/Suo-Motu/2012.

And

In the matter of:

West Bengal State Electricity Transmission Company Limited.

S. CHAUDHURI
★NOTARY★
GOVT. OF INDIA
Regn. No.-6584/08
Bidhannagar Court
Dist-North 24 Pgs.

19 SEP 2013

Pulak Kumar Sengupta
(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

10

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

SUDIP CHAUDHURI * NOTARY 6584/2008 * BIDHANNAGAR COURT 24 PGS.(N) GOVT OF INDIA

-------- **Petitioner.**

Affidavit verifying the petition

I, Sri Pulak Kumar Sengupta, son of Late Santosh Kumar Sengupta, aged 59 years, residing at 10, Bansdroni Govt. Colony, Kolkata –700070 do solemnly affirm and say as follows:

1. I am the Addl. Chief Engineer, Regulatory Affairs Cell of the West Bengal State Electricity Transmission Company Limited, petitioner in the above matter, and am duly authorized by the said petitioner to make this affidavit for and on its behalf.

2. The Statements made in petition herein now shown to me and marked with the letter "A" are true to my knowledge and based on information received and are true to my belief and nothing material has been concealed from the statements so made, or documents or supporting data, etc., attached.

Pulak Kumar Sengupta

(DEPONENT)

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

VERIFICATION

Solemnly affirmed at Kolkata on this ..... day of September 2013 that the contents of this affidavit are true to my knowledge, no part of it is false or nothing material has been concealed there from and misleading material included therein.

Pulak Kumar Sengupta

(DEPONENT)

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

S. CHAUDHURI
★NOTARY★
GOVT. OF INDIA
Regn. No.-6584/08
Bidhannagar Court
Dist-North 24 Pgs.

19 SEP 2013

11

Enclosure : 1

Power Sector Reforms Transfer Scheme 2007 notified by the Department of Power and Non-Conventional Energy Source, Government of West Bengal.

[Vide No 12- PO/O/III/3R-29/2006 dated 25/01/2007]

Registered No. WB/SC-247 **No. WB(Part-I)/2007/SAR-12**

The Kolkata Gazette

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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

GOVERNMENT OF WEST BENGAL
DEPARTMENT OF POWER & NON-CONVENTIONAL ENERGY SOURCES
New Secretariat Building (7th floor)
1, K. S. Roy Road, Kolkata-700 001

NOTIFICATION

No. 12-PO/O/III/3R-29/2006 Kolkata, the 25th January, 2007.

In exercise of the power under sub-section (4) of section 131 of the Electricity Act, 2003 the Governor is pleased to notify the following Scheme for providing and giving effect to the transfer and vesting of all properties and all interests, rights and liabilities of the Board in the State Government and revesting thereof by the State Government in the WBSETC and WBSEDC along with other property, interest, rights and liabilities of the State Government and for determining the terms and conditions on which such transfer or vesting or revesting shall be made:—

1. **Preliminary**

(1) *Short title, extent and commencement*

(a) This Scheme may be called the West Bengal Power Sector Reforms Transfer Scheme, 2007.

(b) The Scheme shall extend to the whole of the State of West Bengal and also to such Assets, Liabilities, Proceedings and Personnel of the West Bengal State Electricity Board outside the State of West Bengal.

(c) This Scheme shall come into force from the commencement of business hours on 1st April, 2007.

(2) *Definitions*

(a) "Act" means the Electricity Act, 2003 (36 of 2003);

(b) "Board" means West Bengal State Electricity Board;

(c) "Company" means a company incorporated under the Companies Act, 1956 (1 of 1956);

(d) "Date of the transfer" means the respective date notified by the State Government for effecting transfer of different Undertakings or properties, interest, rights and liabilities, procedings or personnel of the Board forming part of the Undertakings, as the case may be, to the relevant Transferee in accordance with the Act and this Scheme;

(e) "Liabilities" include all liabilities, debts, duties, obligations and other out-standings including statutory liabilities and Government levies of whatever nature and contingent liabilities which may arise in regard to the dealings before the date of the transfer in respect of the Undertakings transferred under this Scheme;

(f) "Personnel" means workmen, employees, staff and officers of the Board by whatever name called and includes personnel on deputation from the Board to other organizations or institutions and trainees, if any for recruitment in the Board;

(g) "Proceeding" means the proceedings of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory, arbitration whether civil or criminal or otherwise;

(h) "Property" means all assets including power systems, plant, machinery, land, buildings, offices, stores, furniture, fixtures, vehicles, residential quarters and guest houses and amenities and installations pertaining and attached thereto and other movable and immovable assets, cash in hand, cash at bank, investments, book debts—corporeal and incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registrations, patents, trade marks and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, contracts, deeds, schemes, bonds, agreements and other instruments and interest of whatever nature and wherever situate;

(i) "Schedule" means the Schedules appended to this Scheme;

(j) "State" means the State of West Bengal;

(k) "State Government" means the Government of West Bengal;

(l) "Transferee" means West Bengal State Electricity Transmission Company Limited or West Bengal State Electricity Distribution Company Limited, as the case may be;

(m) "Undertaking" means the functions, business and a block or blocks of properties, interest, rights, liabilities, obligations, proceedings and personnel to the extent and in the manner specified as a part of the undertakings and such other properties, interest, rights, liabilities, obligations and proceedings and wherever the context so admits shall include the Personnel as specified in this Scheme relevant to the functions;

(n) "West Bengal State Electricity Distribution Company Limited" or "WBSEDC" means the Distribution Company to which the distribution and Hydro Undertakings of the Board are to be transferred in accordance with this Scheme;

(o) "West Bengal State Electricity Transmission Company Limited" or "WBSETC" means the Transmission Company to which the Transmission and Load Despatch Undertakings of the Board are to be transferred in accordance with this Scheme;

(p) words and expressions used in this Scheme and defined in the Act but not specifically defined in this Scheme shall have the same meaning as assigned to them in the Act.

2. Classification of Undertakings of the Board

(1) The Undertakings of the Board are classified in the following Schedules:—

(a) Transmission and Load Despatch Undertakings as set out in Schedule 'A';

(b) Distribution and Hydro Undertakings as set out in Schedule 'B'.

(2) If the assets of the Undertaking under sub-classe 2(1) are subject to security documents or arrangements in favour of third parties for any financial assistance or obligation taken by the Board and the liabilities in respect thereof are to be classified in different Undertakings, the State Government, may by order to be issued for the purpose, provide for the apportionment of the liabilities secured by such properties, assets and rights between the different Undertakings and upon such apportionment, the security shall be applicable to the extent of apportioned liability.

3. Transfer of property to the State

(1) On and from such date of transfer to be notified by the State Government the properties and all interests, rights and liabilities of the Board as secified in such of the Schedules 'A' and 'B' as the State Government decides shall stand transferred to and vest in the State Government for the purposes of further transfers under this Scheme.

(2) Nothing in sub-clause 3(1) above shall apply to the rights, responsibilities, liabilities and obligations in respect of the personnel and personnel related matters including statutory dues such as salary, wages, gratuity, pension, provident fund, compensation terminal and retirement benefits and the same shall be dealt in the manner provided under clause 'Transfer of Personnel' of this Scheme.

4. Transfer of undertakings by the State

(1) The functions, business and Undertakings forming part of Transmission & Load Despatch Undertakings as set out in Schedule 'A' shall stand transferred to and vest in West Bengal State Electricity Transmission Company Limited on and from the date of transfer.

(2) The functions, business and Undertakings forming part of Distribution and Hydro Undertakings as set out in Schedule 'B' shall stand transferred to and vest in West Bengal State Electricity Distribution Company Limited on and from the date of transfer.

(3) On such transfer and vesting of the Undertakings in terms of sub-clauses 4(1) and 4(2) above and except as otherwise provided, the respective Transferee, shall be responsible for all functions, contracts, rights, deeds, schemes,

bonds, agreements and other instruments of whatever nature relating to the respective Undertakings transferred to it to which the Board was a party, subsisting or having effect on the date of the transfer, in the same manner as the Board was liable immediately before the date of the transfer, and the same shall remain in force and effect against or in favour of the respective Transferee and may be enforced effectively as if the respective Transferee had been a party thereto instead of the Board. All orders and circulars issued by competent authorities of the Board till date of transfer would continue to be applicable to the respective Transferee, as the case may be.

(4) The State Government may by an order to be issued for the purpose amend, vary, modify, add, delete or otherwise change the terms and conditions specified in the Schedules at any time during the provisional period mentioned in clause 8(1) of this Scheme.

5. Transfer of personnel

(1) The transfer of personnel shall be subject to the terms and conditions contained in the Act.

(2) Subject to above, the personnel on the effective date of transfer shall stand transferred as under:—

(a) All personnel of the Board shall stand transferred to and absorbed in WBSEDC on a provisional basis, subject to finalisation by the State Government in consultation with WBSEDC and WBSETC.

(b) The personnel classified in Schedule 'C' shall stand deputed from WBSEDC to WBSETC on a provisional basis, subject to finalisation by the State Government in consultation with WBSEDC and WBSETC.

(c) In respect of personnel not fully identifiable to the units of the WBSETC as covered under Schedule 'C' or to units of WBSEDC, WBSEDC shall finalise their posting and/or deputation arrangements in consultation with WBSETC and issue appropriate orders. The lists of such departments are provided in Schedule 'D'. Till such time orders are issued, the personnel shall continue to discharge their present responsibilities.

(d) After the date of transfer, if any of the transferees require specific services that can be provided by the other transferee, such services will be offered by the respective transferee on mutually agreed terms and conditions.

(3) On such transfer and subject to the provisions of the Act and provisions of this Scheme, the personnel shall form a part of the services of WBSEDC and their rank, scale of pay and inter-seniority as existing in WBSEB on the effective date of transfer shall be maintained.

(4) Notwithstanding the provisional nature of deputation of personnel to WBSETC, such personnel shall discharge the duties and functions as may be assigned to them from time to time by the WBSETC. WBSETC shall have the power to exercise all administrative and disciplinary control with respect to all such personnel deputed to them as per this Scheme in consultation with WBSEDC.

(5) The transfer of personnel shall be further subject to the following conditions, namely:—

(a) that the terms and conditions of service applicable to the personnel on the effective date of transfer shall not, in any way, be less favourable than those applicable to them immediately before the said effective date of transfer;

(b) all such personnel shall have continuity of service in all respects;

(c) all benefits of service accrued before the said effective date of transfer shall be fully recognised and taken into account for all purposes including the payment of terminal benefits;

(d) existing arrangement of Joint Management Council (JMC) with representations from recognised employee unions/associations shall continue in respective transferee company and pending demands, if any, of the recognised employee unions/associations on employees related matters would be dealt with by WBSEDC from the effective date of transfer;

(e) any orders that may be passed by the Courts in the proceedings pending on the said effective date of the transfer in regard to seniority or other matters concerning the service conditions of the personnel;

(f) subject to the Act and this Scheme, the Transferee shall frame regulations governing the conditions of personnel transferred to the Transferee under this Scheme and till such time the existing service Rules/ Regulations of the WBSEB shall apply *mutatis mutandis*.

(6) The arrangements with regard to Staff Terminal Benefits including provident fund, gratuity fund, pension and any other superannuation fund shall be as specified in Schedule 'E'.

6. Rights and obligations of third parties restricted

Upon the transfer being effected in accordance with the provisions of the Act and this Scheme, the rights and obligations of all persons shall be restricted to the Transferee to whom they are transferred to and notwithstanding anything to the contrary contained in any deed, documents, instruments, agreements or arrangements which such person has with the Board, such person shall not claim any right or interest against the State Government, Board or any other Transferee.

7. Pending Suits, Proceedings, etc.

(1) All Proceedings of whatever nature by or against the Board pending on the date of the transfer shall not abate or discontinue or otherwise in any way prejudicial be affected by reason of the transfer under this Scheme and the proceedings shall be continued, prosecuted and enforced by or against the Transferee to whom the same are assigned in accordance with this scheme and orders issued thereunder.

(2) The Proceedings covered under sub-clause 7(1) above shall be continued in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Board if the transfers specified in this Scheme had not been made.

8. Classifications and transfer of property, rights, liabilities and proceedings to be provisional in the first instance

(1) The classification and transfer of Undertakings excluding personnel under this Scheme, unless otherwise specified in any order may by the State Government, shall be provisional for a period of one year from the respective date of transfer. All transfer of personnel from the Board to WBSEDC under clause 5 shall be provisional for a period of 5 years from the date of transfer and after this period the transfer shall be treated as final, subject to any order passed by the State Government under the sub-clause (2).

(2) At any time within the provisionality period from the date of the transfer, the State Government may by order to be notified amend, vary, modify, add, reduce, delete or otherwise change terms and conditions of the transfer including items included in the transfer, and transfer such properties, interests, rights, liabilities, personnel and proceedings and forming part of an Undertaking of one Transferee to that of any other Transferee or the Board or to the State Government in such manner and on such terms and conditions as the State Government may consider appropriate.

(3) On the expiry of the provisionality period from date of the transfer and subject to any directions given by the State Government, the transfer of undertakings, properties, interests, rights, liabilities, personnel and proceedings made in accordance with this Scheme shall become final.

9. Transfer by operation of law

The transfer under this Scheme shall operate and be effective pursuant to action of the State Government by laying the Scheme in the assembly, publishing this Scheme and Orders issued in terms of this Scheme and without any further act, deed or thing to be done by the State Government, Board, Transferees or any other person, subject to the terms and conditions of this Scheme.

10. Decision of State Government to be final

(1) If any doubt, dispute, difference or issue shall arise in regard to the transfers under this scheme subject to the provisions of the Act, the decision of State Government thereon shall be final and binding on all parties.

(2) The State Government may, by order published in the *Official Gazette*, amend this Scheme and make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulties arising in implementing the transfers under this Scheme.

11. Exemption of duty

The transfer under this scheme and its implementation shall be exempted from all taxes, duties, levies of the State Government and all its local bodies.

By order of the Governor,

SUNIL MITRA,
Principal Secretary to the
Government of West Bengal.

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SCHEDULE 'A'

TRANSMISSION & LOAD DESPATCH UNDERTAKING

[*See* Sub-clause (1)(a) of clause 2]

PART I

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, concerning the Transmission of and Load Despatch of electricity:—

I. Transmission Assets:

The following assets shall form part of the Transmission & Load Despatch Undertaking:

(a) All the transmission lines having the capacity to carry electricity at voltages of 66 KV and above on double circuit/single circuit/single circuit on double circuit towers including lands (including right of way), buildings, roads and other auxiliary assets spread over within and outside the territory of the State of West Bengal. This excludes lines at voltages of 66 KV and above emanating from Grid Sub-stations supplying directly to consumers of the distribution undertaking.

(b) The substations, having the capacity to carry electricity at voltages of 66 KV and above, housing the Inter-Connecting Transformers with all associated and related equipment, including step-up, step-down transformers, circuit breakers, switchgear sets in sub-stations, metering arrangements and other protective devices with power-line communication system, allied control rooms.

In addition to the above, the 33 KV and below distribution system which are in the boundaries of 66 KV and above Grid Sub-stations and are integral part of the transformation from 66 KV and above voltages to 33 KV and below voltages shall be part of the transmission system and they shall not form part of the distribution undertakings notwithstanding anything contained in other schedules.

(c) State Load Despatch Centre.

In addition all such assets in (a), (b) and (c) above that are under construction and assets acquired, transferred or rights of which were vested with the Board by transfer, sale, lease or otherwise, but excluding such constructions or installations lawfully owned and operated by others shall form part of the Transmission & Load Despatch Undertaking.

The switchyards of Hydro Generating Stations will not be a part of the Transmission & Load Despatch Undertaking.

II. General Assets :

The following, if they exclusively or primarily pertain to the above mentioned transmission systems, properties or projects or activities related to such transmission systems, properties or projects shall form part of the Transmission & Load Despatch Undertaking:

(a) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centres, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

(b) All independent and stand-alone rest houses, which are not part of any sub-stations/installations of the Board but established as a part of transmission project of voltage class 66 KV and above.

(c) The office establishment, buildings, lands and all other assets not covered elsewhere in this schedule, which are predominantly occupied/used for the activities of Transmission & Load Despatch Undertakings as on the effective date of transfer.

III. Miscellaneous:

(a) Contracts, agreements, interest and arrangements to the extent they are associated with or related to Transmission & Load Despatch activities or to the Undertakings or assets referred to in Paras I and II above.

(b) Contingent liabilities to the extent they are recognised and are associated with or related to Transmission & Load Despatch activities or to the Undertakings or Assets referred to in Paras I and II above.

(c) Proceedings to the extent they are associated with or related to Transmission & Load Despatch activities or to the Undertakings or Assets referred to in Paras I and II above.

General: In consideration of the transfer as mentioned above, the State Government shall be issued 72 crores shares of face value of Rs. 10/- each in the West Bengal State Electricity Transmission Company Limited.

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SCHEDULE 'A'

TRANSMISSION & LOAD DESPATCH UNDERTAKING

PART II

Aggregate Assets and Liabilities Vested in West Bengal State Electricity Transmission Company Limited

Balance Sheet (As on 31st March, 2006)

Liabilities (Rs. crores)	
Equity	720
Retained Earning (Losses)	—
Reserves	1
Capital Grants/Subsidies	—
Consumers' Contributions	—
Net worth	721
Bonds—Pension Trustee Board	270
Govt. Loans	1,282
Other Loans	328
Total Loan Funds	**1,880**
Accounts Payable—Power Purchase	—
Security Deposit from Consumers	—
Electricity Duty & Other Levies payable	0
Other Current Liabilities	168
Total Current Liabilities	**168**
TOTAL LIABILITIES	**2,768**
Assets (Rupees crores)	
Net Fixed Assets	1,390
Capital Work-in-Progress	1,008
Other Investments, Deferred Costs	45
Total Fixed Assets	**2,442**
Cash and Bank Balances	15
Net Stock	134
Other Current Assets	177
Total Current Assets	**326**
TOTAL ASSETS	**2,768**

SCHEDULE 'B'

DISTRIBUTION & HYDRO UNDERTAKING

[*See* Sub-clause (1)(b) of clause 2]

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PART I

The Distribution & Hydro Undertaking shall also comprise generally of all the Assets, Liabilities and proceedings, including the following but not limited to them, belonging to the Board, concerning the distribution & hydro generation of electricity:—

I. Distribution Assets:

All 33 KV, 22 KV, 11 KV, LT. (Single phase 2 wire to 3 phase 5 wire) line (with overhead lines, Aerial Bunched cables on different types of supports and underground cables) with various sizes of conductors and 33 KV, 22 KV & 11 KV Sub-station and step up/step down power transformers and distribution transformers, breakers, capacitor banks, protective and metering devices and control rooms, boosters, wireless systems, testing laboratories, SCADA and AMR systems, lands (including right of way), buildings, roads, diesel generating sets or other conventional and non-conventional generating units, service connections and installations inside consumer's premises, street lighting and signal systems owned by or leased to WBSEB but excluding fittings, fixtures and installations owned, by private persons or local authorities, including any of the above assets under construction as on effective date of transfer.

II. Generation Assets :

IIA. Existing Power Stations :

Jaldhaka Stage 1 (3 × 9 MW) including augmentation to stage 1 of 1 × 9 MW, Jaldhaka Stage 2 (2 × 4 MW) including augmentation to stage 2 of 1 × 4 MW, Rammam Stage II (4 × 12.75 MW), Teesta Canal Fall Power Station 1 (2 × 7.5 MW), Teesta Canal Fall Power Station 2 (3 × 7.5 MW), Teesta Canal Fall Power Station 3 (3 × 7.5 MW), Sidrapong (3 × 0.2 MW), Fazi (2 × 0.4 MW + 1 × 0.448 MW + 1 × 1.2 MW), Little Rangit (2 × 1.0 MW), Rinchington (2 × 1.0 MW), Mungpoo Kalikhola (3 × 1.0 MW), Singtam (2 × 0.48 MW + 1 × 0.2 MW), Jubilee (1 × 0.2 MW) and Massanjore (2 × 2.0 MW), all gas turbine units, diesel generation units, each with all associated and related equipments such as Intake power canal, spill way gates, intake to head race tunnel, penstock power house, draft tube gate, tail race channel, generator, turbine along with all associated and related equipment and switchyard including step up transformers, step down transformers, circuit breakers, control and protection systems, overhead cranes, gantry cranes, hydroelectric hoist and power house stores, spare parts, consumables raw materials etc. and works in progress.

IIB. Power Station Under Construction :

All land and land rights, construction done so far, construction material, equipment at sites, contracts, power house stores, spare parts, consumables, raw materials etc. and works in progress of the Purulia Pumped Storage Power Project (4 × 225 MW)

III. General Assets :

The following, if they exclusively or primarily pertain to the above mentioned distribution systems, properties or projects or activities related to such distribution systems, properties or projects:

(a) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, compressors, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centers, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

(b) All independent and stand-alone Rest houses, which are not part of any sub-stations/installations of WBSEB but not established as a part of transmission project of voltage class 66 KV and above.

(c) The office establishment, buildings, lands and all other assets not covered elsewhere in this schedule, which are predominantly occupied/used for the activities of Distribution & Hydro Undertakings and the Bidyut Bhawan complex as on the effective date of transfer.

IV. Miscellaneous :

(a) Investment of the Board in shares of New Town Electric Supply Company Limited.

(b) Contracts, agreements, interest and arrangements to the extent they are associated with or related to Distribution & Hydro activities or to the Undertakings or assets referred to in Paras I, II and III above.

(c) Contingent liabilities to the extent they are recognized and are associated with or related to Distribution & Hydro activities or to the Undertakings or Assets referred to in Paras I, II, and III above.

(d) Proceedings to the extent they are associated with or related to Distribution & Hydro activities or to the Undertakings or Assets referred to in Paras I, II, and III above.

(e) Any other assets and liabilities of the Board not covered above or under Part I of Schedule A.

General: In consideration of the transfer as mentioned above, the State Government shall be issued 194.2 crore shares of face value of Rs. 10/- each in the West Bengal State Electricity Distribution Company Limited.

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SCHEDULE 'B'

DISTRIBUTION & HYDRO UNDERTAKINGS

PART II

Aggregate Assets and Liabilities Vested in West Bengal State Electiricty Distribution Company Limited

Balance Sheet (As on 31st March, 2006)

Liabilities (Rs. crores)	
Equity	1,942
Retained Earning (Losses)	
Reserves	1
Not worth	1,943
Bonds—Pension Trustee Board	1,530
Govt. Loand	1,948
Other Loans	1,074
Total Loan Funds	**4,552**
Accounts Payable—Power Purchase	106
Security Deposit from Consumers	678
Electricity Duty & Other Levies payable	69
Other Current Liabilities	956
Total Current Liabilities	**1,808**
TOTAL LIBILITIES	**8,303**
Assets (Rupees crores)	
Net Fixed Assets	2,170
Capital Work-in-Progress	2,738
Other Investments, Deferred Costs	170
Total Fixed Assets	**5,078**
Net Receivable for SoP	1,060
Inter-State Receivables and Others	127
Cash and Bank Balances	359
Net Stock	163
Other Current Assets	1,517
Total Current Assets	**3,225**
TOTAL ASSETS	**8,303**

SCHEDULE 'C'

TRANSFER OF PERSONNEL

[*See* Sub-clause (2)(b) of clause 5]

Arrangements for the Deputation of Personnel to the Transmission & Load Despatch Undertaking

Personnel presently posted in the units of the WBSEB along with its subordinate offices will stand deputed to WBSETC from WBSEDC on the effective date of transfer as shown in the list below:—

1. 400 KV Transmission Sub-station—Arambagh
2. 400 KV Transmission Sub-station—Jeerat
3. Kolkata Transmission Circle Office
4. Berhampur Transmission Circle Office
5. Maldah Transmission Circle Office
6. Siliguri Transmission Circle Office
7. Howrah Transmission Circle Office
8. Midnapur Transmission Circle Office
9. Durgapur Transmission Circle Office

Personnel presently posted in the units of the WBSEB along with its subordinate offices will stand deputed to WBSETC on the effective date of transfer as shown in the list below:—

1. Transmission O & M
2. Transmission I (TR I)
3. Transmission II (TR II)
4. Transmission Projects
5. Central Load Despatch
6. Communications
7. Land Acquisition
8. Central Testing Department excluding meter testing units

SCHEDULE 'D'

[*See* Sub-clause (2)(c) of clause 5]

Arrangements for the Deputation of Personnel to the Transmission & Load Despatch Undertaking

Personnel presently posted in common units of the WBSEB along with its subordinate offices will stand transferred to WBSEDC on the effective date of transfer as shown in the list below. Further deputation to the WBSETC will be carried out in consultation with the management of WBSEDC and WBSETC:—

1. Central Testing Department
2. Central Planning and Engineering Department
3. Material Controller (Stores)
4. SATCOM—Satellite Communication
5. F & A—GM's Office (Corporate Finance)
6. F & A—Pension and Gratuity

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SCHEDULE 'C'

TRANSFER OF PERSONNEL

[*See* Sub-clause (2)(b) of clause 5]

Arrangements for the Deputation of Personnel to the Transmission & Load Despatch Undertaking

Personnel presently posted in the units of the WBSEB along with its subordinate offices will stand deputed to WBSETC from WBSEDC on the effective date of transfer as shown in the list below:—

1. 400 KV Transmission Sub-station—Arambagh
2. 400 KV Transmission Sub-station—Jeerat
3. Kolkata Transmission Circle Office
4. Berhampur Transmission Circle Office
5. Maldah Transmission Circle Office
6. Siliguri Transmission Circle Office
7. Howrah Transmission Circle Office
8. Midnapur Transmission Circle Office
9. Durgapur Transmission Circle Office

Personnel presently posted in the units of the WBSEB along with its subordinate offices will stand deputed to WBSETC on the effective date of transfer as shown in the list below:—

1. Transmission O & M
2. Transmission I (TR I)
3. Transmission II (TR II)
4. Transmission Projects
5. Central Load Despatch
6. Communications
7. Land Acquisition
8. Central Testing Department excluding meter testing units

SCHEDULE 'D'

[*See* Sub-clause (2)(c) of clause 5]

Arrangements for the Deputation of Personnel to the Transmission & Load Despatch Undertaking

Personnel presently posted in common units of the WBSEB along with its subordinate offices will stand transferred to WBSEDC on the effective date of transfer as shown in the list below. Further deputation to the WBSETC will be carried out in consultation with the management of WBSEDC and WBSETC:—

1. Central Testing Department
2. Central Planning and Engineering Department
3. Material Controller (Stores)
4. SATCOM—Satellite Communication
5. F & A—GM's Office (Corporate Finance)
6. F & A—Pension and Gratuity

7. F & A—Provident Fund
8. F & A—Corporate Establishment
9. F & A—Corporate Compilation
10. F & A—Loans and Bonds
11. F & A—Corporate Budget
12. F & A—Corporate Treasury
13. F & A—Corporate Cash
14. F & A—Funds and Payments
15. F & A—Internal Audit
16. F & A—Corporate Sales Tax
17. F & A—Management Information System (MIS)
18. P & A—Corporate Personnel Cell and GM's Office
19. P & A—House Building Loan
20. P & A—Industrial Relations Cell
21. Management Relations
22. Staff Selection Committee I
23. Board Cell
24. Staff Selection Committee II
25. Personnel Planning Cell
26. Legal Cell
27. Corporate Vigilance
28. Security & Vigilance
29. Central Security Office
30. Personal Cells of office of Chairman, Members, Secretary and all officers covered in this Schedule
31. All other offices not mentioned in Schedule C

(*Note:* F & A means Finance & Accounts and P & A means Personnel & Administration)

SCHEDULE 'E'

[*See* clause 5]

Arrangements with Regards to Staff Terminal Benefits

(I) In respect of all statutory and other schemes and employment related matters including the provident fund, gratuity fund, pension and any other superannuation fund or any other special fund created or existing for the benefit of the personnel, the relevant Transferee where the personnel is working shall stand substituted for the Board for all purposes and all the rights, powers and obligations of the Board in relation to any and all such matters shall become those of the Transferee concerned and the services of the personnel shall be treated as having been continuous for the purpose of the application.

(II) All obligations in respect of pension and other retirement benefits including provident fund, superannuation and gratuity to the employees, who have retired from the services of the Board before the effective date of transfer, shall be discharged by WBSEDC.

(III) The WBSEDC and WBSETC shall be responsible to ensure that the contribution to the Trusts relating to personnel related funds for the services, after the date of transfer for the respective personnel working in these undertakings is made as required from time to time.

Enclosure : 2

Power Sector Reforms Transfer Scheme 2007 notified by the Department of Power and Non-Conventional Energy Source, Government of West Bengal.

[Vide No. 313-PO/O/III/3R-29/2006 dated 19.09.2008]

Regd. No. WB/SC-320

No. WB/CPS/Raj-105 (Part I)/ 2008

The Kolkata Gazette

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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury etc.

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GOVERNMENT OF WEST BENGAL

DEPARTMENT OF POWER & NON-CONVENTIONAL ENERGY SOURCES

New Secretariat Buildings, 7th Floor,

1, K. S. Roy Road, Kolkata-700 001.

NOTIFICATION

No.313-PO/O/III/3R-29/2006 Date : 19-09-2008.

In exercise of powers conferred upon State Government under Sub-section (5) of Section 131 of the Electricity Act, 2003 read with Clauses 4(4) and 8(1) of the West Bengal Power Sectors Reforms Transfer Scheme, 2007, the Governor is pleased hereby to modify, vary and change the terms and conditions of the said Transfer Scheme in regard to the transfer of properties, interests, rights and liabilities, by substituting Schedules A, B, E, and F attached to this Notification for the Schedules A, B, E and F of Notification No.12-PO/O/III/3R-29/2006 dated 25th January 2007.

2. The West Bengal Power Sector Reforms Transfer Scheme, 2007 shall be effective to all intents and purposes with the above modifications, from 1st April, 2007.

By order of the Governor

Sunil Mitra
Addl. Chief Secretary

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SCHEDULE - 'A' TRANSMISSION & LOAD DESPATCH UNDERTAKING

See Clause 2 Sub-Clause (1) (a)

PART I

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, concerning the Transmission of & Load Despatch of electricity: -

I. TRANSMISSION ASSETS:

The following assets shall form part of the Transmission & Load Despatch undertaking:

(a) All the transmission lines having the capacity to carry electricity at voltages of 66 kV and above on double circuit/single circuit/ single circuit on double circuit towers including lands (including right of way), buildings, roads and other auxiliary assets spread over within and outside the territory of the State of West Bengal. This excludes lines at voltages of 66 kV and above emanating from Grid Sub-stations supplying directly to consumers of the distribution undertaking.

(b) The substations, having the capacity to carry electricity at voltages of 66 kV and above, housing the Inter-Connecting Transformers with all associated and related equipment, including step-up, step-down transformers, circuit breakers, switchgear sets in sub-stations, metering arrangements and other protective devices with power- line communication system, allied control rooms.

In addition to the above, the 33 kV and below distribution system which are in the boundaries of 66 kV and above Grid Sub-stations and are integral part of the transformation from 66 kV and above voltages to 33 kV and below voltages shall be part of the transmission system and they shall not form part of the distribution undertakings not withstanding anything contained in other schedules.

(c) State Load Despatch Centre

In addition all such assets in (a), (b) and (c) above that are under construction and assets acquired , transferred or rights of which were vested with the Board by transfer, sale, lease or otherwise, but excluding such constructions or installations lawfully owned and operated by others shall form part of the Transmission & Load Despatch undertaking.

The switchyards of Hydro Generating Stations will not be a part of the Transmission & Load Despatch undertaking.

II. GENERAL ASSETS:

The following, if they exclusively or primarily pertain to the above mentioned transmission systems, properties or projects or activities related to such transmission systems, properties or projects shall form part of the Transmission & Load Despatch Undertaking:

(a) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centers, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

(b) All independent and stand-alone Rest Houses, which are not part of any substations/installations of the Board but established as a part of transmission project of voltage class 66 kV and above.

(c) The office establishment, buildings, land and all other assets not covered elsewhere in this schedule, which are predominantly occupied/used for the activities of Transmission & Load Despatch Undertakings as on the effective date of transfer.

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III. MISCELLANEOUS:

(a) Contracts, agreements, interest and arrangements to the extent they are associated with or related to Transmission & Load Despatch activities or to the Undertakings or assets referred to in Para I and II above.

(b) Contingent liabilities to the extent they are recognised and are associated with or related to Transmission & Load Despatch activities or to the Undertakings or Assets referred to in Para I and II above.

(c) Proceedings to the extent they are associated with or related to Transmission & Load Despatch activities or to the Undertakings or Assets referred to in Para I and II above.

GENERAL:

In consideration of the transfer as mentioned above, the State Government shall be issued 101.5 crores shares of face value of Rs 10/- each in the West Bengal State Electricity Transmission Company Limited.

SCHEDULE 'A' - TRANSMISSION & LOAD DESPATCH UNDERTAKING

PART II

Aggregate Assets and Liabilities Vested in West Bengal State Electricity Transmission Company Limited

Balance Sheet (As on 31st March 2007)

(Rs Crores)	
LIABILITY	
Equity	1,014
Retained Earnings (Losses)	(172)
Net worth	**843**
Bonds - Pension Trustee Board	270
Govt. Loans	1,037
Other Loans	459
Total Loan Funds	**1,766**
Current Liabilities	115
Total Current Liabilities	**115**
TOTAL LIABILITIES	**2,723**
ASSETS	
Net Fixed Assets	1,498
Capital Work in Progress	962
Total Fixed Assets	**2,461**
Other Investments, Deferred Costs	1
Receivable by WBSETC from WBSEDC	33
Cash and Bank Balances	23
Net Stock	116
Other Current Assets	21
Total Current Assets	**194**
Inter-Unit Accounts	69
TOTALASSETS	**2,723**

Notes:

1. State Government Loans: The State Government loans of Rs 1,037 crores transferred to WBSETC will be a cumulative loan with an interest rate of 8.5% per annum repayable in 25 years in equal annual instalments with a moratorium period of one year.
2. The Inter Unit Account balances of Rs 69 crores shall be subject to reconciliation and necessary adjustment between WBSETC and WBSEDC
3. The Government shall in due course by order specify the financial details of the Aggregate Assets and Liabilities vested in West Bengal State Electricity Transmission Company Limited.

ULE -'B' - DISTRIBUTION & HYDRO UNDERTAKING

See Clause 2 Sub-Clause (1) (b)

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ibution & Hydro Undertaking shall also comprise generally of all the Assets, Liabilities and proceedings, including ving but not limited to them, belonging to the Board, concerning the distribution & hydro generation of electricity.

IBUTION ASSETS:

V, 22kV, 11 kV, LT. (Single phase 2 wire to 3 phase 5 wire) lines (with overhead lines, Aerial Bunched cables on types of supports and underground cables) with various sizes of conductors and 33 kV, 22kV & 11kV Sub- ınd step up/step down power transformers and distribution transformers, breakers, capacitor banks, protective ring devices and control rooms, boosters, wireless systems, testing laboratories, SCADA and AMR systems, cluding right of way), buildings, roads, diesel generating sets or other conventional and non-conventional generating vice connections and installations inside consumer's premises, street lighting and signal systems owned by or WBSEB but excluding fittings, fixtures and installations owned, by private persons or local authorities, including e above assets under construction as on effective date of transfer.

ERATION ASSETS:

TING POWER STATIONS

Stage 1 (3 x 9 MW) including augmentation to stage 1 of 1 x 9 MW, Jaldhaka Stage 2 (2 x 4 MW) including ation to stage 2 of 1 x 4 MW , Rammam Stage II (4 x 12.75 MW), Teesta Canal Fall Power Station 1 (3 x 7.5 eesta Canal Fall Power Station 2 (3 x 7.5 MW), Teesta Canal Fall Power Station 3 (3 x 7.5 MW), Sidrapong MW) , Fazi (2 x 0.4 MW + 1 x 0.448 MW + 1x 1.2 MW) , Little Rangit (2 x 1.0 MW), Rinchington (2 x 1.0 MW) o Kalikhola (3 x 1.0 MW) , Singtam (2 x 0.48 MW + 1 x 0.2 MW) , Jubilee (1 x 0.2 MW) and Massanjore (2 W), all gas turbine units, diesel generation units, each with all associated and related equipments such as Intake nal, spill way gates, intake to head race tunnel, penstock power house, draft tube gate, tail race channel, generator, long with all associated and related equipment and switchyard including step up transformers, step down ners, circuit breakers, control and protection systems, overhead cranes, gantry cranes, hydroelectric hoist and ouse stores, spare parts, consumables raw materials etc. and works in progress.

ER STATION UNDER CONSTRUCTION

and land rights, construction done so far, construction material, equipment at sites, contracts, power house stores, rts, consumables, raw materials etc. and works in progress of the Purulia Pumped Storage Power Project (4 x)

ERAL ASSETS:

wing, if they exclusively or primarily pertain to the above mentioned distribution systems, properties or projects or related to such distribution systems, properties or projects:

) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, compressors, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centers, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

) All independent and stand-alone Rest houses, which are not part of any substations/installations of WBSEB but not established as a part of transmission project of voltage class 66 kV and above.

) The office establishment, buildings, lands and all other assets not covered elsewhere in this schedule, which are predominantly occupied/ used for the activities of Distribution & Hydro Undertakings as on the effective date of transfer.

CELLANEOUS:

) Investment of the Board in shares of New Town Electric Supply Company Limited

) Contracts, agreements, interest and arrangements to the extent they are associated with or related to Distribution & Hydro activities or to the Undertakings or assets referred to in Para I, II and III above.

) Contingent liabilities to the extent they are recognized and are associated with or related to Distribution & Hydro activities or to the Undertakings or Assets referred to in Para I, II and III above.

) Proceedings to the extent they are associated with or related to distribution & Hydro activities or to the Undertakings or Assets referred to in Para I, II and III above.

) Any other assets and liabilities of the Board not covered above or under Part I of Schedule A.

AL:

deration of the transfer as mentioned above, the State Government shall be issued 222.3 crore shares of face Rs 10/- each in the West Bengal State Electricity Distribution Company Limited.

SCHEDULE 'B' - DISTRIBUTION & HYDRO UNDERTAKINGS

PART II

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Aggregate Assets and Liabilities Vested in West Bengal State Electricity Distribution Company Limited
Balance Sheet (As on March 31, 2007)

(Rs Crores)	
LIABILITY	
Equity	2,223
Retained Earnings (Losses)	(483)
Net worth	**1,740**
Bonds - Pension Trustee Board	1,530
Govt. Loans	2,072
Other Loans	976
Total Loan Funds	**4,577**
Power Purchase payables	235
Terminal Benefit Liability pertaining to transfer of employees to WBPDCL	67
Security Deposit from Consumers	769
Payable to WBSETCL by WBSEDCL	33
Payable by WBSEDCL to the Employee Trust Fund	995
Other Current Liabilities	958
Total Current Liabilities	**3,057**
TOTAL LIABILITIES	**9,375**

ASSETS	
Net Fixed Assets	3,274
Capital Work in Progress	2,994
Total Fixed Assets	**6,268**
Other Investments, Deferred Costs	1,212
Net Receivable for Sale of Power	1,040
Inter State Receivables	67
Cash and Bank Balances	251
Net Stock	213
Other Current Assets	174
Total Current Assets	**2,957**
Inter-Unit Accounts	150
TOTAL ASSETS	**9,375**

Notes:

1. State Government Loans: The State Government loans of Rs 2,072 crores transferred to WBSEDC will be a cumulative loan with an interest rate of 8.5% per annum repayable in 20 years in equal annual instalments with a moratorium period of one year.
2. The Inter Unit Account balances of Rs 150 crores shall be subject to reconciliation and necessary adjustment between WBSETC and WBSEDC
3. The Government shall in the due course by order specify the financial details of the Assets and Liabilities vested in West Bengal State Electricity Transmission Company Limited.

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SCHEDULE E
See Clause 5

ARRANGEMENTS WITH REGARDS TO STAFF TERMINAL BENEFITS

(I) In respect of all statutory and other schemes and employment related matters including the provident fund, gratuity fund, pension and any other Superannuation fund or any other special fund created or existing for the benefit of the personnel, the relevant Transferee where the personnel is working shall stand substituted for the Board for all purposes and all the rights, powers and obligations of the Board in relation to any and all such matters shall become those of the Transferee concerned and the services of the personnel shall be treated as having been continuous for the purpose of the application.

(II) All obligations in respect of pension and other retirement benefits including provident fund, Superannuation and Gratuity to the employees, who have retired from the services of the Board before the effective date of transfer, shall be discharged by WBSEDC.

(III) The WBSEDC and WBSETC shall be responsible to ensure that the contribution to the Trusts relating to personnel related funds for the services after the date of transfer for the respective personnel working in these undertakings is made as required from time to time.

(IV) The pension and gratuity liability of the Board personnel as on transfer date shall be funded as indicated below for the years of service rendered by the personnel of the Board including retired personnel:

Actuarial determined liability (as on March 31, 2006):	**Rs 3,677.59 crore**
The Funds available to meet the above liabilities are:	
Return of contribution and accumulated interest thereon from Trustees of WBSEB ECPF in respect of DCRB optees including GPF accumulation of Rs 251.28 crores	Rs 883.09 crore
Amount payable by WBSEDCL to the Employee Trust Fund (refer Part II of schedule B)	Rs 994.50 crore
8.5% Bonds 2016 - (refer Part II of Schedule A and B)	Rs 1,800.00 crore
	Rs 3,677.59 crore

(V) The State Government would issue a guarantee on the 8.5% Bonds 2016 of Rs 1,800 crore being issued by the WBSEDC and WBSETC to the Staff Trust Fund and the guarantee would cover any shortfall in payment of annual interest and repayment obligations by WBSEDC and/or WBSETC.

The terms and conditions of bonds shall be done as below:

1. The Bonds would carry an interest rate of 8.5% per annum payable by the respective companies to the Staff Trust Fund every year.
2. The Bonds would be redeemed in 5 equal annual installments after a 10 year moratorium period on repayments.
3. WBSEDC and WBSETC shall have a call option to redeem the bonds in whole or part anytime before maturity.
4. Three-fourth of the annual cash surplus of WBSEDC and WBSETC after meeting all expenses and debt service obligations in any year shall be provided to staff terminal benefit trust towards early redemption of the 8.5% Bonds 2016 issued by respective Companies.

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SCHEDULE F

ASSETS TRANSFERRED TO WBSEB STAFF TERMINAL BENEFITS TRUST

Bank Balance NIL

Published by the Controller of Printing & Stationary, West Bengal and printed by Asstt. Supdt. at "Secretary to the Governor's Press, Raj Bhavan, Kolkata".

Enclosure : 3

Government of West Bengal's order to function as STU.

WBN -320

The

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Kolkata Gazette

सत्यमेव जयते

Extraordinary

Published by Authority

CAITRA 7] WEDNESDAY, MARCH 28, 2007 ISAKA 1929

PART I —Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury etc

GOVERNMENT OF WEST BENGAL

Department of Power and Non-conventional Energy Sources

New Secretariat Buildings,

1, K. S. Roy Road, Kolkata-700 001.

NOTIFICATION

No.89-PO/O/III/3R-5/2007 Date : 26.03.2007

In exercise of the powers conferred by sub-section (1) of section 39 of the Electricity Act, 2003 (ACT No. 36 of 2003), the Governor is pleased, hereby, to authorise the West Bengal State Electricity Transmission Company Limited to function as the State Transmission Utility from the commencement of business hours on 1st April, 2007.

By order of the Governor,

(Sunil Mitra)

Principalt Secretary to the Government of West Bengal

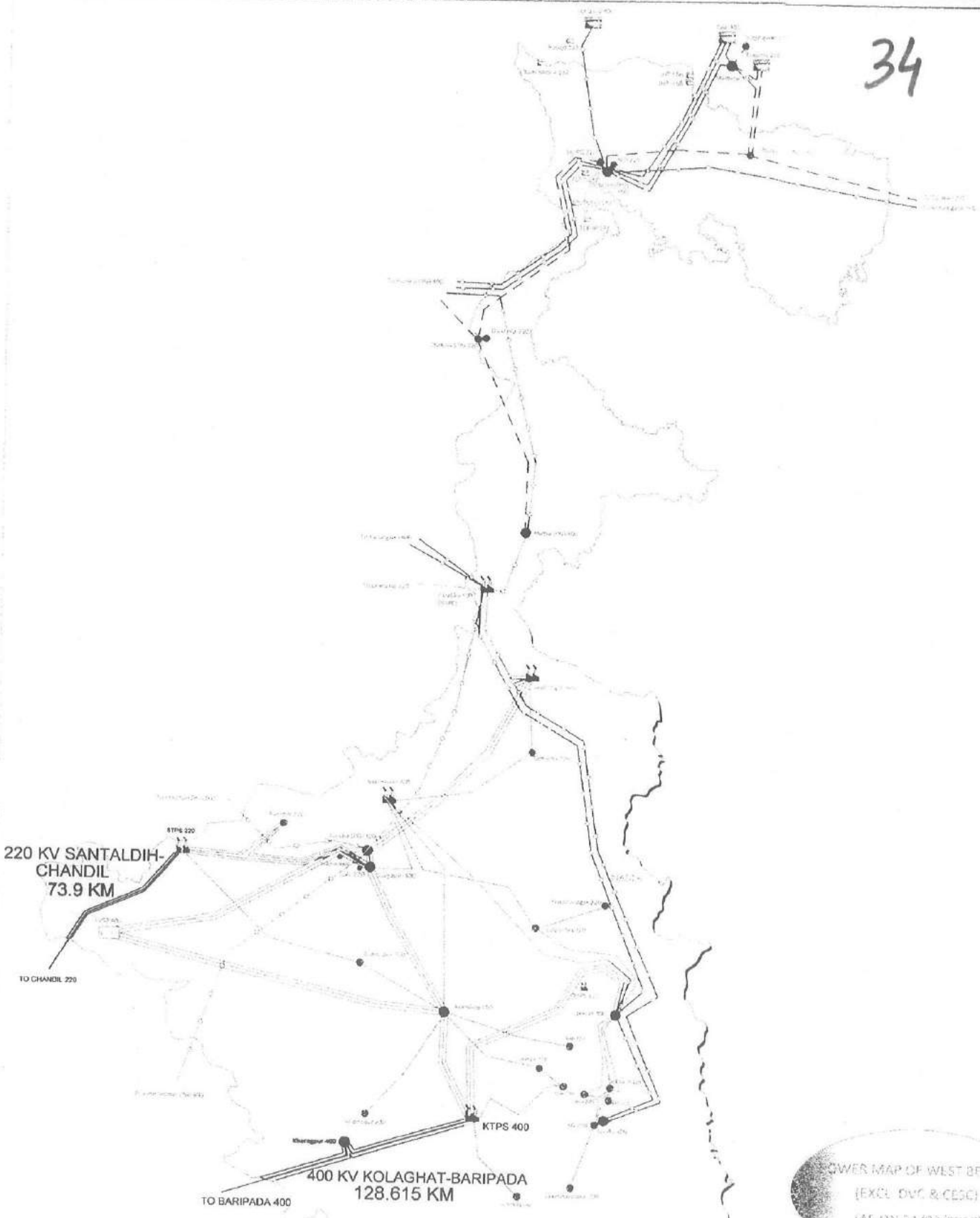
Published by the Controller of Printing & Stationary, West Bengal and printed by Asstt. Supdt. at Secretary to the Governors Press, Raj Bhavan, Kolkata.

Enclosure : 4

Schematic Diagram of Transmission System.

POWER MAP OF WEST BENGAL

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POWER MAP OF WEST BENGAL
(EXCL. DVC & CESC)
(AS ON 31/03/2012)

Additional Chief Engineer (Tr. - II)
West Bengal State Electricity Transmission Co. Ltd.
9th Floor, Block – D, Kolkata – 700 091

West Bengal State Electricity Transmission Co. Ltd.

Enclosure : 5

CERC order dated 14/03/2012

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CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No.: 15/Suo-Motu/2012

Coram: **Dr. Pramod Deo, Chairperson**
Shri S. Jayaraman, Member
Shri V. S. Verma, Member
Shri M .Deena Dayalan, Member

Date of Order: 14.3.2012

In the matter of:

Determination of tariff of the inter-State transmission lines connecting two States.

And

In the matter of:

1. Chairman & Managing Director, Delhi Transco Ltd., Shakti Sadan Building, New Delhi.
2. Chairman & Managing Director, Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur.
3. Chairman & Managing Director, Punjab State Transmission Corporation Ltd, Patiala.
4. Managing Director, Power Transmission Corporation of Uttarakhand, Dehradun.
5. Chairman & Managing Director, Himachal Pradesh state Electricity Board, Shimla.
6. Managing Director, Haryana Vidyut Prasaran Nigam Ltd. Haryana.
7. Chairman & Managing Director, Uttar Pradesh Power Transmission Corporation Ltd, Lucknow
8. Development Commissioner, Power Development Department (J&K), Srinagar
9. Chief Engineer, UT of Chandigarh (Electricity Department 1st Floor), Sector 9-D, Chandigarh.
10. Chairman, Bhakhra Beas Management Board, Sector-19B, Madhya Marg, Chandigarh.
11. Chairman & Managing Director, West Bengal State Electricity Transmission Co. Ltd., Vidyut Bhavan, Kolkata.
12. Chairman, Bihar State Electricity Board, Vidyut Bhavan, Patna.
13. Chairman, Jharkhand State Electricity Board, Engineering Bhawan, Ranchi.
14. Chairman, Damodar Valley Corporation, DVC Tower, Kolkata.
15. Chairman & Managing Director (O&M), Orissa Power Transmission Corporation Ltd., Bhubaneswar.
16. Secretary, Energy & Power Department, Government of Sikkim, Gangtok.

17. Chairman, ASEB, Bijili Bhawan, Paltan Bazar, Guwahati.
18. Chairman, MeECL, Short Round Road, Meter Factory, Shillong.
19. Chief Engineer (Power), Electricity Department, Government of Nagaland, Kohima.
20. Chief Engineer (Elect), Electricity Department, Government of Manipur, Imphal.
21. Chief Engineer, Power & Electricity Department, Government of Mizoram, Khatla Aizawl.
22. Chairman & Managing Director, TSECL, Bidyut Bhawan, Government of Tripura, Agartala.
23. Chief Engineer (Power), Department of Power, Government of Arunanchal Pradesh, Vidyut Bhawan, Itanagar.
24. Chairman & Managing Director, MSETCL, 'Prakashganga', C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai.
25. Managing Director, Gujarat Energy Transmission Corporation Ltd (GETCO), Sardar Patel Vidyut Bhavan, Race Course, Vadodara, Gujarat.
26. Chairman, Chhattisgarh State Power Transmission Co. Ltd, Banganiya, Raipur.
27. Chairman & Managing Director, Madhya Pradesh Power Transmission Company Ltd, MPPTCL, Nayagaon, Jabalpur.
28. Chief Electrical Engineer, Electricity Department, Government of Goa, Vidyut Bhavan, Goa.
29. Chairman & Managing Director, APTRANSCO, Vidyut Soudha, Hyderabad.
30. Managing Director, KPTCL, Cauvery Bhavan, Bangalore
31. Chairman, KSEB, Vidyuthi Bhavanam, Pattom, Thiruvananthapuram.
32. Managing Director, TANTRANSCO, Anna Salai, Chennai.
33. Superintending Engineer-I (Elecy), Electricity Department, Government of Puducherry, Puducherry.
34. Secretary (P), UT of Dadra Nagar Haveli Silvassa.
35. Secretary (P), UT of Daman & Du, Moti Daman, D&D.

.....Respondents

ORDER

The Commission has been entrusted with the following functions in respect of inter-State transmission system under Section 79(1) (c) and (d) of the Electricity Act, 2003 (hereinafter referred to as "the Act").

"79. Functions of Central Commission.-(1) The Central Commission shall discharge the following functions, namely:-
XXX
(c) to regulate the inter-State transmission of electricity;
(d) to determine tariff for inter-State transmission of electricity;
XXX"

2. In pursuance of the above provisions, the Commission has been determining tariff of the inter-State transmission lines developed, owned and operated by the Central Transmission Utility and the transmission licensees i.e., who have been granted licence by the Commission.

3. "Inter-State transmission system" has been defined under Section 2(36) of the Act as under:-

> *"2(36) inter-State transmission system includes-*
>
> *(i) any system for the conveyance of electricity by means of main transmission line from the territory of one State to another state;*
> *(ii) the conveyance of electricity across the territory of any intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;*
> *(iii) the transmission of electricity within the territory of a State on a system built, owned, operated, maintained or controlled by a Central Transmission Utility;"*

4. Under the above provision, the conveyance of electricity from territory of one state to another State is also considered to be a part of inter-State transmission system. In terms of Section 79(1)(d) of the Act, the tariff of these lines are also required to be determined by the Central Commission.

5. It has come to the notice of the Central Commission that the some of the owners/developers of the inter-State transmission lines of 132 kV and above in North Eastern Region and 220 kV and above in Northern, Eastern, Western and Southern regions as mentioned in the Annexure to this order have approached the Implementing Agency for including their transmission assets in computation of Point of Connection transmission charges and losses under the Central Electricity Regulatory Commission

(Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 (hereinafter "Sharing Regulations').

6. As a first step towards inclusion of non-ISTS lines in the PoC transmission charges, the Commission proposes to include the transmission lines connecting two States, for computation of PoC transmission charges and losses. However, for the disbursement of transmission charges, tariff for such assets needs to be approved by the Commission in accordance with the provisions of Sharing Regulations. Accordingly, we direct the owners of these inter-State lines to file appropriate application before the Commission for determination of tariff for facilitating disbursement.

7. We direct the respondents to ensure that the tariff petitions for determination of tariff is filed by the developers/owners of the transmission line or by State Transmission Utilities where the transmission lines are owned by them in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, by 20.4.2012.

Sd/-	Sd/-	Sd/-	Sd/-
(M. Deena Dayalan) Member	(V.S. Verma) Member	(S. Jayaraman) Member	(Dr. Pramod Deo) Chairperson

Annexure

List of inter-state lines (132 kV and above in NER, 220 kV and above in other regions)					
SN	From	To	Voltage (KV)	Connecting states	Connecting regions (if inter-regional)
			INTER REGIONAL		
1	Upper Seleru	Balimela	220	Andhra Pradesh-Orissa	SR-ER
2	Ambewadi	Ponda 1	220	Karnataka-Goa	SR-WR
3	Ambewadi	Ponda 2	220	Karnataka-Goa	SR-WR
4	Chikkodi	Kolhapur 1	220	Karnataka-Maharashtra	SR-WR
5	Chikkodi	Kolhapur 2	220	Karnataka-Maharashtra	SR-WR
6	Budhipadar	Raigarh	220	Orissa-Chhattisgarh	ER-WR
7	Budhipadar	Korba 2	220	Orissa-Chhattisgarh	ER-WR
8	Budhipadar	Korba 3	220	Orissa-Chhattisgarh	ER-WR
9	Pusuali	Sahupuri	220	Power Grid (ER)-Uttar Pradesh	ER-NR
10	Malanpur	Auraiya	220	Madhya Pradesh-Uttar Pradesh	WR-NR
11	Mehgaon	Auraiya	220	Madhya Pradesh-Uttar Pradesh	WR-NR
12	Badod	Kota	220	Madhya Pradesh-Rajasthan	WR-NR
13	Badod	Modak	220	Madhya Pradesh – Rajasthan	WR-NR
			NER		
1	Umtru	Sarusajai I	132	Assam-Meghalaya	
2	Umtru	Sarusajai II	132	Assam-Meghalaya	
3	Kahelipara	Umtru I	132	Assam-Meghalaya	
4	Kahelipara	Umtru II	132	Assam-Meghalaya	
5	Jiribam	Pailapul	132	Assam – Manipur	
6	Kohima	Karong	132	Nagaland-Manipur	
7	Dimapur	Bokajan	132	Nagaland-Assam	
8	Dullavcherra	Dharmanagar	132	Assam-Tripura	
9	Panchgram	Lumshnong	132	Assam-Meghalaya	
10	Mokokchang	Mariani	132	Nagaland-Assam	
11	Kathalguri	Deomali	220	Assam-Andhra Pradesh	
			SR		
1	Chittoor	Thiruvalam	220	Andhra Pradesh-Tamil Nadu	
2	Gooty	Bellary	220	Andhra Pradesh-Karnataka	
3	Sulurpet	Gummidipundi	220	Andhra Pradesh-TAMIL Nadu	
4	Sedam	Tandur	220	Andhra Pradesh-	

				Karnataka	
5	Yerraandahalli	Hosur	220	Karnataka –Tamil Nadu	
6	Kadakola	Kaniyampetta	220	Karnataka– Kerala	
7	Theni	Mooziyar	230	Tamil Nadu- Kerala	
8	Edamon	Tirunelvelli	400	Tamil Nadu-Kerala	
9	Iddukki	Udumalpet	230	Kerala –Tamil Nadu	

			ER		
1	Kolaghat	Baripada	400	WBSETCL-POWERGRID	
2	Waria	Bidhannagar 1	220	DVC-WBSETCL	
3	Waria	Bidhannagar 2	220	DVC-WBSETCL	
4	Chandil	Santaldih	220	JSEB-WBSETCL	
5	Patratu	Bodhgaya 1	220	JSEB-BSEB	
6	Patratu	Bodhgaya 2	220	JSEB-BSEB	
7	Patratu	Bodhgaya 3	220	JSEB-BSEB	
8	Tenughat	Biharshariff	220	JSEB-BSEB	
9	Joda	Ramchandrapur	220	OPTCL-JSEB	
10	Jindal	Jamshedpur	220	OPTCL-DVC	
			WR		
1	Kalmeshwar	Pandurna	220	Maharashtra-Madhya Pradesh	
2	Kotmikala	Amarkantak 1	220	Chhattisgarh- Madhya Pradesh	
3	Kotmikala	Amarkantak 2	220	Chhattisgarh- Madhya Pradesh	
4	Mushtungi	Amona	220	Maharashtra-Goa	
5	Nasik	Navsari 1	220	Maharashtra-Gujarat	
6	Nasik	Navsari 2	220	Maharashtra-Gujarat	
7	Tillari	Amona	220	Maharashtra-Goa	
8	SSP	Dhule 1	400	Gujarat-Maharashtra	
9	SSP	Dhule-2	400	Gujarat-Maharashtra	
10	SSP	Rajgarh 1	400	Gujarat- Madhya Pradesh	
11	SSP	Rajgarh 2	400	Gujarat- Madhya Pradesh	
12	TAPS	Vapi	220	Maharashtra-Gujarat	
13	TAPS	Bhilad	220	Maharashtra-Gujarat	
			NR		
1	Roorkee	Muzafarnagar	400	Uttarakhand-Uttar Pradesh	
2	Khodri	Saharanpur 1	220	Uttarakhand- Uttar Pradesh	
3	Khodri	Saharanpur 2	220	Uttarakhand- Uttar Pradesh	
4	Kashipur	Muradabad	400	Uttarakhand- Uttar Pradesh	

5	Pantnagar	Baikanthpur(Bareilly)	220	Uttarakhand- Uttar Pradesh	
6	Patparganj	Sahibabad	220	Delhi- Uttar Pradesh	
7	Gazipur	Sec-62 Noida	220	Delhi- Uttar Pradesh	
8	Bharatpur	Agra	220	Rajasthan- Uttar Pradesh	
9	Majri	Khodri	220	Himachal Pradesh-Uttarakhand	
10	Udhampur	Sarna	220	Jammu & Kashmir-Punjab	
11	Jessore	Ranjitsagar	220	Himachal Pradesh – Punjab	
12	Baddi	Panchkula	220	Himachal Pradesh – Haryana	
13	Kunihar	Panchkula	220	Himachal Pradesh – Haryana	
14	BTPS	Mehrauli Institutional Area	220	Delhi-Rajasthan	
15	Dadri	Khetri 1	220	Haryana-Rajasthan	
16	Dadri	Khetri 2	220	Haryana-Rajasthan	
17	Panipat	Narela 1	220	Haryana-Delhi	
18	Panipat	Narela 2	220	Haryana-Delhi	
19	Panipat	Narela 3	220	Haryana-Delhi	
20	Noida_Gajipur	BTPS	220	Uttar Pradesh-Delhi	
21	Bhiwadi	Rewari	220	Rajasthan-Haryana	
22	BTPS	Ballabhgarh 1	220	Delhi-Haryana	
23	BTPS	Ballabhgarh 2	220	Delhi-Haryana	
24	Mandaula	Bawana 1	400	Uttar Pradesh-Delhi	
25	Mandaula	Bawana 2	400	Uttar Pradesh-Delhi	
26	Bamnauli	Ballabhgah 1	400	Delhi-Haryana	
27	Bamnauli	Ballabhgah 2	400	Delhi-Haryana	
28	Bhiwadi	Badshahpur	220	Rajasthan-Haryana	

Enclosure : 6

CERC order dated 25/04/2013

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CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No.15/Suo-Motu/2012

Coram:
1. **Dr. Pramod Deo, Chairperson**
2. **Shri V.S.Verma, Member**
3. **Shri M.Deena Dayalan, Member**

Date of Hearing: 9.4.2013
Date of Order : 25.4.2013

In the matter of

Determination of tariff of the natural inter-state transmission lines.

And
In the matter of

Non-compliance of Commission's directions in orders dated 14.3.2012 and 21.8.2012.

And
In the matter of:

1. Chairman and Managing Director, Punjab State Transmission Corporation Ltd (PSTCL)., Patiala
2. Managing Director, Haryana Vidyut Prasaran Nigam Ltd. (HVPNL), Haryana
3. Chairman and Managing Director, Uttar Pradesh Power Transmission Corporation Ltd. (UPPTCL), Lucknow
4. Development Commissioner, Power Development Department (J&K), Srinagar
5. Chief Engineer, UT of Chandigarh (Electricity Department, 1st Floor), Sector – 9D, Chandigarh
6. Chairman & Managing Director, West Bengal State Electricity Transmission Co. Ltd. (WBSETCL), Vidyut Bhavan, Kolkata
7. Chairman, Bihar State Electricity Board (BSEB), Vidyut Bhavan, Patna
8. Chairman, Jharkhand State Electricity Board (JSEB), Engineering Bhavan, Ranchi
9. Chairman, Damodar Valley Corporation(DVC), DVC Tower, Kolkata
10. Secretary, Energy & Power Department, Government of Sikkim, Gangtok
11. Chief Engineer (Power), Electricity Deptt., Government of Nagaland, Kohima
12. Chief Engineer, Power & Electricity Department, Government of Mizoram, Khatla, Aizawl.

13. Chief Engineer (Power), Department of Power, Government of Arunanchal Pradesh, Vidyut Bhawan, Itanagar.
14. Chairman & Managing Director, MSETCL, 'Prakashganga', C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai.
15. Managing Director, Gujarat Energy Transmission Corporation Ltd (GETCO), Sardar Patel Vidyut Bhavan, Race Course, Vadodara, Gujarat.
16. Chairman, Chhattisgarh State Power Transmission Co. Ltd. (CSPTCL), Banganiya, Raipur.
17. Chief Electrical Engineer, Electricity Department, Government of Goa, Vidyut Bhavan, Goa.
18. Chairman, KSEB, Vidyuthi Bhavanam, Pattom, Thiruvananthapuram.
19. Superintending Engineer-I (Electricty), Electricity Department, Government of Puducherry, Puducherry.
20. Secretary (P), UT of Dadra Nagar Haveli Silvassa.
21. Secretary (P), UT of Daman & Du, Moti Daman, D&D. ...**Respondents**

Following were present:

Shri S.C. Saxena, NLDC
Shri S.S. Barpanda, NLDC
Ms. Joyti Prasad, NLDC
Shri D.K. Chawda, CSPTCL
Shri Balwinder Kumar, PSTCL
Shri M.C. Walke
Shri Anand K. Shrivastawa, Advocate for WBSETCL
Shri S.H. Upadhyay, GETCO
Shri Anand K. Ganeshan, Advocate, KPTCL, SLDC,PCICL
GETCO
Shri P.Kumar, HVVPNL
Shri Sakya S. Chaudhuri, Advocate
Ms Suparna Srivastava, Advocate, CSPTCL
Shri P.K. Tiwari

ORDER

In our order dated 14.3.2012, we had directed as under:

" We direct the respondents to ensure that the tariff petitions for determination of tariff is filed by the developers/owners of the transmission line or by State Transmission Utilities where the transmission lines are owned by them in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 by 20.4.2012."

2. It was noted that owners of some of the Natural inter-State lines had filed the tariff petitions in compliance of Commission's order dated 14.3.2012 and many of these natural inter-States lines had sought time to file the tariff petitions as we directed. Accordingly, The Commission vide its order date 24.8.2012 directed all the Natural inter-State line owners, who are yet to file the tariff petitions, to file tariff petitions in accordance with the 2009 Tariff Regulations, along with the prescribed fees, before the 30.9.2012.

3. The respondents had not complied with our directions contained in our order dated 14.3.2012 and 21.8.2012. Accordingly, vide order dated 6.3.2013, respondents were directed to show cause as to why appropriate action under Section 142 of the Electricity Act, 2003 should not be taken against them for non-compliance of the Commission`s directions dated 14.3.2012 and 2.8.2012.

4. Reply to the show cause notice dated 6.3.2013 has been filed by Gujarat Energy Transmission Corporation Limited, West Bengal State Electricity Transmission Company Limited, Chhattisgarh State Power Transmission Co. Ltd. and Bihar State Power (Holding) Company Limited.

5. The respondents in their replies have sought time to file petitions for determination of transmission tariff.

6. During the course of hearing, the representative of the WBSETCL submitted that in the absence of necessary details with a reasonable degree of accuracy, WBSETCL is unable to prepare the tariff proposal for submission to the Commission. The representative of the WBSETCL requested for one month time to file tariff petition before the Commission.

7. Learned counsel for Chhattisgarh State Power Transmission Co. Ltd. submitted that non-filing of tariff petition was bonafide and not with the intention of disobeying the orders of CERC. She submitted that transmission charges and losses with respect to the five transmission lines had already been claimed and/or granted by the State Commission. If the tariff petition is filed before the CERC, it would result in an anomalous situation claiming and/or being granted transmission charges/losses for the control periods 2010-13 and 2013-16 from the CERC as also the State Commission. Learned counsel requested for three months time for collecting the data for old lines and to file the petition before CERC.

8. Learned counsel for PSTCL, GETCO and KPTCL submitted that GETCO and KPTCL have already filed petition before the Commission and with regard to PSTCL, petition shall be filed shortly.

9. The representative of Bihar State Power Company Ltd. requested for six months time to file the tariff petition.

10. Learned counsel for the TNEB submitted that the tariff petition has already been filed before CERC. The representative of HVPNL, MSETCL, UPPTCL and DVC requested for one month time to file tariff petitions.

11. In view of the submissions made by the respondents and difficulties expressed by them, we discharge the notice under Section 142 of the Electricity Act, 2003 against the respondents and direct the present proceedings be dropped with the direction that the respondents, who have not filed tariff petitions, shall file tariff petitions in accordance with the 2009 Tariff Regulations, along with prescribed fees, before 20.9.2013.

12. Petition No. 15/SM/2012 is disposed of accordingly.

Sd/-	**sd/-**	**sd/-**
(M.DEENA DAYALAN)	**(V.S.VERMA)**	**(Dr. PRAMOD DEO)**
MEMBER	**MEMBER**	**CHAIRPERSON**

Enclosure : 7

Check List & Tariff Details

Appendix-I
TARIFF FILING FORMS (TRANSMISSION)

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PART-III

Checklist of Forms and other information/ documents for tariff filing for Transmission System

Form No.	Tariff Filing Formats (Transmission)	Tick
FORM- 1	Summary Sheet	√
FORM- 1A	Calculation of Return on Equity	√
FORM-2	Details of Transmission Lines and Substations	√
FORM-3	Normative Parameters considered for tariff calculations	√
FORM- 4	Details of Foreign loans	
FORM- 4A	Details of Foreign Equity	
FORM-5	Abstract of Admitted Cost for the existing Projects	
FORM-5A	Abstract of Project Cost Estimates and Schedule of Commissioning for the new Projects	
FORM-5B	Element wise break-up of Project Cost for Transmission System	√
FORM-5C	Break-up of Construction/Supply/Service packages	
FORM-5D	Details of element wise cost	√
FORM- 6	Financial Package up to COD	√
FORM- 7	Details of Project Specific Loans	
FORM- 8	Details of Allocation of corporate loans to various transmission elements	
FORM-9	Statement of Additional Capitalization after COD	√
FORM-9A	Statement of Capital Cost	√
FORM- 9B	Statement of CWIP	
FORM- 10	Financing of Additional Capitalization	
FORM- 11	Calculation of Depreciation Rate	√
FORM- 12	Statement of Depreciation	√
FORM- 13	Calculation of Weighted Average Rate of Interest on Actual Loans	√
FORM- 13A	Calculation of Interest on Normative Loan	√
FORM- 13B	Calculation of Interest on Working Capital	√
FORM- 14	Draw Down Schedule for Calculation of IDC & Financing Charges	
FORM- 14A	Actual cash expenditure	

Other Information/ Documents

Sl. No.	Information/Document	Tick
1	Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association (For New Project(s) setup by a company making tariff application for the first time to CERC)	
2	Region wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexure for the new Transmission System & for the relevant years.	Enclo: 6, 7 & 8
3	Copies of relevant loan Agreements	Enclo: 9
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	
5	Copies of the Equity participation agreements and necessary approval for the foreign equity.	
6	Copies of the BPTA/TSA with the beneficiaries, if any	Enclo: 12
7	Detailed note giving reasons of time and cost overrun, if applicable.	
8	Any other relevant information, (Please specify)	

Note:1. Electronic copy of the petition (in words format) and detailed calculation as per these formats (in excel format) and any other information submitted shall also be furnished in the form of CD/Floppy disc.

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Summary Sheet

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

(Rs. In lacs)

Sl No	Particulars	Form No	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2		3	4	5	6	7	8
1	Depriciation	12		33.21	33.21	33.21	33.21	33.21
2	Interest on Loan	13		98.39	95.56	92.74	89.92	87.09
3	Return on Equity	1A		0	0	0	0	0
4	Interest on Working Capital	13B		5.05	5.12	5.20	5.29	5.38
5	O & M Expenses	2 & 3		46.17	48.62	51.45	54.40	57.49
	Total			**182.82**	**182.51**	**182.59**	**182.82**	**183.18**

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

(Rs. In lacs)

Sl No	Particulars	Form No	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2		3	4	5	6	7	8
1	Depriciation	12		6.42	6.42	6.42	6.42	6.42
2	Interest on Loan	13A		13.01	12.46	11.92	11.37	10.83
3	Return on Equity	1A		12.98	13.46	13.47	13.47	13.47
4	Interest on Working Capital	13B		1.34	1.37	1.40	1.44	1.47
5	O & M Expenses	2 & 3		13.23	13.97	14.78	15.67	16.55
	Total			**46.98**	**47.69**	**48.00**	**48.37**	**48.74**

Details of calculations,considering equity as per regulation,are furnished in FORM - 1A

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Petitioner Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

Calculation of Return on Equity

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Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Total Capital Cost of Project	(a)	1223.00	lakh
Normative Equity (30% of Capital cost)	(b)	366.90	lakh
Actual Equity employed	(c)	0.00	lakh
Equity Base (lower of b & c)	(d)	0.00	lakh

		2009-10	2010-11	2011-12	2012-13	2013-14
Base Rate	(e)	15.50	15.50	15.50	15.50	15.50
MAT %	(f)	15	18	18.5	18.5	18.5
S.Charge	(g)	1.5	1.35	0.925	0.925	0.925
E.C + H.E.C	(h)	0.495	0.5805	0.58275	0.58275	0.58275
Total MAT rate(%)	(i)	16.995	19.9305	20.00775	20.00775	20.00775
Rate of Return [j= e/(1-i%)]	(j)	18.674	19.358	19.377	19.377	19.377
Return on Equity (in Rs. Lakh) [k=dxj]	(k)	0	0	0	0	0

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Total Capital Cost of Project	(a)	231.76	lakh
Normative Equity (30% of Capital cost)	(b)	69.53	lakh
Actual Equity employed	(c)	231.76	lakh
Equity Base (lower of b & c)	(d)	69.53	lakh

		2009-10	2010-11	2011-12	2012-13	2013-14
Base Rate	(e)	15.50	15.50	15.50	15.50	15.50
MAT %	(f)	15	18	18.5	18.5	18.5
S.Charge	(g)	1.5	1.35	0.925	0.925	0.925
E.C + H.E.C	(h)	0.495	0.5805	0.58275	0.58275	0.58275
Total MAT rate(%)	(i)	16.995	19.9305	20.00775	20.00775	20.00775
Rate of Return [j= e/(1-i%)]	(j)	18.674	19.358	19.377	19.377	19.377
Return on Equity (in Rs. Lakh) [k=dxj]	(k)	12.98	13.46	13.47	13.47	13.47

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

PART -III
FORM - 2

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DETAILS OF TRANSMISSION LINES AND SUBSTATIONS

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Transmission Lines

Sl No	Name of line	Type of line AC/HVDC	S/C or D/C	No of sub-conductors	Voltage level kV	Line length Ckt-Km	Date of commercial operation	Covered in the present petetion	
								Yes/No	If No, petetion no.
1	400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)	AC	S/C	2	400	128.615	16/03/1992	YES	
2	220 KV STPS-Chandil S/C Line (WBSETCL Portion)	AC	S/C	1	220	73.9	1/4/1987	YES	
3									
-									
-									
-									

Petitioner
(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

Normative Parameters considered for tariff calculations

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Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Particulars	Unit	Year Ending March					
		As Existing					
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8
Base rate of return equity	%	15.50	15.50	15.50	15.50	15.50	15.50
Tax rate	%	11.33	16.995	19.9305	20.00775	20.00775	20.00775
Target Availability	%						
Normative O&M per ckt.km	Rs. Lakh		0.359	0.378	0.4	0.423	0.447
Normative O&M per bay	Rs. Lakh						
Spares for WC as % of O&M	%		15	15	15	15	15
Receivables in months for WC	months		2	2	2	2	2
Prime lending rate of SBI as on 01/04/2009	%		12.25	12.25	12.25	12.25	12.25

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Particulars	Unit	Year Ending March					
		As Existing					
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8
Base rate of return equity	%	15.50	15.50	15.50	15.50	15.50	15.50
Tax rate	%	11.33	16.995	19.9305	20.00775	20.00775	20.00775
Target Availability	%						
Normative O&M per ckt.km	Rs. Lakh		0.179	0.189	0.2	0.212	0.224
Normative O&M per bay	Rs. Lakh						
Spares for WC as % of O&M	%		15	15	15	15	15
Receivables in months for WC	months		2	2	2	2	2
Prime lending rate of SBI as on	%		12.25	12.25	12.25	12.25	12.25

Petitioner
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(Pulak Kumar Sengupta)
Addl. Chief Engineer,
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WBSETCL
Vidyut Bhavan, Kol-91

PART-
FORM -

55

Element wise break-up of project cost for transmission system

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: **1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)**

Sl No	Break Down	Cost in Rs. Crores			Variation	Reasons for Variation	Admitted Cost
		As per original Estimates	As on COD	Liabilities/Provisions			
1	2	3	4	5	6=(3-4-5)	7	8
A	TRANSMISSION LINE						
1	Preliminary works						
1.1	Design & Engineering						
1.2	Priliminary investigation,Right of way,forest clearence,PTCC,general civil works etc.						
1.3	Total Preliminary Works						
2	Transmission lines material						
2.1	Towers Steel						
2.2	Conductor						
2.3	Earth wire						
2.4	Insulators						
2.5	hardware fittings						
2.6	Conductor & Earthwire accessories						
2.7	Spares						
2.8	Erection,Stringing & Civil works including foundation						
2.9	Total Transmission lines material						
3	Taxes and Duties						
3.1	Custom Duty						
3.2	Other Taxes & Duties						
	Total taxes & Duties						
	Total- Transmission Lines		12.23				12.23
B.	SUBSTATIONS						
4	Preliminary works & land						
4.1	Design & Engineering						
4.2	Land						
4.3	Site preparation						
	Total Preliminary works and land						
5	Civil Works						
5.1	Control room & office building including HVAC						
5.2	Township & Colony						
5.3	Roads & Drainage						
5.4	Foundation for structures						
5.5	Misc. civil works						
	Total civil works						
6	Substaion equipments						
6.1	Switchgear (CT,PT,Circuit Breaker,Isolator etc)						
6.2	Transformer						
6.3	Compensating Equipment(Reactor,SVCs etc)						
6.4	Control,relay & protection panel						
6.5	PLCC						
6.6	HVDC package						
6.7	Bus Bars/conductors/Insulators						
6.8	Outdoor lighting						
6.9	Emergency D.G. Set						
6.10	Grounding System						
6.11	Structure for switchyard						
	Total Substation Equipment						

The Value of all the Assets were re-vested to the Company as at 01.04.2007 through the West Bengal Power Reforms Scheme and WBSETCL subsequently engaged an external Agency (SREI) for identification and value allocation to those Assets. WBSETCL has been filing Petitions with WBERC based on the Gross Asset Base as re-vested to the Company on which the Hon'ble WBERC had determined the Transmission Charges admissible to the Company.

Petitioner

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

PART-
FORM -

56

Element wise break-up of project cost for transmission system

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: **1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)**

Sl No	Break Down	Cost in Rs. Crores			Variation	Reasons for Variation	Admitted Cost
		As per original Estimates	As on COD	Liabilities/Provisions			
1	2	3	4	5	6=(3-4-5)	7	8
A	TRANSMISSION LINE						
1	Preliminary works						
1.1	Design & Engineering						
1.2	Priliminary Investigation,Right of way,forest clearence,PTCC,general civil works etc.						
1.3	Total Preliminary Works						
2	Transmission lines material						
2.1	Towers Steel						
2.2	Conductor						
2.3	Earth wire						
2.4	Insulators						
2.5	hardware fittings						
2.6	Conductor & Earthwire accessories						
2.7	Spares						
2.8	Erection,Stringing & Civil works including foundation						
2.9	Total Transmission lines material						
3	Taxes and Duties						
3.1	Custom Duty						
3.2	Other Taxes & Duties						
	Total taxes & Duties						
	Total- Transmission Lines		12.23				12.23
B.	SUBSTATIONS						
4	Preliminary works & land						
4.1	Design & Engineering						
4.2	Land						
4.3	Site preparation						
	Total Preliminary works and land						
5	Civil Works						
5.1	Control room & office building including HVAC						
5.2	Township & Colony						
5.3	Roads & Drainage						
5.4	Foundation for structures						
5.5	Misc. civil works						
	Total civil works						
6	Substaion equipments						
6.1	Switchgear (CT,PT,Circuit Breaker,Isolator etc)						
6.2	Transformer						
6.3	Compensating Equipment(Reactor,SVCs etc)						
6.4	Control,relay & protection panel						
6.5	PLCC						
6.6	HVDC package						
6.7	Bus Bars/conductors/Insulators						
6.8	Outdoor lighting						
6.9	Emergency D.G. Set						
6.10	Grounding System						
6.11	Structure for switchyard						
	Total Substation Equipment						

The Value of all the Assets were re-vested to the Company as at 01.04.2007 through the West Bengal Power Reforms Scheme and WBSETCL subsequently engaged an external Agency (SREI) for identification and value allocation to those Assets. WBSETCL has been filing Petitions with WBERC based on the Gross Asset Base as re-vested to the Company on which the Hon'ble WBERC had determined the Transmission Charges admissible to the Company.

Petitioner

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
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WBSETCL
Vidyut Bhavan, Kol-91

DETAILS OF ELEMENTWISE COST OF THE PROJECT

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

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1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Transmission Lines

Sl No	Name of the line	Apportioned approved cost (Rs. Lacs)	Completed cost (Rs. Lacs)	covered in the present petition	
				Yes/No	If No, petetion no.
1	400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)		1223.00	YES	
2					
3					
-					
-					

Substations

Sl No	Name of Substation	Apportioned approved cost (Rs. Lacs)	Completed cost (Rs. Lacs)	covered in the present petition	
				Yes/No	If No, petetion no.
1					
2					
3					
-					
-					

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Transmission Lines

Sl No	Name of the line	Apportioned approved cost (Rs. Lacs)	Completed cost (Rs. Lacs)	covered in the present petition	
				Yes/No	If No, petetion no.
1	220 KV STPS-Chandil S/C Line (WBSETCL Portion)		231.76	YES	
2					
3					
-					
-					

Substations

Sl No	Name of Substation	Apportioned approved cost (Rs. Lacs)	Completed cost (Rs. Lacs)	covered in the present petition	
				Yes/No	If No, petetion no.
1					
2					
3					
-					
-					

Petitioner
Pulak Kumar Sengupta
(Pulak Kumar Sengupta)
Addl. Chief Engineer,
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WBSETCL
Vidyut Bhavan, Kol-91

PART-
FORM -

Financial package upto COD

Name of the Transmission Licensee: West Bengal State Electricity Transmission Company Limited

Name of Region: Eastern Region

Name of The Project:

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Name of the transmission elements:			1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)	2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)
Project cost as on COD		(Rs. In Cr)	12.23	2.32
Date of commercial Operation of the Transmission element			16/03/1992	1/4/1987

	Financial package as approved		Financial package as on COD		As admitted on COD	
	Currency and Amount		Currency and Amount		Currency and Amount	
1	2	3	4	5	6	7
1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)						
Loan (Orderwise details)						
042-Power/II dt. 02.02.93			IND Rs.	₹ 71,40,700		
189-Power/II dt. 21.05.93			IND Rs.	₹ 46,00,000		
119-Power/II dt. 24.02.95			IND Rs.	₹ 2,78,65,000		
286-Power/II dt. 10.05.95			IND Rs.	₹ 3,06,94,000		
310-Power/II dt. 12.06.98			IND Rs.	₹ 1,70,00,000		
202-Power/II dt. 30.04.99			IND Rs.	₹ 1,70,00,000		
459-Power/II dt. 3.11.99			IND Rs.	₹ 1,80,00,000		
Equity-						
Foreign				0		
Domestic				0		
Total Equity				0		
Debt: Equity Ratio				100 % ISTL Loan Central Scheme on re-imbursement basis		
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)						
Loan				0		
Equity-						
Foreign				0		
Domestic			IND Rs.	₹ 2,31,76,452		
Total Equity			IND Rs.	₹ 2,31,76,452		
Debt: Equity Ratio				Project based on 100 % Equity		

Pulak Kumar Sengupta
Petitioner

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

PART -
FORM -

Statement of additional capitalisation after COD

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Name of the transmission elements:
COD

Sl No	Year	Work/Equipment proposed to be added after COD up to cut off date/Beyond cut off date	Amount capitalised and proposed to be capitalised	Justification as per purpose	Regulation under which covered	Admitted cost
1	2	3	4	5	6	7

NOT APPLICABLE

	Total					

In case the project has been completed and any tariff notification(s) has already been issued in the past,fill coloumn 7 giving the cos as admitted for the purpose of tariff notification already issued by (name of authority) (Enclose copy of tariff order

Note:

1. Fill the form in chronological order year wise along with detailed justification clearly bring out the necessity and the benefits accuring to the beneficiaries

2. In case initial spares are purchased alongwith any equipment ,then the cost of such spares should be indicated seperately.

Petitioner

(Pulak Kumar Sengupta)
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Vidyut Bhavan, Kol-91

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Statement of capital cost

(To be given for relevent dates and year wise)

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:

Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

		01.04.2010	01.04.2011	01.04.2012	01.04.2013
A	a) Opening gross block amount as per books	1223	1223	1223	1223
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				
B	a) Addition in Gross Block Amount during the period	0	0	0	0
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				
C	a) Closing Gross Block Amount as per books	1223	1223	1223	1223
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				

1 Relevent date/s means date of COD of units station and financial year start date and end date

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

		01.04.2010	01.04.2011	01.04.2012	01.04.2013
A	a) Opening gross block amount as per books	232	232	232	232
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				
B	a) Addition in Gross Block Amount during the period	0	0	0	0
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				
C	a) Closing Gross Block Amount as per books	232	232	232	232
	b) Amount of capital liabilities in A(a) above				
	c) Amount of IDC,FC,FERV, & Hedging cost included in A(a) above				
	d) Amount of IEDC (excluding IDC,FC,FERV, & Hedging cost) including A(a) above				

Petitioner

Pulak Kumar Sengupta
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

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Calculation of Depreciation Rate

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Sl No	Name of te Assets	Gross Block as on 31.03.2009 or as on COD,whichever is later and subsequently for each year thereafter upto 31.03.14						Depriciation Rates as per CERC's Depriciation Rate Schedule	Depriciation amount for each year up to 31.03.14				
	1	2						3	4= col.2 X col.3				
		31.03.09	31.03.10	31.03.11	31.03.12	31.03.13	31.03.14		31.03.10	31.03.11	31.03.12	31.03.13	31.03.14
1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)													
1	Transmission Lines	1223	1223	1223	1223	1223	1223	As per Regulation 17(4) & 17(5) of CERC (Terms and Condition of Tariff) Regulations, 2009 the depriciable amount is spread over the useful life.	33.21	33.21	33.21	33.21	33.21
	Total	1223	1223	1223	1223	1223	1223		33.21	33.21	33.21	33.21	33.21
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)													
1	Transmission Lines	232	232	232	232	232	232		6.42	6.42	6.42	6.42	6.42
	Total	232	232	232	232	232	232		6.42	6.42	6.42	6.42	6.42
	Weighted average rate of depriciation												

Name of the Assets should conform to the description of the assets mentioned in depreciation schedule appended to the notification.

Pulak Kumar Sengupta

Petitioner
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Statement of depriciation

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

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1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Financial Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Depriciation on capital cost										33.21	33.21	33.21	33.21	33.21
Depriciation on additional capitalisation														
Amount of additional capitalisation														
Depriciation amount														
Detail of FERV														
Amount of FERV on which depriciation charged														
Depriciation amount														
Depriciation recovered during the year														
Advance against depriciation recovered during the year														
Depriciation & advance against depriciation recovered during the year														
Cumulative depriciation & advance against depriciation recovered upto this year														

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Financial Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Depriciation on capital cost										6.42	6.42	6.42	6.42	6.42
Depriciation on additional capitalisation														
Amount of additional capitalisation														
Depriciation amount														
Detail of FERV														
Amount of FERV on which depriciation charged														
Depriciation amount														
Depriciation recovered during the year														
Advance against depriciation recovered during the year														
Depriciation & advance against depriciation recovered during the year														
Cumulative depriciation & advance against depriciation recovered upto this year														

WBSETCL started its commercial operation w.e.f. 01.04.2007 in terms of Notification No.12/PO/O/III/3R-29/2006 dated 25.01.2007 and subsequent Notification No. 313-PO/O/III/3R-29/2006 dated 19.09.2008 of the GoWB. The details of these two transmission line asset constructed way back in the WBSEB Regime have been collected and Depreciation considered as per CERC Norms.

If the tariff for the period 2004-09 was not ordered by the commission , depriciation recovered in tariff upto 2004-09 to be furnished with yearwise details in the same form seperately with supporting details
In case of details of FERV ans AAD give information for the applicable period.

Petitioner

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

PART -
FORM -

Calculation of weighted average rate of interest on actual loans

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

63

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Sl No	Particulars	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8
	Loan-1						
	Gross loan - opening	1223.00	1223.00	1223.00	1223.00	1223.00	1223.00
	Cumulative repayments of loans upto previous year	0	48.92	82.13	115.34	148.55	181.76
	Net-loan - opening	1223.00	1174.08	1140.87	1107.65	1074.44	1041.23
	Add: Drawls during the year	0	0	0	0	0	0
	Less: Repayments of loans during the year (restricted to the amount of Depreciation)	48.92	33.21	33.21	33.21	33.21	33.21
	Net-loan - closing	1174.08	1140.87	1107.65	1074.44	1041.23	1008.02
	Average net loan	1198.54	1157.47	1124.26	1091.05	1057.84	1024.63
	rate of interest on loan annual basis	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
	Interst on loan	101.88	98.39	95.56	92.74	89.92	87.09
	Loan repayment effective from(01.04.2008)						
	Loan-2						
	Gross loan - opening						
	Cumulative repayments of loans upto previous year						
	Net-loan - opening						
	Add: Drawls during the year						
	Less: Repayments of loans during the year						
	Net-loan - closing						
	Average net loan						
	rate of interest on loan annual basis						
	Interst on loan						
	Loan repayment effective from(date to be indicated)						
	Loan-3 and so on						
	Gross loan - opening						
	Cumulative repayments of loans upto previous year						
	Net-loan - opening						
	Add: Drawls during the year						
	Less: Repayments of loans during the year						
	Net-loan - closing						
	Average net loan						
	rate of interest on loan annual basis						
	Interst on loan						
	Loan repayment effective from(date to be indicated)						
	Total Loan						
	Gross loan - opening	1223.00	1223.00	1223.00	1223.00	1223.00	1223.00
	Cumulative repayments of loans upto previous year	0.00	48.92	82.13	115.34	148.55	181.76
	Net-loan - opening	1223.00	1174.08	1140.87	1107.65	1074.44	1041.23
	Add: Drawls during the year	0.00	0.00	0.00	0.00	0.00	0.00
	Less: Repayments of loans during the year	48.92	33.21	33.21	33.21	33.21	33.21
	Net-loan - closing	1174.08	1140.87	1107.65	1074.44	1041.23	1008.02
	Average net loan	1198.54	1157.47	1124.26	1091.05	1057.84	1024.63
	Interst on loan	101.88	98.39	95.56	92.74	89.92	87.09
	Weighted average rate of interest	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Project based on 100 % Equity

In case of foreign loans the calculations in indian rupees is to be furnished.However the calculations in original currency is also to be furnished seperately in the same form.

Pulak Kumar Sengupta
(Pulak Kumar Sengupta)
Petitioner
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

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Calculation of interest on normative loan

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

No Normative Loan

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Particulars	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7
Gross normative loan		162.24	162.24	162.24	162.24	162.24
Cumulative repayment of normative loan upto previous year		5.96	12.38	18.80	25.23	31.65
Net normative loan - opening		156.28	149.86	143.43	137.01	130.59
Increase/Decrease due to ACE during the year		0	0	0	0	0
Repayments of normative loan during the year		6.42	6.42	6.42	6.42	6.42
Net normative loan - closing		149.86	143.43	137.01	130.59	124.16
Average Normative loan		153.07	146.64	140.22	133.80	127.37
Weighted average rate of interest on actual loans		8.50%	8.50%	8.50%	8.50%	8.50%
Interest on normative loans		13.01	12.46	11.92	11.37	10.83

Petitioner

(Pulak Kumar Sengupta)
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

Calculation of interest on working capital

65

Name of the transmission licensee: West Bengal State Electricity Transmission Company Limited
Name of Region: Eastern Region
Name of The Project:
Name of the transmission elements: 1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)
2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

1) 400 KV Kolaghat - Baripada S/C Transmission Line (WBSETCL Portion)

Sl No	Particulars	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8
1	O & M Expenses(one month)		3.85	4.05	4.29	4.53	4.7
2	Maintenance spares (15% of O&M expn)		6.93	7.29	7.72	8.16	8.6
3	Receivables(Equivalent to two months' Fixed Cost)		30.47	30.42	30.43	30.47	30.5
4	Total working capital		41.24	41.76	42.44	43.16	43.9
5	Rate of interest		12.25%	12.25%	12.25%	12.25%	12.25%
6	Interest on working capital		5.05	5.12	5.20	5.29	5.3

2) 220 KV STPS-Chandil S/C Line (WBSETCL Portion)

Sl No	Particulars	Existing 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8
1	O & M Expenses(one month)		1.10	1.16	1.23	1.31	1.38
2	Maintenance spares (15% of O&M expn)		1.98	2.10	2.22	2.35	2.48
3	Receivables(Equivalent to two months' Fixed Cost)		7.83	7.95	8.00	8.06	8.12
4	Total working capital		10.92	11.21	11.45	11.72	11.99
5	Rate of interest		12.25%	12.25%	12.25%	12.25%	12.25%
6	Interest on working capital		1.34	1.37	1.40	1.44	1.47

Pulak Kumar Sengupta

(Pulak Kumar Sengupta)
Petitioner
Addl. Chief Engineer,
Regulatory Affairs Cell,
WBSETCL
Vidyut Bhavan, Kol-91

Enclosure : 8

Annual Report 2010-11

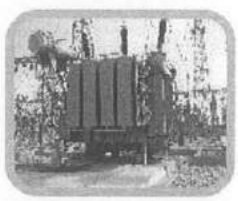
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WBSETCL

Annual Report & Accounts

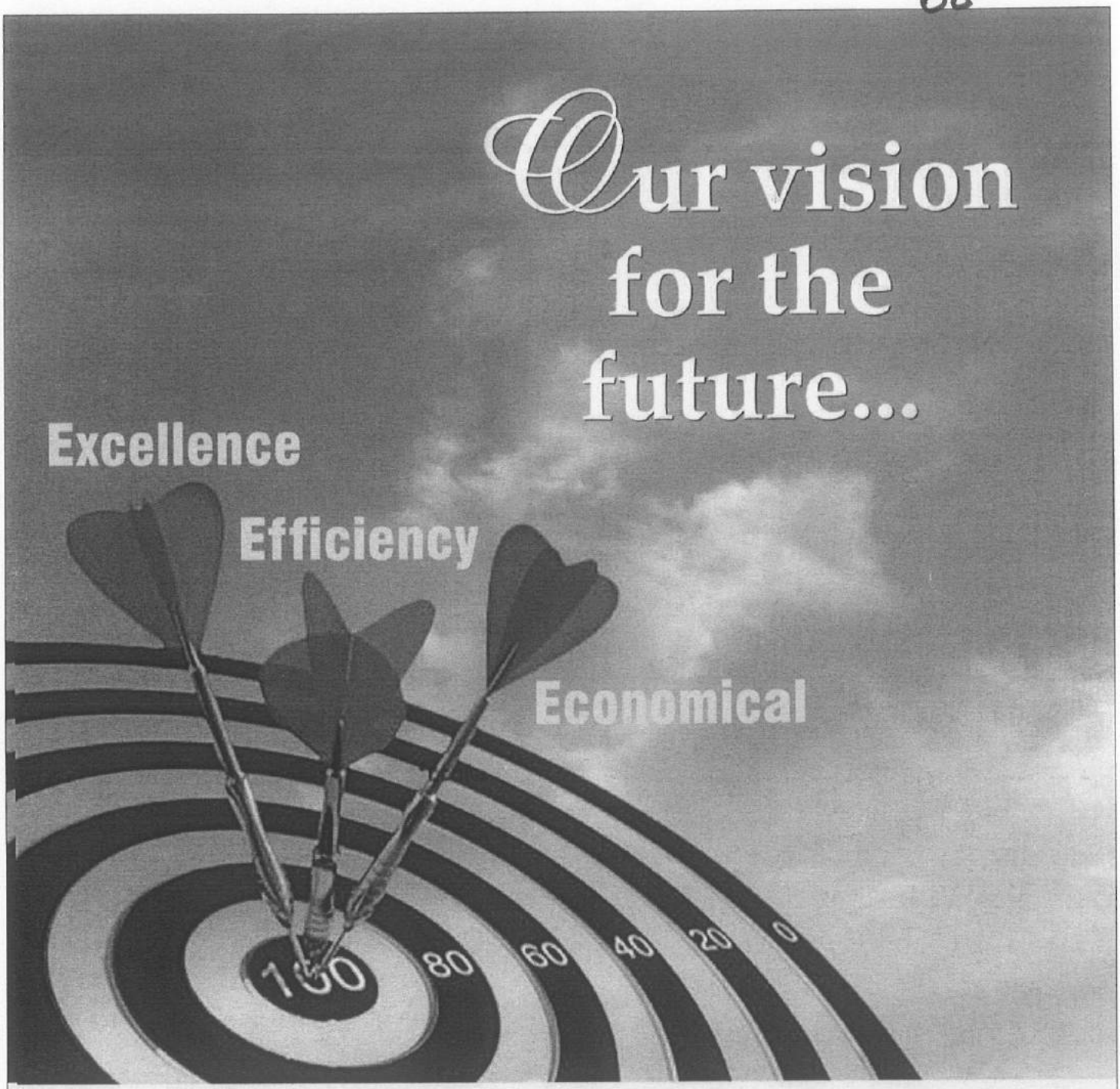
2010-2011





West Bengal State Electricity Transmission Company Limited

(A Govt. of West Bengal Enterprise)



To meet the high expectations of our customers

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ANNUAL REPORT & ACCOUNTS 2010-2011

WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)

DIRECTORS



Malay Kumar De, IAS
Chairman



Amaresh Chandra Sarkar
Managing Director



Dilip Kumar Dey
Director (Projects)



Durgadas Goswami IAS
Director (Human Resources)



Anjan Chowdhuri
Director (Finance & Accounts)



Subrata Nag
Director (Operations)



C. M. Bachhawat, IAS
Director

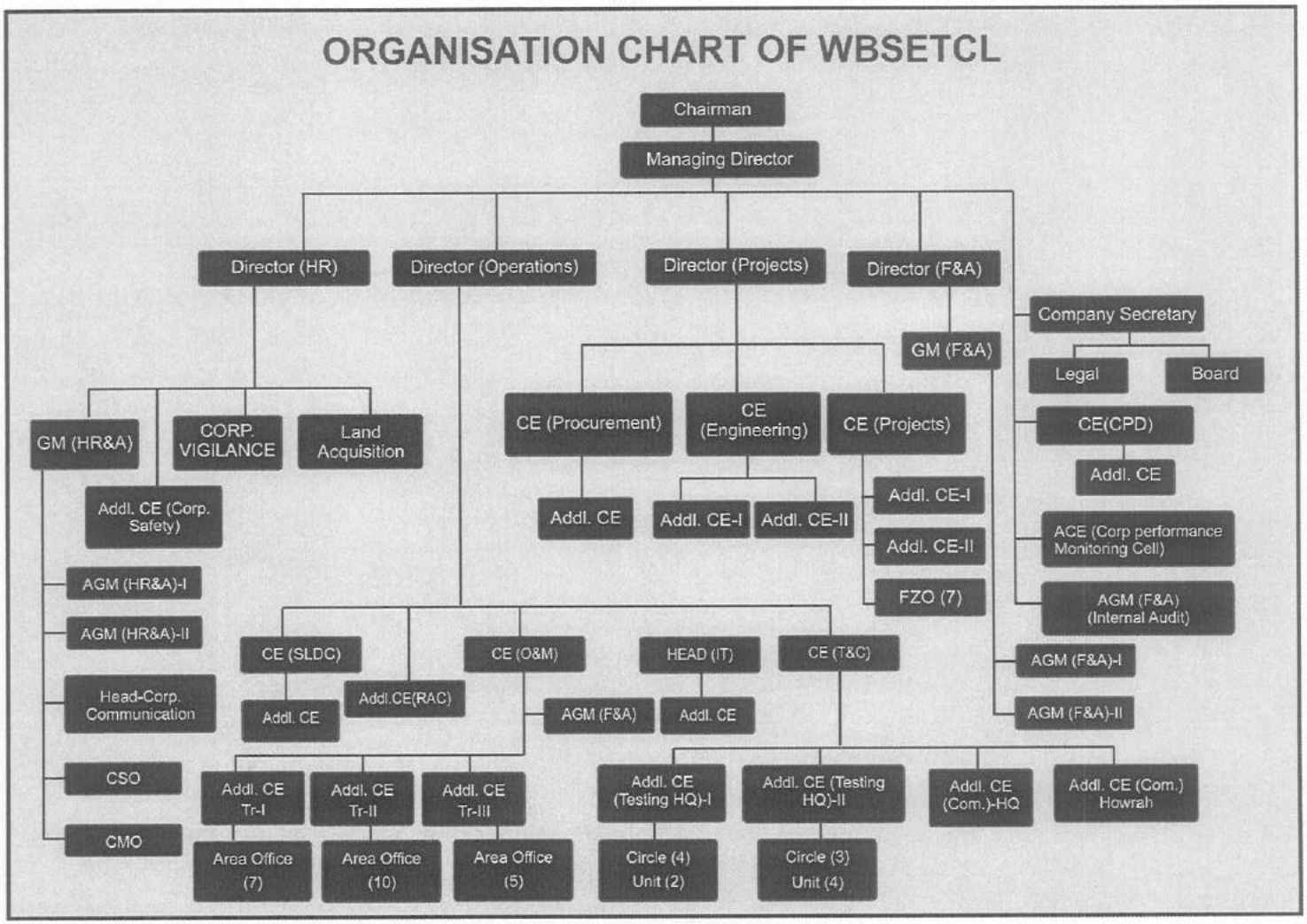


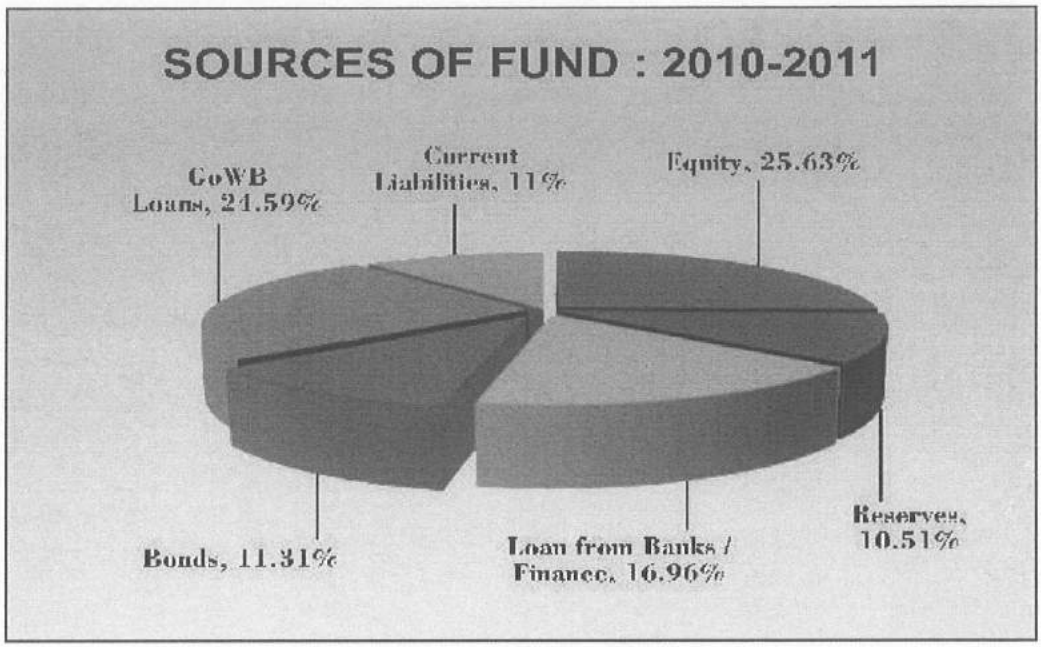
Sreekumar Majumder
Director

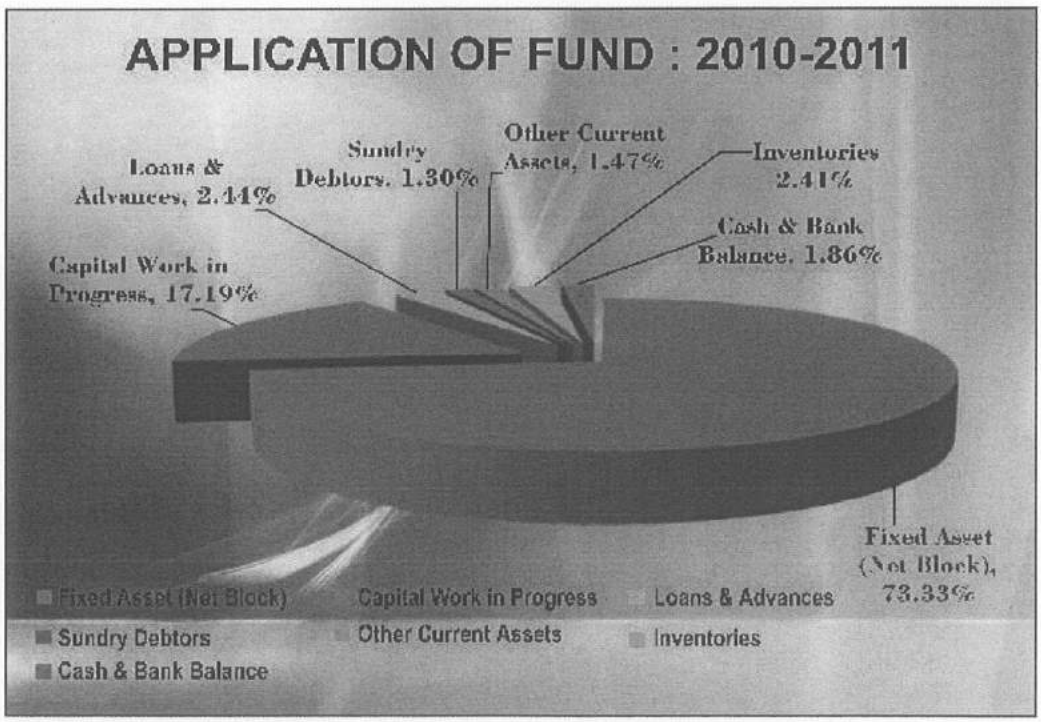


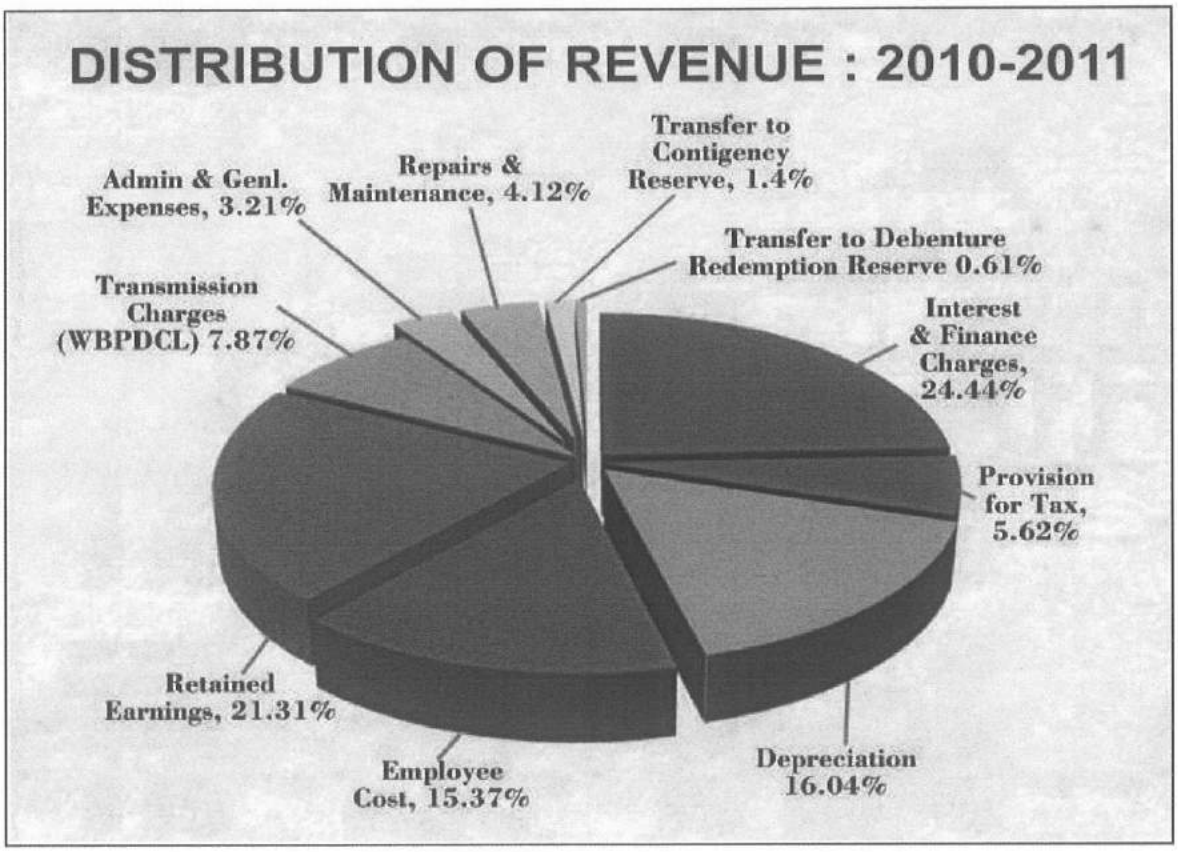
Tapan kumar Basu
Director

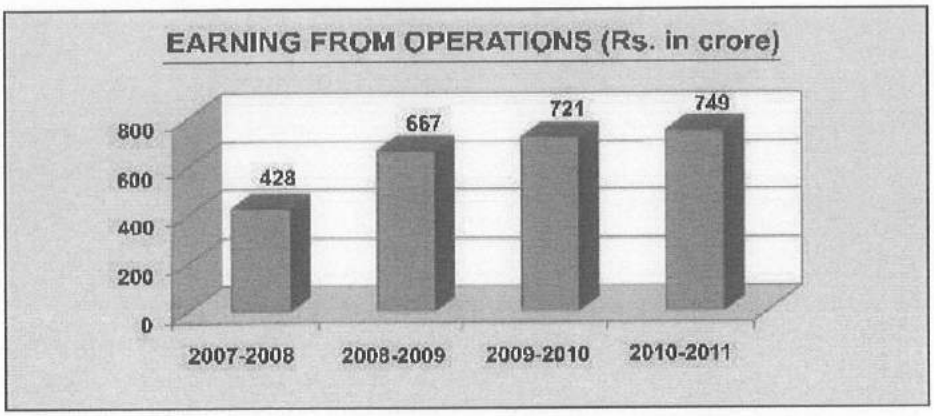
ORGANISATION CHART OF WBSETCL

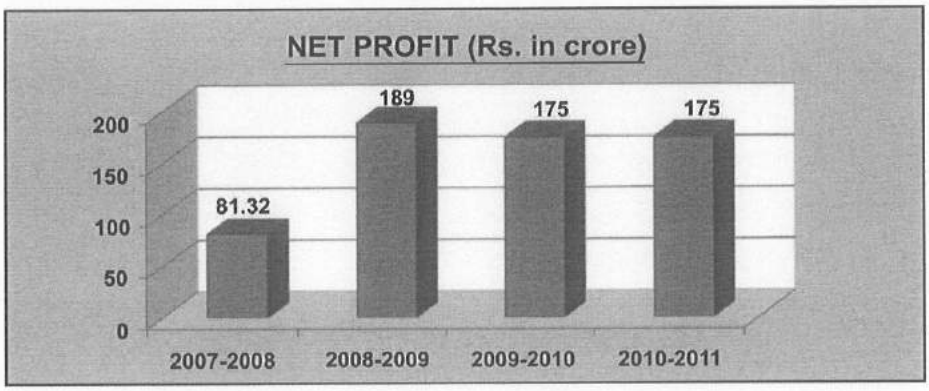


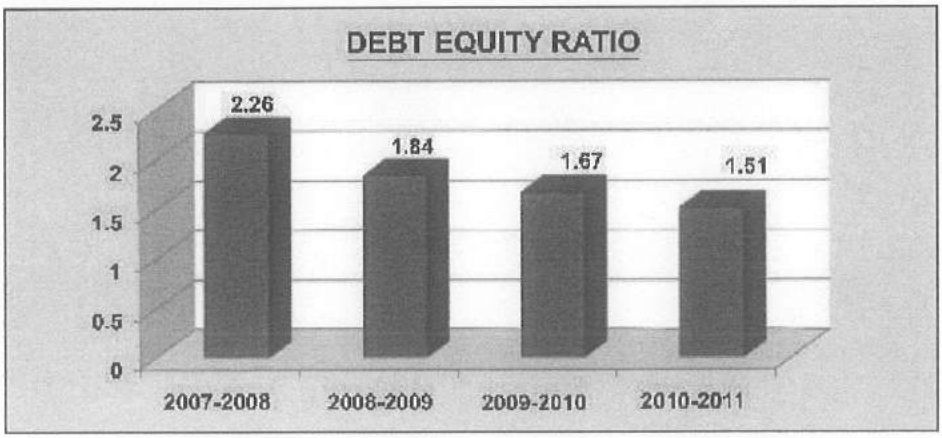

SOURCES OF FUND : 2010-2011
CoWB Loans, 24.59%
Current Liabilities, 11%
Equity, 25.63%
Reserves, 10.51%
Loan from Banks / Finance, 16.96%
Bonds, 11.31%

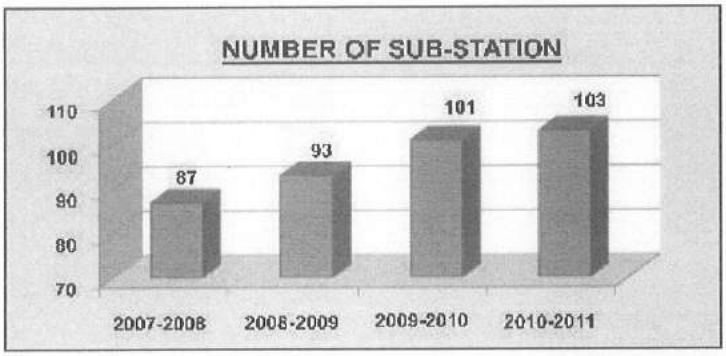

APPLICATION OF FUND : 2010-2011
Loans & Advances, 2.44%
Sundry Debtors, 1.30%
Other Current Assets, 1.47%
Inventories 2.41%
Cash & Bank Balance, 1.86%
Capital Work in Progress, 17.19%
Fixed Asset (Net Block), 73.33%
Fixed Asset (Net Block)
Capital Work in Progress
Loans & Advances
Sundry Debtors
Other Current Assets
Inventories
Cash & Bank Balance

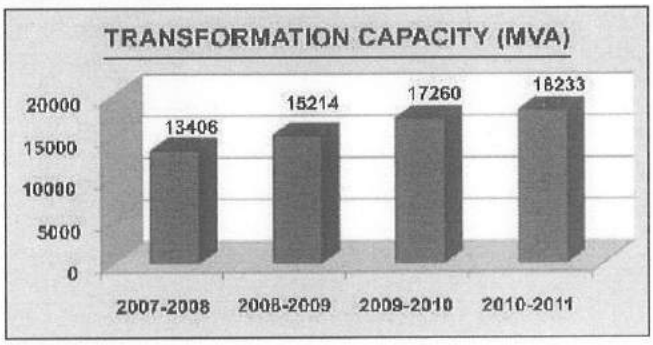

DISTRIBUTION OF REVENUE : 2010-2011
Transfer to Contigency Reserve, 1.4%
Repairs & Maintenance, 4.12%
Admin & Genl. Expenses, 3.21%
Transfer to Debenture Redemption Reserve 0.61%
Transmission Charges (WBPDCL) 7.87%
Interest & Finance Charges, 24.44%
Provision for Tax, 5.62%
Retained Earnings, 21.31%
Employee Cost, 15.37%
Depreciation 16.04%

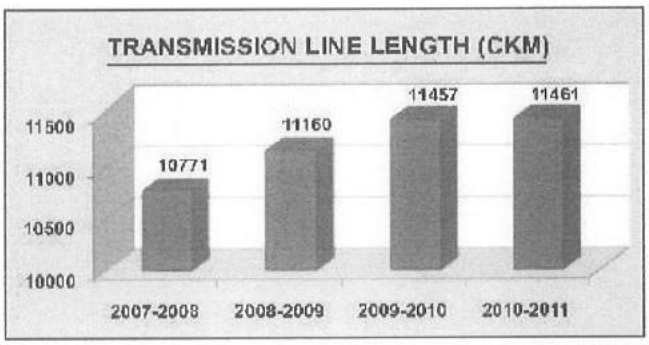

EARNING FROM OPERATIONS (Rs. in crore)
800
600
400
200
0
428
667
721
749
2007-2008
2008-2009
2009-2010
2010-2011

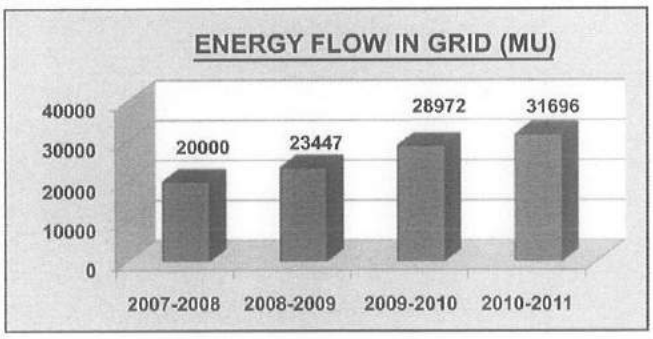

NET PROFIT (Rs. in crore)
200
150
100
50
0
81.32
189
175
175
2007-2008
2008-2009
2009-2010
2010-2011

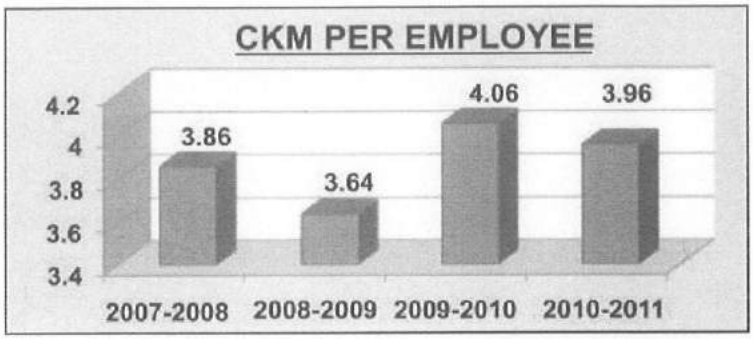

DEBT EQUITY RATIO
2.5
2
1.5
1
0.5
0
2.26
1.84
1.67
1.51
2007-2008
2008-2009
2009-2010
2010-2011

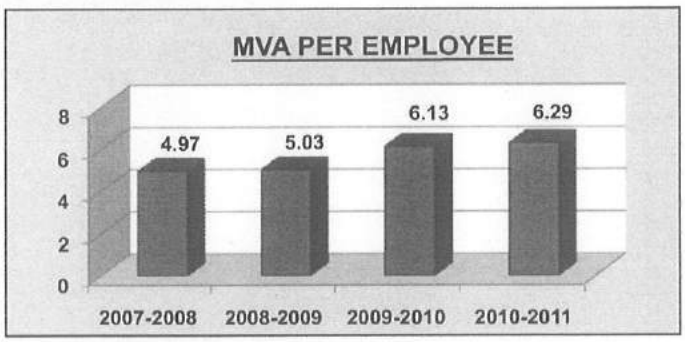

NUMBER OF SUB-STATION
110
100
90
80
70
87
93
101
103
2007-2008
2008-2009
2009-2010
2010-2011

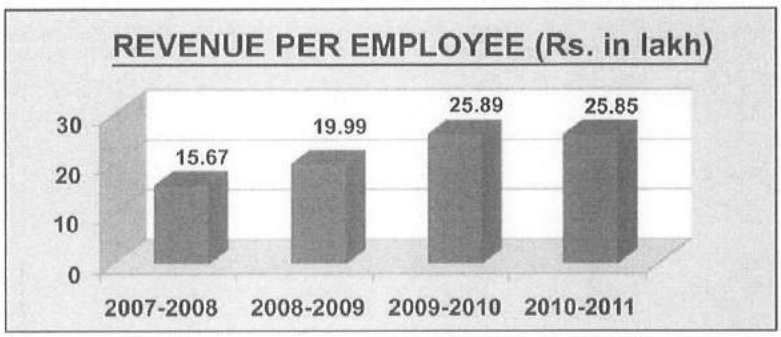

TRANSFORMATION CAPACITY (MVA)
20000
15000
10000
5000
0
13406
15214
17260
18233
2007-2008
2008-2009
2009-2010
2010-2011

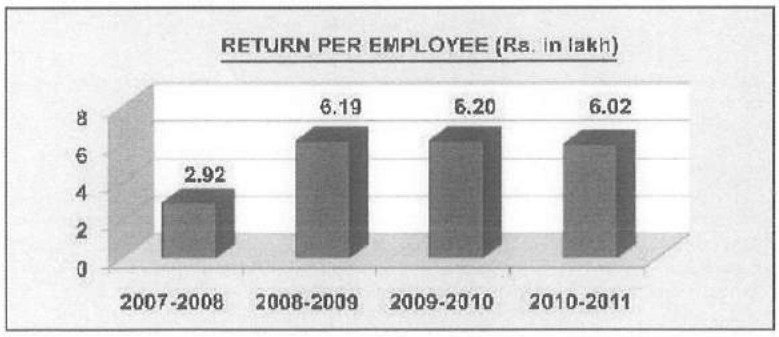

TRANSMISSION LINE LENGTH (CKM)
11500
11000
10500
10000
10771
11160
11457
11461
2007-2008
2008-2009
2009-2010
2010-2011


ENERGY FLOW IN GRID (MU)
40000
30000
20000
10000
0
20000
23447
28972
31696
2007-2008
2008-2009
2009-2010
2010-2011


CKM PER EMPLOYEE
4.2
4
3.8
3.6
3.4
3.86
3.64
4.06
3.96
2007-2008
2008-2009
2009-2010
2010-2011


MVA PER EMPLOYEE
8
6
4
2
0
4.97
5.03
6.13
6.29
2007-2008
2008-2009
2009-2010
2010-2011


REVENUE PER EMPLOYEE (Rs. in lakh)
30
20
10
0
15.67
19.99
25.89
25.85
2007-2008
2008-2009
2009-2010
2010-2011


RETURN PER EMPLOYEE (Rs. in lakh)
8
6
4
2
0
2.92
6.19
6.20
6.02
2007-2008
2008-2009
2009-2010
2010-2011

CONTENTS

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Amaresh Chandra Sarkar
Managing Director

Durgadas Goswami, IAS
Director (Human Resources)

Dilip Kumar Dey
Director (Projects)

Anjan Chowdhuri
Director (Finance & Accounts)

Subrata Nag
Director (Operations)

COMPANY SECRETARY
Srikumar Chattopadhyay

STATUTORY AUDITOR
B. Chhawchharia & Co., Chartered Accountants
8A & 8B, Satyam Towers, 3 Alipore Road, Kolkata 700027.

COST AUDITOR
Datta, Ghosh, Bhattacharya & Associates, Cost Accountants,
37, Gobinda Bose Lane, Kolkata 700 025

BANKERS
UCO Bank, State Bank of India, United Bank of India

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

NON-EXECUTIVE DIRECTORS

Malay Kumar De, IAS
Chairman

C. M. Bachhawat, IAS

Sreekumar Majumder

Tapan Kumar Basu

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

Vidyut Bhawan, Bidhannagar, Kolkata – 700 091

NOTICE

NOTICE is hereby given that the **Fourth Annual General Meeting of West Bengal State Electricity Transmission Company Limited** will be held at its Registered Office at Vidyut Bhawan, 7th floor (Conference Room), Block-DJ, Sector-II, Bidhannagar, Kolkata- 700 091, on Monday, the 26th September 2011, at 4 p.m. for transaction of the following businesses:

1. To receive, consider and adopt the audited Profit & Loss Accounts for the financial year ended 31st March 2011, the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To fix remuneration of the Statutory Auditors appointed by the Comptroller and Auditor General of India for auditing the Annual Accounts of the Company for the year 2011-2012.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 23rd September, 2011

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

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

Vidyut Bhawan, Bidhannagar, Kolkata – 700 091

NOTES

1) **A Member 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 not later than forty-eight hours before commencement of the Meeting.**

2) In pursuance of Section 619(2) of the Companies Act 1956 (the Act), the Statutory Auditor of a Government Company is appointed by the Comptroller and Auditor General of India. Accordingly, M/s. B. Chhawchharia & Co., Chartered Accountants, have been appointed as Statutory Auditor of the Company for the financial year 2011-12.

   Further, under the provisions of Section 224(8) (aa) of the Act, the remuneration of Statutory Auditor of a Government Company shall be fixed by the Company in a General Meeting or in such manner as the Company in General Meeting may determine. The Members may authorise the Board of Directors to fix remuneration of the Statutory Auditor of the Company for the year financial year 2011-2012.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 23rd September, 2011

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

CHAIRMAN'S MESSAGE

Dear Shareholders,

Power is a critical infrastructure, which has multiple effects on almost all sectors of the economy, besides being a critical input for improving the quality of life. The growth of the economy and its global competitiveness hinges on the availability of reliable and quality power at competitive rates.

We, being the State Transmission Utility, are aware of our responsibilities and strive to improve upon operational efficiency, reduction in transmission loss and best possible utilization of available transmission assets. During the fourth year of its operation, the Company continued to maintain its track record of achievement. While gross earnings for the year grew to **Rs.765.54 crore** registering a growth of **5%**, the net profit of **Rs.174.49 crore** remained at the same level of last year mainly due to increase in operational costs.

By the year-end, with commissioning of two new sub-stations and augmentation of transformation capacity, your Company developed a transmission net work of 11461 ckm of EHV transmission lines and 103 sub-stations with transformation capacity of 18233 MVA. A good number of projects with an estimated cost of over Rs.960 crore, involving about 1223 ckm of 400/220/132 kV transmission lines and 10 nos. new EHV sub-stations with transformation capacity of 3236 MVA are under progress. During the year, the Company handled energy flow of 31696 MU in the grid, maintained an availability rate of more than 99% and restricted transmission losses to around 3%, which is comparable with the best in the country. With a focus on long term sustainability and to serve the growing energy needs, we continued our efforts to adopt new technologies. The Company has embarked on implementation of an Enterprise Resource Planning (ERP) to facilitate the integration of different functions. Implementation of a GIS Imagery Solution for geographic mapping of assets/ transmission line route through satellite images is in process. These added initiatives will enable the Company to further enhance its operational efficiencies.

It has been a rare privilege for me to have led your Company over the four successful years. I seek your continued support in our efforts to take the Company to new heights in the future.

Yours sincerely

(M. K. De)
Chairman

DIRECTORS' REPORT

Your Board of Directors has the pleasure in presenting the **Fourth Annual Report** together with the audited financial statements of the Company for the financial year ended 31st March 2011.

Financial Review :

Your Company continued to post impressive results in its fourth year of operation recording a turnover of **Rs.765.54 crore**, with a net profit of **Rs.174.49 crore**.

FINANCIAL RESULTS

(Rs. in Crore)

	Current Year	Previous Year
Profit before Interest, Depreciation and Tax	519.39	520.37
Less Interest & Finance Charges	182.87	196.69
Profit before Depreciation and Tax	336.52	323.68
Less Depreciation	120.02	111.89
Profit before Tax and Prior Period Adjustment	216.50	211.79
Prior Period (Adjustments)/income	0.06	3.04
Profit Before Tax	216.56	214.83
Provision for Taxation	42.07	40.15
Profit After Tax	**174.49**	**174.68**

After appropriation of an amount of Rs.10.47 crore towards Reserve for Unforeseen Exigencies as per Regulations of West Bengal Electricity Regulatory Commission (WBERC), and Rs.4.58 crore towards Debenture Redemption Reserve (DRR), the balance of Rs.159.45 crore has been transferred to General Reserve during the year under review. An amount of Rs.40.49 crore allowed by WBERC as Regulatory Assets for 2008-09 vide order dated 26-7-2010, has been recognized as 'revenue' in this financial year.

In view of the need to conserve resources for part financing of its capital project programme, your Board is not recommending any dividend for the year.

Your Company continues to expand its financing options to finance its projects as well as replace costly debt. Towards this end, in the last financial year, the Company had issued Secured Bonds of a value of Rs.183 crore to prepay costlier loans. For part financing capital expenditure undertaken by the Company, as well as to prepay high cost term loans already availed, the Company has further mobilized Rs.250 crore in July 2011 from domestic market through private placement of bonds, repayable at the end of 10 years.

These debt instruments have been listed with Bombay Stock Exchange in Wholesale Debt Market (WDM) segment. CARE Limited assigned a rating of "A" and ICRA Limited assigned a rating of "LA" to these bonds indicating adequate safety with regard to timely payment of interest and principal.

We remain committed to our long-term strategy and will continue to allocate capital towards our existing operations and new projects that are of strategic importance. During the year, gross fixed assets rose to Rs.4434.09 crore, a commendable growth of Rs.247.45 crore.

Change in Board of Directors :

Shri Amaresh Chandra Sarkar, Director (Transmissions) was elevated to the post of Managing Director of the Company with effect from 14th December 2010.

Shri Anjan Chowdhuri has been appointed as Director and assumed the charge of Director (Finance & Accounts) on 1st July 2010.

Shri Subrata Nag joined as Director (Operations) on 17th January 2011 being appointed by the Government of West Bengal.

Dr. Gyan Dutt Gautama – Additional Chief Secretary to the Government of West Bengal, Department of Power & Non-conventional Energy Sources, on transfer, ceased to be a Member of the Board effective 30th September 2010.

Shri Tapan Mitra and Shri Partho S. Datta, Independent Directors, resigned from the Board with effect from 14th May 2011 and 16th May 2011 respectively.

The Board places on record its sincere appreciation for the valuable guidance provided and contributions made by Dr.Gautama, Shri Mitra and Shri Datta during their tenure in the Board.

Operational Excellence

Your Company maintains a strong and robust transmission network with in-house expertise in various facets of power transmission business.

The Company currently operates and maintains a transmission network of 11461 circuit kilometers (ckm) of Extra High Voltage Transmission Lines spread over the entire stretch of the State of West Bengal along with 103 sub-stations (400 kV to 66 kV) having total transformation capacity of 18233.1 MVA.

With focus on improving performance, the transmission system was consistently maintained during the year at an availability of over 99%, at par with international standards. Transmission losses were around 3% which is comparable with the best in the country. This is a major milestone in the process of gearing ourselves in meeting the future requirement. The Company, with its alert and responsible task force and systems, has been able to significantly improve operational performance and project execution.

In order to further modernize transmission system both in construction, operation and maintenance; your Company lays emphasis on evolving and adopting new technologies continuously to effectively meet the challenges of uninterrupted power transmission in the State.

Project Execution

During the year under review, commissioning of two new sub-stations took place along with 324 MVA of transmission capacity having been added to the system.

The **Projects completed** during 2010-2011 are detailed below:

- **Sub-stations :**
  - One 220/132/33 kV sub-station at Singur with transformation capacity of 420MVA;
  - One 132/33 kV sub-station at Mohispota with transformation capacity of 75.6MVA (both charged from 33 kV source); and
  - Commissioning of 2x20 MVA 132/33 kV transformers at Chalsa 132/66/33 kV sub-station.
- **Augmentation of transformer capacity:**

  324 MVA has been added to the system by augmenting transformer capacities in existing sub-stations:

(a)	KLC 220/132 kV	:	160	MVA
(b)	Asansol 220/132 kV	:	100	MVA
(c)	Gangarampur 132/33 kV	:	12.5	MVA
(d)	Salt Lake 132/33 kV	:	31.5	MVA
(e)	Laxmikantapur 132/33 kV	:	5	MVA
(f)	Sonarpur 132/25 kV	:	15	MVA

- **Line / Feeder Bays : 6**
  - 3 Nos. 220 kV at New Jalpaiguri 220 kV sub-station linked with evacuation of power from Teesta Low Dam H.E. Project (Stage III & IV)
  - 2 Nos. 132 kV at Amtala sub-station related to proposed Nazirpur sub-station
  - 1 No. 132 kV at NBU 132 kV & Siliguri 132 kV sub-station
  - 1 No. 66 kV at Banarhat sub-station
  - 1 No. 33 kV at Baharampur sub-station for PHE Directorate
  - 1 No. 33 kV at Gokarna 220/132/33 kV sub-station for Bharatpur 33 kV sub-station
  - 1 No. 33 kV at Falta 132 kV sub-station for Sarisa 33 kV sub-station
  - 1 No. 33 kV each at Behala, Satgachia, Birshingha, Kharagpur, New Haldia, Bishnupur, Chanditala, Domjur EHV sub-station.

LILO of one circuit of 220 kV Kasba – Jeerat Transmission Line for New Town 220/132/33 kV sub-station having length of 3.8 ckm, which was held up due to right of way problem, could be laid in the year. This enabled commissioning of New Town Sub-station from 220 kV source.

• **The Transformation Capacity (MVA), voltage-wise as on 31.03.2011, was as under :**

(a)	400/220 kV Transformers	:	2520
(b)	220/132 kV Transformers	:	7430
(c)	220/33 kV Transformers	:	100
(d)	132/66 kV Transformers	:	235
(e)	132/33 kV Transformers	:	6499
(f)	132/25 kV Traction Transformers (Railway Traction System)	:	347.5
(g)	66/33 kV Transformers	:	31.5
(h)	66/11 kV Transformers	:	170.8
(I)	33/11 kV Transformers	:	899.3

Your Company puts high priority on timely and cost-effective implementation of projects in order to derive maximum economic benefits. Various steps are being taken for timely implementation of projects. Designs and specifications have been standardised, pre-emptive measures and advance actions on project linked activities such as land acquisition, survey and soil investigations, tender activities, funding tie-up, etc. are undertaken in parallel with project investment approval process. Project appraisal and review meetings at regular intervals help to tone up the implementation process.

Perspective Plan

The role of transmission in the value chain of electricity sector is crucial. West Bengal's geographical location, being in the centre of Eastern Region, and its role as a power carrying corridor requires the State to have extensive and adequate transmission links – both intra-state and inter-state, for wheeling and evacuation of power to other states and regions. For sustainable development, the Company, in consultation with Power Research Development Consultants, Bangalore (PRDC) and after interaction with power utilities in the State, prepared a Transmission Perspective Plan of West Bengal for the years 2012-13 to 2016-17, with an estimated financial involvement of Rs.6045 crore, for the purpose of construction of new lines and sub-stations, augmentation of transformation capacity in existing sub-stations and installation of 33 kV capacitor banks in sub-stations to cater to the emerging demand for electricity in the State and for its export/import in an efficient and cost effective manner.

The Perspective Plan aims to provide for :

- Reliable and quality power supply in the command area of West Bengal State Electricity Distribution Co. Ltd. (WBSEDCL);
- Evacuation of power from State and private sector Generators;
- Export of surplus power outside the State; and
- Strengthening the existing transmission network for accommodating future load growth.

Incomplete / Stalled Projects

Your Company displayed excellent performance on project implementation front in the past years. However, of late, several on-going transmission projects are facing problems associated with delay in land acquisition for sub-station land and severe right of way in construction of transmission lines. As a result, several transmission projects remain unexecuted, stalled or delayed and newly constructed sub-stations are lying idle.

Some of projects which are incomplete / stalled due to non-availability of sub-station land or due to problems associated with 'right of way' during execution of transmission lines are :

- New Town 220/132/33 kV sub-station has been charged by drawing one circuit of 220 kV on 21.08.10. The other circuit could not be completed due to acute right of way problem.
- New Town 132/33 kV sub-station, despite being completed long back, is yet to be connected with 132 kV source as the work of 132 kV transmission line remains stalled due to severe and prolonged right of way problems.
- Subhasgram 220/132/33 kV sub-station in 24 Parganas (S) District, has been commissioned in September 2009. But work of ongoing 132 kV transmission line meant for improvement of power availability in the command area of Sonarpur, Amtala, Behala and for catering to additional loads of the consumers of CESC areas could not be expedited due to severe right of way constraints.
- Commissioning of Mohispota 132/33 kV sub-station in 24 Parganas (N) District from 132 kV source is still held up due to non-completion of 24 tower foundations of the incoming line from Jeerat sub-station. Progress is at stand still for more than a year. Consumers of Barasat, Titagarh, Nilganj Road, Kharda, Sodepur areas are consequently deprived from getting reliable and quality power from this sub-station.
- Work on a 132 kV D/C line from Domjur 220/132/33 kV sub-station to feed power to the proposed KWIC 132/33 kV sub-station at Howrah district could not be commenced during last three years and the contract is under process of cancellation owing to such unforeseen situation.
- Commissioning of ongoing 220/132/33 kV sub-station at Singur at Hooghly district from 220 kV source was not possible in absence of incoming 220 kV line, work of which could not be commenced yet. Meanwhile, the concerned 220 kV sub-station at Singur has been completed on 30.09.10 and is at present lying charged at 33 kV.
- Work on proposed 132/33 kV sub-station at Kurseong and associated line has been inordinately delayed due to agitation in the hill areas.
- Work on Gokarna 400 kV sub-station could not be commenced due to resistance from locals during fencing work, even after acquisition of the land. Land for proposed Chanditala 400 kV sub-station has still not been received by the Company because of identical problems.
- Work on Nazirpur 132/33 kV sub-station could not be commenced due to problems in acquisition of land in spite of payment of land cost.

WBSETCL is committed to sustainable development by adopting transparent approach for compensation and rehabilitation & resettlement aspects through socio-economic planning and stakeholder consultation. The Company also follows a policy of staying in continuous communication with the local bodies, authorities and objecting land-owners so as to address the critical issues in a systematic manner, leading to fast project execution.

A detailed analysis of the status of various projects completed, projects under execution and the projects being planned are given in the annexed **Management Discussion and Analysis Report**.

ISO CERTIFICATION

Your Company, after extensive audit of its Quality Management System, was accredited ISO 9001:2000 certification by KVQA, Norway, for the 14 EHV sub-stations, accounting for 46.18% of total capacity

TECHNOLOGICAL INITIATIVES

Evolution is the law of nature and thus, continuous up-gradation in technology is of paramount importance in order to stay vibrant and dynamic. The Company lays stress on evolving and adopting new technologies continuously to effectively meet the challenges of power transmission in the State.

The Company is in the process of implementing Geographical Information System (GIS) for Geographic mapping of assets / transmission line routes through satellite imagery, which will be useful for both Planning and O&M purposes. The options available across the GIS spectrum are being actively evaluated for this purpose.

With a focus on long term sustainability and to serve the growing energy needs through a reliable and efficient power transmission system, many technological initiatives have been undertaken, notable among which are:-

- Utilization of narrow based Tubular Pole Structure in congested areas.
- Application of Thermo Vision Scanning in sub-station for detecting Hot Spot and initiating preventive maintenance/repair work before breakdowns.
- Installation of Gas Insulated sub-station to reduce quantum of sub-station land.
- Phase-wise augmentation of existing line capacity by replacement of high ampicity conductor and erecting multi circuit towers.
- Procurement of Emergency Restoration System (ERS).
- Procurement of Punctured Insulator Disc (PID) instrument.
- Application of on-line filtration of EHV transformers.
- Laying of underground XLPE cable in congested urban areas.
- Utilization of latest BI technologies and techniques to identify, extract and analyze business data and provide historical, current and predictive views of business to support better business decision-making.

Transformational Changes :

To sustain good performance and responding to ever changing business and regulatory requirements, WBSETCL has taken a number of initiatives. Some of the key initiatives already implemented are summarized below :

- **Realignment of corporate organization structure** – Creation of centralized procurement department, consolidation of projects department, creation of dedicated engineering department, independence of QA&I function, dedicated safety department and consolidation of F&A and HR&A functions at corporate level.
- **Restructuring of field offices** – Merging of O&M zones with corporate office, amalgamation of O&M circles with O&M divisions, merging of functions like basic testing of sub-station equipment and maintenance of telecommunication equipments {e.g. Power Line Carrier Communication (PLCC)}with O&M function.
- **Creation of new functional units/cells** – Corporate Performance Monitoring Cell, Regulatory Affairs Cell, Budget Cell, Centralized Transmission Asset Database (CTAD) Cell.
- **Introduction of new/re-engineered business processes** – Performance monitoring, perspective planning, revenue & capital budget preparation and monitoring, capital project monitoring, fixed asset management (through web-based CTAD system), system outage management {through web-based Outage Reporting &

Analysis System (ORAS)}, employee performance appraisal, cash and treasury, material requirement planning, inventory codification & classification, technical internal audit of adopted processes, training & development, employee grievance redressal, succession planning.

- **Implementation of Policies/Procedures/Manuals** – Procurement Policy & Procedures, Vendor Rating Policy, Budget Policy & Procedures, Material Requirement Planning Procedure, Standard Operating Procedures, Standard Maintenance Schedule, Safety Manual, Transmission System Planning Procedure, Short Term/Long-Term Open Access Procedures, Recruitment Policy, Training Policy.

Communication & Information Technology :

The Company has made remarkable strides in the area of Information Technology (IT) and systematically developed, through in-house efforts, software applications for most of the functional areas for deploying IT for efficient and effective discharge of its objectives.

For development of communication system a good number of PLCC terminals for voice, data and tele-protection have been installed and commissioned in EHV network of WBSETCL during the period 2010-2011. All 400 kV transmission lines and majority of 220 kV transmission lines have been equipped with carrier aided protection equipment and they are fully operational. Vital Operational data from 47 EHV sub-stations are displayed at SLDC as well as at ALDC, under ULDC SCADA, through PLCC/Microwave system for system monitoring. The generation data from all power stations including Sagardighi Thermal Power Station are being displayed at SLDC/ALDC. All EHV sub-stations of the Company are linked with very High Frequency (VHF) base station sets and Power Line Carrier Communication system.

The Company has embarked on implementation of an Enterprise Resource Planning (ERP) Solution which will have a common data base, modular software design to offer seamless integration among the modules and functions like Plant Maintenance Management, Project Planning & Management, Materials Management, Financial Management, HR Management, etc. This system will improve accuracy and reliability of cross-functional information and facilitate the integration of different functions that will help in streamlining and standardizing business processes, reducing costs and facilitating day-to-day management. ERP Solution will be implemented in such a manner that it can provide 24x7 on-line access of ERP with centralized database to all authorized users for executing identified functional processes.

Construction of a state-of-the-art Data Centre is in progress to house the Computer and Networking components required for roll-out of ERP and other IT based solutions. A Disaster Recovery Centre is also being constructed to ensure Business Continuity. More than 160 locations will be connected to the DC and DRC through secure MPLS-VPN backbone.

The Company is committed to fulfillment of the expectations of stakeholders through continual enhancement of Effectiveness, Efficiency and Transparency in its functions. In order to meet the above objectives WBSETCL leverages the potential of information technology as an enabler in its pursuit to achieve operational excellence. WBSETCL has revamped its website to provide more online information to its entire stakeholders in a user-friendly, interactive and effective manner. With the objective to bring in transparency, major policies and procedures on different aspects, detailed information about the Company including Annual Reports, periodical financial results, NITs & contract documents, schedule and notifications, etc. are made available on the website. Furthermore, relevant information under the provisions of RTI Act are also periodically uploaded on the website for use of stakeholders.

Operation & Maintenance Management :

Operation and Maintenance (O&M) methodology has been standardized throughout WBSETCL. Standard documents in this regard have already been developed. Documents of maintenance schedule, procedures and formats have been standardized for all assets. Continuous efforts envisage providing stable and quality power with minimum extent possible transmission loss.

The IT initiatives have added considerable value to the functionalities of the different O&M departments, providing tools for mission-critical activities like outage monitoring, root-cause analysis, metering and protection, in addition to aiding asset management through a repository of Electrical assets for both Technical and Commercial considerations. This has already resulted in a significant reduction in outages and lower restoration time, with data-backed decision systems.

To maintain high availability, WBSETCL employs state-of-the-art technology in operation & maintenance of its Assets. Equipment health is being assessed periodically using 'condition assessment techniques' with sophisticated tools. All shut down and on-line maintenance activities are planned in advance and an "Annual Maintenance Plan" is worked out for each and every asset. Major thrust is given on preventive maintenance which involve

- Residual Life Assessment (RLA) of all equipments in sub-stations to ascertain actual condition of sub-station equipment for taking necessary preventive maintenance / refurbishment measures to avoid pre-mature failure;
- Thermo Vision Scanning in sub-stations for detecting 'Hot Spots' and initiating repair work before breakdowns.
- For disaster management in Transmission System and enabling fast restoration of services after breakdowns, we are in the process of acquiring Emergency Restoration System (ERS) for quick development in the event of collapse of transmission towers due to natural calamities.
- Hot line maintenance of Transmission Lines / sub-stations in live line condition, on line filtration in operating transformers, etc. are under contemplation.
- Replacement / use of ceramic insulators in place of polymer insulator in environmentally polluted areas.

Health & Safety Management :

The Company continues to focus on health and has safety and developed a plan that spans occupational safety, health and process safety. The Company has been striving for an 'accident-free' environment with strong commitment and conviction. Accident is not looked upon basically as an engineering problem only. Rather, to combat it, a multi-dimensional approach involving safety awareness, use of safety devices, designing the processes, ensuring safe performance of duties and also a mechanism of punishment and reward are considered important ingredients. Training programmes on safety awareness, use of safety devices, etc. were organized in-house. Adequate measures for safeguarding safety of employees and contractors' labourers have been instituted at all the working places. 100% compliance, in use of personal protective equipment amongst employees, was envisaged. The lost time injury frequency rate for employees and contractors combined fell sharply compared to the previous financial year. However, tragically, there occurred three fatal accidents during the year under review. This event underlines the fact that there is a need for more constant vigilance to ensure a safe working environment for all.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm to the best of their knowledge and belief that:

I) In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanations relating to material departures, if any;

ii) Selected such accounting policies and applied them consistently and made judgments and estimates that 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 that period;

iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) Prepared the annual accounts on a going concern basis.

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"**, which has been made applicable from 1st April 2011 to all Directors and Senior Management Personnel of the Company. This Code is derived from three inter-linked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. This Code covers WBSETCL's commitment to sustainable development, concern for occupational health, safety and environment, transparency and accountability, legal compliance, and the philosophy of leading by personal example. The Code is available on the Company's website.

Particulars of Employees under Sec. 217(2A) of the Companies Act, 1956.

No person was employed for the whole and/or part of the year in the Company drawing remuneration exceeding Rs.60,00,000/- per annum or Rs.5,00,000/- per month, for the purpose of Section 217(2A) of the Companies Act, 1956.

Statutory Auditors' Report & Comments of Comptroller and Auditor General of India.

I) Auditors' observations and Company's responses thereto **are annexed** which form part of the Report.

ii) Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2011 **is enclosed**.

Right to Information Act, 2005.

Necessary action has been taken by the Company towards implementation of Right to Information (RTI) Act 2005. An independent RTI Cell has been made functional to ensure compliance of the provisions of the RTI Act and attending to the requests for information. WBSETCL website has been updated and contains information on all the items as required under the Act.

Corporate Governance

Your Company is committed to conform to the highest standards of Corporate Governance by ensuring transparency, disclosures and reporting. A separate section on **Corporate Governance** forms part of the Annual Report.

Management Discussion and Analysis Report

A detailed analysis of the Company's performance is discussed in the **Management Discussion and Analysis Report**, which forms part of this Annual Report.

Energy Conservation, Technology absorption and Foreign Exchange Earning and outgo.

The Company is not categorized as Scheduled Industry, so the particulars in respect of Form 'A' pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 are not required to be furnished. However, the details in respect of Form 'B' pursuant to Rule 2 are furnished in the Annexure.

Auditors

The Comptroller and Auditor General of India appointed B. Chhawchharia & Co., Chartered Accountants, as Statutory Auditor of the Company, for the financial year 2010-11.

The Board of Directors with the approval of the Ministry of Corporate Affairs, Government of India, appointed Datta, Ghosh, Bhattacharya & Associates, Cost Accountants, as Cost Auditor of the Company for the year 2010-11 under Section 233B of the Companies Act, 1956. The Cost Auditor's Reports for the year 2010-11 have been filed with the Ministry of Corporate Affairs on the 11th August 2011.

Human Resource Development

The HR Policies and procedures of your Company are geared towards nurturing and development of Human Capital. The Company believes that its human resource is the most important asset and hence, its HR policies are focused on development of human potential through skill up-gradation and career enhancement to achieve organizational objectives. We have a dedicated and talented pool of manpower which is full of great zeal and enthusiasm. Aiming to attract the best talents with required skills and qualification to suit the job requirements in this professionally managed utility a well defined and transparent Recruitment Policy has been formulated.

Empowerment of employees has been a strategic tool of the Company to obtain exemplary performance. It is our constant endeavour to provide avenues and scope for continuous learning and development to every employee. In order to achieve the best in pursuit of excellence in respective field of work, WBSETCL places special stress on making its employees undergo various professional training programmes. All newly recruited employees are made to undergo an induction program. The appointees in technical categories were imparted residential training at ESCI - Hyderabad or at NPTI - Durgapur. As many as 790 officers and staff of the Company were provided different professional trainings during the year.

Further, the Company arranged and extended vocational training for engineering students, specially those studying in the streams of Electrical Engineering and Electronics & Tele-Communication Engineering, at its different EHV Sub-Stations and Communication Laboratories. The total number of such trainees was 1013 during the year. As a step towards integrated development of employees, we encourage employees to take up membership of professional bodies through reimbursement of professional fees.

The Company believes in total transparency and has put in place a number of formal and informal processes to get employee feedback. Keeping in pace with changing needs and for the welfare of its employees, various policies and rules are being introduced/revised from time to time.

The Company believes in philosophy of Total Quality Management (TQM) for improvement of productivity, quality, safety, cost, delivery and moral attitude. The core of this concept is voluntary involvement of employees in small teams known as Quality Circles.

32 (Thirty two) Quality Circles at different units/areas have been formed to impart training with the help of in-house trainers and consultants for facilitating, nurturing and spreading TQM activities towards achieving organizational goals.

The Company maintains healthy, cordial and harmonious relations at all levels. The role of Employees' Unions and Officers' Associations has been constructive in maintenance of harmonious relations, over all growth of the Company and adaptability in changing processes to suit the business requirements.

The total strength of human assets of the Company as on 31st March 2011 was 2897 of which 2159 employees were deputed by West Bengal State Electricity Distribution Co. Ltd. on a provisional basis to provide services to the Company. With a focus on long term sustainability and to enhance service delivery levels, the Company has formulated man-power set up in tune with its size and activities. The process of recruitment of sizeable manpower is in progress to replace retiring employees as well as to meet the requirements of its increasing transmission infrastructure. This will result in a reduction in the average age of its employees which is presently 40.

Acknowledgement

The Board of Directors, acknowledges with deep sense of appreciation the co-operation, support and guidance received from the Government of West Bengal, particularly the Department of Power and Non-conventional Energy Sources, the Ministry of Power in Government of India, the State and Central Electricity Regulatory Commissions, Central Electricity Authority, Central Transmission Utility and Eastern Regional Power Committee in the effective management of the Company's affairs and resources.

The Board also acknowledges with thanks the constructive suggestions received from C&AG, Statutory Auditors and Cost Auditors. The Board also places on record their sincere appreciation for the continued support and confidence reposed by the Financial Institutions, Banks, Credit Rating Agencies and Bombay Stock Exchange.

The Board wishes to place on record its appreciation for the relentless efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors,

(M. K. De)
CHAIRMAN

Dated: 23rd day of September 2011.
Place: Vidyut Bhavan, Sector II, Bidhannagar, Kolkata - 700 091

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic scenario and Developments :

FY 2010-11 has been a complex and challenging year due to absorption and management of 'after effects' of global financial crisis. The crisis had its beginnings in the developed world's subprime sector and broader financial markets and this contagion spread to the rest of the world economy, turning into a full-blown global economic crisis. The Indian economy also became affected to the extent it was inter-linked with the global economy both through trade and exposure to international financial markets. The strong macroeconomic fundamentals in emerging markets and the strong internal demand of its vast population has enabled India to weather the economic downturn to a great extent, though the continued recessionary trend in America and Europe remains an area of concern and challenge in maintaining the growth rate in the immediate future.

Your Company continues to plays a key role in the Power Sector, directly contributing to economic development of the State through the commendable job it has done in establishing huge and complex transmission networks and has developed strong expertise in various facets of power transmission business.

WBSETCL is one of the largest state level transcos of India with

- Transmission Network of around 11461 circuit kilometers (ckm) of Extra High Voltage transmission lines;
- 103 substations (400 kV to 66 kV).

Constant focus was given to improving operational efficiency, asset utilization, reduction of transmission loss and prudent fund management. Our efforts bore gratifying results.

WBSETCL has

- Transformation Capacity of 18233.1 MVA

  – consistently maintained the transmission system availability at more than 99%, at parwith International Utilities; and
- handled energy flow of 31695 MU with transmission losses of around 3%, comparable with the best in the country.

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Financial Review

The summary of financial results of the Company for the year ended 31st March 2011 is given below :

FINANCIAL HIGHLIGHT	(Rs in crore)	
Operating Income	**2010-11**	**2009-10**
Earned from Operation	748.53	721.28
Other Income	17.01	8.28
Total (A)	**765.54**	**729.56**
Paid and Provided for		
Transmission charges – WBPDCL	58.87	66.13
Repair & Maintenance	30.80	16.92
Employees Cost	115.01	93.06
Administration & General Expenses	24.00	19.11
Provisions	-	13.97
Other Write Offs	17.48	-
Sub – Total (B)	**246.16**	**209.19**
Profit before Depreciation, Interest and Tax (A – B)	**519.38**	**520.37**
Depreciation	120.01	111.89
Interest & Finance Charges	182.87	196.69
Prior Period Income/ (Expenditure)	0.06	3.04
Profit before Tax	**216.56**	**214.83**
Provision for Tax	42.07	40.15
Profit after Tax	**174.49**	**174.68**
Accumulated Loss brought forward		
Reserve for Unforeseen Exigencies	(10.47)	(9.71)
Debenture Redemption Reserve (DRR)	(4.58)	(4.58)
Balance Transferred to General Reserve	**159.44**	**160.39**

During the year under review, the overall increase in total income was around 5% (from Rs.729.56 crore in 2009-10 to Rs.763.96 crore).

In order to bring in uniformity in Accounting Policies with other Power Utilities in the State, it was decided that with effect from the accounting year 2010-11, the amount realizable through Regulatory mechanism, arising out of Annual Performance Review (APR) order issued by West Bengal Electricity Regulatory Commission (WBERC) in respect of earlier year(s) towards short-fall in revenue entitlement will be accounted for as 'income' in the financial year in which such order is issued in place of the previous policy of accounting for the same in the year in which recovery of the amount through tariff was permitted. Accordingly, an amount of Rs.40.49 crore, allowed by WBERC as APR adjustment for 2008-09 vide order dated 26-7-2010, has been accounted for as 'income' in this financial year, though directions for recovery of the amount is still awaited.

A provision for doubtful debts of Rs 6.16 crore made in the accounts for the year 2009-10 has been set off against amount receivable from WBPDCL for SLDC charges in 2008-09 in terms of the WBERC's Order dated 26.07.2010.

Interest costs increased marginally by 2.03% over 2009-10 (Rs.202.95 crore) and stood at Rs.207.08 crore. The total loan funds of the Company at the year end stood at Rs.2215 crore.

Depreciation, at Rs.120.01 crore, was higher than the previous year's figure of Rs.111.89 crore; mainly due to increase in capitalization of assets. With addition of Rs.247 crore in value of assets, Gross block at the end of the year stood at Rs.4434 crore.

Earnings before depreciation, interest and taxation (EBDIT) reflected a marginal decrease from Rs.520.37 crore in 2009-10 to Rs.519.38 crore in 2010-11.

Profit before Tax (PBT) stood at Rs.216.56 crore as against Rs.214.83 crore in the previous year, the Company registered a net profit of Rs.174.49 crore (as against Rs.174.68 crore of previous year).

Ratios	2010-2011	2009-2010
Return on Capital Employed (%)	4.55	4.85
Return on Net Worth (%)	11.56	12.93
Current Ratio (%)	0.86	1.12
Debt to Equity Ratio	1.51	1.67
Return on Total Asset (%)	3.94	4.17
Stock Turnover Ratio	7.35	6.15
DSCR	1.44	1.10
ISCR	1.93	2.01
EPS (Rs)	1.58	1.60

Fund Mobilization and Management :

Transmission business requires significant upfront investment in assets that generate stable cash flow over a long period. Raising resources in a cost-effective manner in an adverse economic environment prevalent during the year has been quite a challenging task and by and large, the Company had done well on that front. Domestic credit rating agencies namely CARE and ICRA continued to assign "A" rating which indicates that the Company is fundamentally strong with regard to timely payment of interest and principal amount.

During the financial year, the Company availed :

- Long-term project loan of Rs 114.43 crore from Life Insurance Corpn. of India and other commercial banks; and
- Short term working capital loan of Rs.75 crore from a Commercial Bank.

The Company has complied with all debt service commitments including re-payment of principal.

It redeemed a total sum of Rs.49.42 crore of Market Bonds - issued by erstwhile WBSEB and Rs.18.30 crore towards first installment of redemption of Secured, Redeemable, Non-convertible bond of Rs.183.00 crore.



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The Company also repaid Rs.98.81 crore as below:

(a) Short term loans of Rs.18.98 crore to commercial Banks.

(b) Long term loans aggregating Rs.79.83 crore to GoWB, Commercial Banks/Rural Electrification Corpn. Ltd/Power Finance Corpn. Ltd.

Project Execution

During the year 2010-11, the Company completed following transmission projects by

- commissioning of two new sub-stations
- adding 4 circuit km of Transmission Lines,
- augmentation of transformation capacity totaling to 324 MVA along with Line/Feeder Bays at existing sub-stations.

The number of sub-stations at different voltage levels is as under :

Voltage Level	No of Sub-Station
400 kV	3
220 kV	18
132 kV	68
66 kV	9
132 kV Switching sub-stations	5

Pace of project implementation, however, was severely hampered by land acquisition and 'right of way' issues. The Company continues its all-out effort to connect with the affected communities to allay misgivings and work out socio-economically sound solutions. We are optimistic that we would be able to assure the affected communities and individuals of the overall social benefits of our projects and our efforts to cause the minimum unavoidable inconvenience to them. We continue to innovate and adopt technical solutions that reduce the amount of land required for establishment of transmission assets.

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Perspective Plan for XII Plan (2012-13 to 2016-17) :

The Company commissioned Power Research Development Consultants, Bangalore to develop the Perspective Plan for the XII Plan period of 2012-13 to 2016-17. After extensive inter-action with power utilities in the State as also taking into consideration new power capacity additions planned by new private sector players, the requirement of new transmission infrastructure during the XII Plan period has been projected as under :

a) New Sub-Stations & Transmission Lines:

Sl.No	Description	Numbers			Total
		400 kV	220 kV	132 kV	
1	Sub-stations	3	10	30	43
2	Transmission Line	14	19	67	100

Sl.No.	Transf. kV Ratio	Nos.	Total MVA
1	400/220 kV	6	1890
2	220/132 kV	24	3840
3	220/33 kV	4	200
4	132/33 kV	71	3234
	Total		9164

Sl.No.	Description	Circuit Km (CKM)			Total
		400 kV	220 kV	132 kV	
1	Transmission Lines	2622	1042	2727.6	6391.6

b) Augmentation of Transformer Capacity:

Sl.No.	Transf. kV Ratio	Total MVA
1	400/220 kV	1260.0
2	220/132 kV	1280.0
3	132/66 kV	11.5
4	132/33 kV	2423.5
	Total	4975.0

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Projects under execution

To cater to the need of improving transmission system and to meet the requirement of increasing demand of both industrial and rural load in the state of West Bengal, various transmission projects are under execution.

⇦ Sub-stations

Following EHV sub-stations, including extension of bays at existing sub-stations are under progress which would result in capacity addition of 3236 MVA from Financial Year 2011-12 onwards. Estimated cost of the sub-station projects aggregate Rs.352.32 crore.

- Kharagpur 400/220 kV Sub-station
- Dalkhola 220/132/33 kV Sub-station
- Foundry Park 220/132/33 kV Sub-station
- Kurseong 132/33 kV Sub-station
- Khatra 132/33 kV Sub-station
- Kalna 132/33 kV Sub-station
- Food Park 132/33 kV Sub-station
- Kakdwip 132/33 kV Sub-station
- Bagnan 132/33 kV Gas insulated Sub-station
- Salt Lake 132/33kV Gas insulated Sub-station
- Nazirpur 132/33 kV sub-station (held up due to acquisition problem of land)
- Construction of bays at Kolaghat, Haldia NIZ, Birsingha & Chandrakona Road sub-stations
- Transformer bays at Jeerat (315 MVA), Arambagh (315 MVA), Laxmikantapur (160 MVA) & Uluberia (50 MVA) sub-stations.
- 1 No. 400 kV line bay at Purulia (PGCIL) for Durgapur 400 kV sub-station

⇦ Transmission Lines :

Following 21 nos of transmission lines have been taken up for execution which would result in further addition of 1223 ckm from the financial year 2011-12. Estimated cost of the transmission line projects aggregate Rs. 608 crore.

- 400kV S/C KTPS-Kharagpur line
- LILO of KTPS- Baripada 400kV S/C line at Kharagpur
- NJP-TLDP-IV 220kV D/C line
- TLDP-III-TLDP-IV 220kV S/C line
- NJP-TLDP-III 220kV S/C line
- 220kV D/C Dalkhola (WBSETCL) – Dalkhola (PGCIL) line

- 220kV D/C Kharagpur-Midnapore line
- 132kV D/C River crossing line from Kakdwip (LOT-8) to Kachuberia at Sagar Island
- 132kV D/C Laxmikantapur-Kakdwip
- 132 kV D/C Satgachia-Kalna line
- 132 kV D/C Bishnupur-Khatra line
- 132 kV D/C Jeerat-Mohispota line
- 132 kV D/C Amtala-Nazipur line
- 132 kV D/C Domjur-Chanditala line
- 132kV D/C Chandrakona Road-Birsingha Line
- 132kV D/C Gokarna-Lalgola line
- 132kV S/C LILO of Gokarna-Lalgola at Sonar Bangla Cement Factory
- 132kV D/C lines from Subhashgram Sub-Station to tapping point at Nayadiyara
- 132kV S/C LILO of Rangit-Siliguri at Kurseong
- 132kV D/C New Town 220 kV to New Town 132 kV sub-station
- 132kV D/C partly O.H. and partly U.G. cable from New Town 220/132/33 kV sub-station to Salt Lake GIS

Apart from the above, pending LILO of Arambagh-Rishra 220kV S/C line at Singur, held up due to severe right of way problems, has been resurveyed. Alternate route alignment has been done, partly with monopole towers along irrigation canal and Saraswati River and along NH-6, for which necessary approval from I&WB/NHA1 has been obtained.

In addition, following projects are under execution during 2011-12 in running sub-stations and transmission lines.

- Augmentation of Transformer Capacity :
- Sub-station Transformation Capacity enhancement by installation of 4th 220/132 kV 160 MVA Transformer at Kasba and 3rd 160 MVA transformer at Rishra sub-station.
- Sub-station Transformation Capacity augmentation through replacement of 31.5 MVA by 50 MVA 132/33 kV transformers at 11 numbers sub-stations in first phase and 7 numbers sub-stations in second phase.
- **Construction of 33 kV feeder** bay at 50 numbers different sub-stations in North & South Bengal for capacity enhancement of power reserve for Distribution Utilities. The estimated value of which aggregates Rs.34.68 crore.
- **Improvement of Transmission Voltage & Quality** of Power by installing Capacitor Banks at 24 numbers 132 kV sub-stations. The total capacity of Capacitor Banks is 260 MVAR at an estimated cost of Rs.20.66 crore.
- **Diversion of existing 132 kV Transmission Lines** in eight different locations for construction of Railway Track & widening of National Highways at an estimated value of Rs.11.92 crore.
- **Up gradation** of NBU- SILIGURI 66 kV Line at an estimated cost of Rs.0.68 crore.

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- Procurement of Emergency Restoration System (ERS) & Other Diagnostic Tools & Equipments to reduce the down time and increase the system availability in case of failure of 400 kV, 220 kV & 132 kV Towers at an estimated cost of Rs.14.08 crore.
- Explore the feasibility of acquiring Mobile Sub-stations to meet the unforeseen upsurge of Power Demand from the Distribution Utilities or to provide standby support in case of breakdown of existing installations.
- **Face lifting of sub-stations**

  A program has been taken up on war footing for renewal of old and worn out sub-station infrastructures like Control Room Buildings, Switch Yard installations, Earthing systems of the switch yards, Roads & Pathways inside the substations premises and store yards inside sub-stations.

State Load Despatch Centre

The State Load Despatch Centre (SLDC) of the Company is the apex body to ensure integrated operation of the power system in the State in co-ordination with the generating utilities, distribution licensees, ERLDC and ERPC. It serves the State by performing the task of monitoring and controlling the power system network. We feel proud to report that, like the previous years, this year too, we have succeeded in keeping the State free from any kind of major grid disturbance.

SLDC introduced the Intra-state Availability Based Tariff (ABT) in West Bengal with effect from 01.01.2008 after mock exercise for about two years. During the financial year, the grid performance improved due to implementation of modernization of SLDC having state-of-the art technology and manning it by skilled and experienced personnel.

The main function of SLDC is to balance the load with generation available on 24X7 basis. Generation available consists of entire "sent out" generation of WBPDCL, WBSEDCL's own generation i.e. Purulia Pumped Storage Project, Hydel, surplus power of DPL and Central Sector allocation of ISGS and sometimes, during evening peak hours, power purchase from other sources to meet shortfall. The excess power, whenever available in the State, is exported to other States in terms of bilateral agreements through traders as per Open Access norms and also to run PPSP Units of WBSEDCL in pumping mode. From 1st April 2009, the operational frequency band stands modified from 49.2 to 50.3 C/S after imposition of ABT. SLDC plays an important role in maintaining the frequency in the system due to its constant monitoring of constituent members.

	LOAD MANAGEMENT MONITORED BY SLDC	2009-2010 (01.04.09-31.03.10)	2010-2011 (01.04.10-31.03.11)
(A)	1.Energy consumption in WBSEDCL (Own System)	22134.615 MU	24773.662 MU
	2. Supplied to CESC	1602.024 MU	1163.795 MU
	3. Energy consumption of West Bengal System (excluding valley area served by DVC)	36517.476 MU	39550.620 MU
(B)	No. of planned shut downs in WBSETCL under maintenance programme.	6420	5196

Availability of Transmission Lines

Transmission Availability as per Guide Line of CERC for 220 kV Voltage Level & above

Non Availability Factor for 2010-11	0.00080
Availability	99.92%

No. of Trippings of the Transmission lines

Month	400 KV	220 KV	132 KV	66 KV	TOTAL
Apr-10	0	8	5	1	14
May-10	0	5	11	0	16
Jun-10	1	5	8	2	16
Jul-10	1	0	6	0	7
Aug-10	0	3	2	0	5
Sep-10	0	3	9	1	13
Oct-10	0	5	4	0	9
Nov-10	0	0	2	1	3
Dec-10	1	2	1	0	4
Jan-11	0	1	2	0	3
Feb-11	0	5	1	0	6
Mar-11	3	2	7	2	14
TOTAL TRIPPING	6	39	58	7	110
TOTAL LINES	**10**	**38**	**199**	**16**	**263**
TRIPPING RATE 2010-11	**0.60**	**1.03**	**0.29**	**0.44**	**0.42**
TRIPPING RATE 2009-10	0.625	1.33	0.43	0.22	0.65

Preventive Maintenance

On maintenance front, thrust is given on preventive maintenance using modern techniques like Condition Monitoring, Hotline Maintenance, Live line detection of insulator failure, Thermo-vision Scanning, software based interpretation techniques and Reliability Centered Maintenance (RCM), etc. to pre-empt the transmission element failure and take corrective actions in time.

CPRI Bangalore was engaged for carrying out RLA studies of EHV Equipments of different substations where the equipments have completed almost 15 years of service life. In total, 27 numbers substations were identified. Studies were done of 92 Power Transformers of 220/132 kV & 132/ 33 kV and 132/25 kV Traction Transformers. RLA Studies were done of 794 numbers of Current Transformers, 101 numbers of Voltage Transformers and 42 numbers of Capacitive Voltage Transformers. The action for replacement of stressed equipments having no residual life has already started in a phased manner.

Integrated Management Policy

WBSETCL is committed to :

- establishing and maintaining an efficient and effective "Grid" with due regard to time, cost, technology and value addition,
- sustainable development through conservation of natural resources and adoption of environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- ensuring safe, occupational hazard free and healthy work environment,

to the satisfaction of stakeholders in all spheres of its activities and endeavour to continually improve its management systems and practices in conformity with legal and regulatory provisions.

Risks and concerns

There are a number of risks and concerns which might adversely impact financial sustainability of the Company, in medium to long term. Some of such key risks and concerns are

- **Change in regulatory framework:** Since WBSETCL is state-owned regulated entity and its tariff (revenues) is scrutinized and approved by the State Regulatory Commission, any material change in the terms and conditions of tariff determination as well as disallowance of any of the annual revenue requirement (ARR) components may have a significant impact on profitability of WBSETCL.
- **Impact of business plans of generating and distribution companies :** 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.
- **Externalities affecting network growth :** Construction of several sub-stations and transmission lines, which will facilitate evacuation of new generation capacity and meet additional demand, are facing serious challenges due to opposition from a section of landowners (especially, in case of tower foundations for lines). Inordinate delay in acquisition of appropriate land for sub-stations and optimal Right of Way for transmission lines are major risks in project implementation which are potential threats to financial sustainability.

- **Shortage of turn-key contractors :** The number of good and reliable turn-key contractors for execution of sub stations and transmission line projects are limited. Since all states are accelerating their transmission investment, availability of capital goods or timely execution of projects can pose a problem.

Cautionary Statement

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 numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

Annexure-II

CORPORATE GOVERNANCE

Transparency is the cornerstone of your Company's philosophy and all requirements of Corporate Governance are adhered to both in letter and spirit and are being continually improved upon. The Company is committed to sound corporate practices based on conscientiousness, openness, fairness, professionalism and accountability, paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability. Apart from being in compliance with all requirements of the Listing Agreement for debt securities, your Company voluntarily follows the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

A report on Corporate Governance is given below

Composition of Board

WBSETCL is a Government Company within the meaning of Section 617 of the Companies Act, 1956 and the entire share capital is held by the Governor of West Bengal and his nominees. As per Articles of Association, the power to appoint Directors rests with the Governor of West Bengal. The Directors bring in wide range of expertise and experience to the Board, facilitating proficient and unbiased direction to the Company. From inception, the WBSETCL Board is a balanced Board comprising Executive and Non-executive Directors.

The following was the composition of the Board of Directors on 31.03.2011.

Category	No of Directors	Percentage to total number of Directors
Executive Director	5	45%
Non Executive	6	55%
Total	11	100%

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During the year under review, due to induction / cessation, the composition of the Board has undergone changes. The details of the Directors and their attendance in the Board Meetings held during the year 2010-2011 are given below :

Name of Directors	Category	DIN	Tenure		Number of Board Meetings attended during 2010-2011
			From	To	
Shri Malay Kumar De	Chairman	00117655	01.04.08	Continuing	Five
Shri Amaresh Ch.Sarkar	Managing Director	02473276	14.12.10	Continuing	Five
Shri Durgadas Goswami	Director (H.R)	02847619	07.12.09	Continuing	Four
Shri Dilip Kumar Dey	Director (Projects)	02882249	08.12.09	Continuing	Five
Shri Anjan Chowdhuri	Director (F & A)	03144031	01.07.10	Continuing	Four
Shri Subrata Nag	Director (Operations)	03415795	17.01.11	Continuing	One
Dr. G.D. Gautama	Govt. Nominee Director	02785606	01.08.09	Ceased on 30.09.10	Three
Shri C. M. Bachhawat	Govt. Nominee Director	02302769	01.08.09	Continuing	One
Shri Tapan Mitra	Independent Director	00101574	01.04.08	Ceased on 14.05.11	Four
Shri Sreekumar Majumder	Independent Director	00004726	01.04.08	Continuing	Five
Shri Partho S. Datta	Independent Director	00040345	01.04.08	Ceased on 16.05.11	Five
Prof.Tapan Kumar Basu	Independent Director	01849330	01.04.08	Continuing	Five

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Other Directorship of Board Members as on 31.03.2011.

Director	Category	Other Directorship	
		Name of the Company	Position held
Shri M.K.De	Chairman	West Bengal State Electricity Distribution Company Limited	Chairman & Managing Director
		West Bengal Rural Energy Development Corporation Limited	Director
		The New Town Electric Supply Company Limited	Chairman
		West Bengal Green Energy Development Corporation Limited	Director
		West Bengal Power Development Corporation Limited	Director
		Bengal EMTA Coal Mines Limited	Director
		W.B. Infrastructure Development Finance Corp Ltd.	Director
Shri A.C. Sarkar	Managing Director	None	
Shri D. Goswami	Director (HR)	West Bengal State Electricity Distribution Company Limited	Director
Shri D. K. Dey	Director(Projects)	None	
Shri A. Chowdhuri	Director(F&A)	None	
Shri S. Nag	Director(Operations)	None	
Dr. Gyan Dutt Gautama	Govt. Nominee Director	Bengal EMTA Coal Mines Limited	Chairman
		West Bengal Power Development Corporation limited	Director
		West Bengal State Electricity Distribution Company Limited.	Director
		West Bengal Green Energy Development Corporation Limited	Director
		Damodar Valley Corporation	Member
Shri C. M. Bachhawat	Govt. Nominee Director	W.B.I.D.F.C. Ltd.	Chairman
		W.B.F.C.	Director
		West Bengal Industrial Development Corporation	Director
		West Bengal Electronic Industrial Development Corporation	Director
		W.B.I.I.D.C. Ltd.	Director

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Director	Category	Other Directorship	
		Name of the Company	Position held
		West Bengal Power Development Corporation limited	Director
		West Bengal State Electricity Distribution Company Limited.	Director
		Kolkata Metro Rail Corporation Limited.	Director
		West Bengal Police Housing Corporation	Director
Shri Tapan Mitra	Independent Director	Thermax Limited	Director
		Essel Propack Limited	Director
		West Bengal Power Development Corporation limited	Director
		West Bengal State Electricity Distribution Company Limited.	Director
Shri Sreekumar Majumdar	Independent Director	None	
Shri Partho Sarothy Datta	Independent Director	Pantheon Data Services Pvt. Ltd.	Director
		Peerless Funds Management Co. Ltd.	Director
		IRIS Business Services Limited	Director
		HDFC Bank Limited	Director
Prof. T. K. Basu	Independent Director	None	

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

Meetings and Attendance

The Governance policy in the Company requires the Board to meet at least four times in a year, once in every three months – the intervening period between two Board meetings was well within the maximum gap of 120 days.

Board Procedure

The meetings of the Board of Directors are normally held at the registered office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory notes are circulated to the Directors. The members of the Board have complete access to all the information of the Company. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board.

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The information regularly supplied to the Board, inter-alia, includes :

- Annual Plans and budgets and any updates;
- Annual Accounts, Directors' Report, etc.
- Periodical operational and financial results of the Company
- Minutes of meetings of audit committee and other committees of the Board;
- 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;
- Non-compliance of any regulatory, statutory or listing requirements;
- Other materially important information.

During the financial year 2010-11, five Board meetings were held on 20th April 2010, 6th July 2010, 16th Sept. 2010, 12th November 2010 and 10th February 2011.

Sl No.	Date	Board strength	No. of Directors present
1.	20.04.2010	10	9
2.	06.07.2010	11	11
3.	16.09.2010	11	9
4.	12.11.2010	10	9
5.	10.02.2011	11	9

Post-meeting follow-up system

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

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General Body Meeting :

The details of General Meetings held during last three years:

Date	Venue	Type of Meeting	Resolutions adopted
10.05.07	Registered Office	E.G.M.	Amendment of Articles of Association to provide that Resolutions adopted by Board on issues relating to Article 95(a)(e) & (f) shall be subject to confirmatory approval of the State Government before they take effect. **Passed by Special Resolution.** Board was empowered u/s 293(1)(d) of the Act to borrow in excess of paid-up capital and Free Reserves up to a limit of Rs.3000 crores. **Passed by Ordinary Resolution.** Board was authorized, pursuant to Section 81(1A) of the Companies Act 1956, to issue further shares. **Passed by Special Resolution.**
11.08.08	Registered Office	First A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.** Power of Borrowing limit u/s 293(1)(d) of the Companies Act,1956 enhanced to Rs.5000 crore. **Passed by Ordinary Resolution.** Board was empowered u/s 293(1)(a)of the Companies Act 1956 to create charge on company's assets. **Passed by Ordinary Resolution.**
27.03.09	Registered Office	First A.G.M. (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the first financial year ended 31/3/2008 adopted by **ordinary resolution.**
27.03.09	Registered Office	E.G.M.	Board was authorized, pursuant to Section 81(1A) of the Companies Act 1956, to issue equity shares of Rs.294 crore in favour of Governor of West Bengal. **Passed by Special Resolution.**
17.12.09	Registered Office	Second A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.**
29.12.09	Registered Office	Second A.G.M. (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2009 adopted by **Ordinary Resolution.**
16.09.10	Registered Office	Third A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2010 adopted by **Ordinary Resolution.**

Committees of the Board

The Board has constituted the following Committees:

- The Audit Committee;
- Board Committee for Contracts, Purchases and Procurements; and,
- Board Committee for Project Appraisal and Monitoring.

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

Composition

The composition of Board Committees and details of attendance in Committee Meetings held during 2010-11 are shown below:-

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

Keeping in mind the best practices of corporate governance, ensuring transparency and speed 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.

Name of the Director	Meetings	
	Held	Attended
Shri M. K. De, Chairman	4	4
Shri A.C. Sarkar, Member	4	4
Shri A. Chowdhuri, Member	4	4
Dr. G.D. Gautama, Member	2	2
Shri Partho S. Datta,Member	4	4
Shri S. Majumder, Member	4	4
Shri Dilip Kumar Dey, Member	4	4
Shri Subrata Nag, Member	1	1

(b) Board Committee for Project Appraisal and Monitoring

The Board Committee for Projects Appraisal and Monitoring exercise powers in relation to the investment decisions for new projects/schemes for modernization/renovation including according administrative and technical sanctions and monitoring status of various ongoing projects/Schemes and Budget utilization.

Name of the Director	Meetings	
	Held	Attended
Shri M. K. De, Chairman	2	2
Shri A. C. Sarkar, Member	2	2
Shri A. Chowdhuri, Member	2	2
Dr. G.D. Gautama, Member	1	1
Shri S. Majumder,Member	2	2
Shri Partho S. Datta, Member	2	2
Prof. T. K. Basu, Member	2	2
Shri D. K. Dey, Member	2	2
Shri S. Nag, Member	1	1

(c) Audit Committee

The Board of Directors in terms of the provisions of Section 292A of the Companies Act, 1956 and adhering to the corporate governance norms, constituted the Audit Committee. The Members of Audit Committee bring with them vast experience in the field of operations, finance and accounts and the Company is immensely benefitted from the deliberations of the Audit Committee. Besides the Committee members, functional heads and Auditors of the Company attend the meeting of the Committee on invitation.

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee.

Six meetings of Audit Committee were held during the Financial Year 2010-11, on 20.04.10, 06.07.10, 16.09.10, 12.11.10, 10.02.2011 and 31.03.2011.

Attendance at Audit Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Shri Partho S. Datta, Chairman	6	6
Shri Tapan Mitra, Member	6	5
Dr. G.D.Gautama, Member	3	3
Prof. T. K. Basu, Member	6	6

Chairman, Managing Director, Director (F&A), Chief of Internal Audit, Statutory Auditors and Cost Auditors are standing invitees in the Audit Committee meetings.

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

- Efficiency and effectiveness of operations
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to review the function of audit and to review the effectiveness of internal control systems and ensure due compliance with various applicable laws, accounting standards and regulatory guidelines.

The Responsibility of the Audit Committee includes :

- Overseeing the financial reporting process to ensure fairness, transparency, sufficiency and reliability of financial statements, including recognition, recording and reporting of financial information in keeping with the Electricity Act 2003 and the Regulations of the West Bengal Electricity Regulatory Commission;
- Reviewing the adequacy of internal control systems,
- Recommending appointment and removal of Chief Internal Auditor and outsourced Internal Auditors for the Company's overall operations and its auditable units. Fixing remuneration of Auditors and approval of payment to Statutory Auditors or to Outsourced Internal Auditors for other services rendered by them;
- Discussing scope of audit and audit plans on a regular basis with Statutory and Internal Auditors;

- Monitoring and reviewing the direction and quality of Internal and Statutory Audit;
- Reviewing with the Management Periodical, Quarterly and Annual Financial Statements before submission of the same to the Board. This will include:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by the management
  - Qualification, if any, in the draft audit report
  - Significant adjustments arising out of audit observations
  - Compliance with applicable accounting standards
  - Related party transaction.
- Reviewing the efficacy of the Risk Management framework and monitoring regulatory compliances pertaining to fiscal, environmental, safety, labour laws and procedures, other applicable laws and regulations laid down by the Management.
- Reviewing the security and control aspects of the Information Technology and connectivity systems;
- Reviewing compliance with Internal and Statutory Audit Reports and examining reasons for substantial defaults and delays in implementing audit recommendations;
- Reviewing findings of internal investigations involving matters of fraud, financial integrity and fiduciary compliance
- Reviewing Secretarial Audit Reports yearly;
- Reviewing half yearly legal compliance Audit Reports;
- Appointing, deciding remuneration of and reviewing report of Cost Auditors;
- The Audit Committee is empowered to call any appropriate employee of the Company to attend its meeting.

The Audit Committee is empowered to appoint professional public accounting and/other professionals including independent counsel in order to discharge its responsibilities. Compensation to be paid for such services is determined by the Committee. The Audit Committee is authorized to hold its meetings without the presence of any members of the management, and require any member of the organization to attend and appear before itself.

Issue of Bonds

a) The Company, to retire high interest bearing loan, had issued 9.75% - 10 year secured bonds of Rs.183 crore, on 16th October 2009, on private placement basis.

b) Further, for part financing capital expenditure undertaken as well as to pre-pay high cost term loan availed, the Company has further issued 10.29% - 10 year secured bonds of Rs.250 crore, on 26th July 2011, on private placement basis.

The aforesaid bonds are listed with Bombay Stock Exchange in Wholesale Debt Market (WDM).

Apart from the applicable provisions of the Companies Act 1956, issue of Bonds is governed by SEBI (Debenture Trustees) Regulations 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Debt Listing Agreement with Bombay Stock Exchange and Trustee Agreement. The Company has complied with all the statutory requirements.

Shri Srikumar Chattopadhyay, Company Secretary, has been designated as the 'Compliance Officer' for complying with the statutory requirements relating to issue of Bonds.

Disclosures

Considering the size and nature of business, there was no materially significant related party transaction that may have a potential conflict with the interests of the Company at large. There was no pecuniary relationship or transaction with non-Executive Directors.

There was no penalty or stricture imposed on the Company by any statutory authority for non-compliance on any matter.

Internal Control Systems and their Adequacy

The Company has in place adequate systems of internal control commensurate with its size and the nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets and unauthorized use or losses, executing transactions with proper authorization and insuring compliance of corporate policies.

The Company has a separate Internal Audit Division supported by outsourced Internal Auditors to verify compliance with the policies and procedures framed by the management. The Internal Audit Division, during the year under review, covered all areas of operations of the Company as per the Annual Internal Audit plan.

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 report. All significant audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations and suggestions were acted upon by the Management.

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Annexure-III

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1999 READ WITH SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY :

Energy conservation measures taken and on hand :

With focus on improving transmission system availability, reduction of losses, enhancing transmission capacity by strengthening, augmenting and upgrading existing system, optimum utilisation of the available transmission assets, conservation of environment and optimising upon the cost of delivered power, the Company has been according special emphasis on evolving and adopting new technologies available round the globe to create environment- friendly transmission system. Thus, energy conservation measures are taken by WBSETCL at every step so as to develop an efficient and low-loss transmission net work.

The Company makes all out efforts for conservation of energy in all its projects – right from the planning stage till the execution and maintenance.

Following steps are being taken to conserve energy/reduce energy loss:

(I) Use of Transformers having high-grade lamination and copper windings.

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

iii Installation of developed variety of Capacitor Banks for improvement of syste voltage, resulting in loss reduction.

iv) Replacement of old A.C. Machines with energy saving AC Equipments in Control Rooms.

v) Use of solar energy for illumination of streets in sub-stations and Townships.

vi) Optimization of sub-station Switchyard Lighting by segregation of switches.

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

B. RESEARCH & DEVELOPMENT :

The Company keeps abreast of technological improvements in transmission system to remain at par with international standards.

C. TECHNOLOGY ABSORPTION:

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

i) Modern survey techniques are being employed for route selection and length optimisation;

ii) GIS technology has been adopted for sub-stations to minimise land area;

iii) Adoption of SF6 gas filled current transformers on experimental basis;

iv) Multi-circuit and narrow based towers are used for transmission lines to avoid right-of-way problems;

v) Application of Flexible A.C. Transmission System (FACTS);

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

vii) Utilization of narrow based monopole towers in congested and limited available areas;

viii) Residual Life Assessment of all equipments in sub-stations to decide on replacement of old and defective equipments / machines;

ix) Application of online transformer oil filtration machine;

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

xi) For effective disaster management in transmission, introduction of Emergency Restoration System is in progress;

D. FOREIGN EXCHANGE EARNING & OUTGO :

i) **Foreign Exchange Earning** ..... **Nil**

ii) **Foreign Exchange Outgo** ..... **Nil**

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
5.1	*As regards the assets and liabilities re-vested to the Company on 01.04.2007 by Govt. of West Bengal ('GoWB'), the differences in some of the balances in the subsidiary ledgers and general ledger are pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities will be given on such reconciliation and identification. (refer Note Nos. 1, 5.1.1, 5.2, 5.3, 5.4 & 9).*	The management is in the process of reconciling these differences appearing at certain units pertaining to Current Assets and Liabilities. The consequential adjustment will be made after the process of identification/reconciliation is over.
5.2	***Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is in non-compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI'). (refer Note No. 3.1).***	Most of the leasehold land is on lease for a period of over 99 years which do not need to be amortized. The Company is of the opinion that value and volume of leasehold land with a lease of less than 99 years are not material.
5.3	***There has been a change in the basis of accounting of amortization of leasehold rights upto 30 years of tenure only. However no amount has been charged to the profit & loss account since the requisite details were not available. (refer Note No. 3.1).***	The management decided to amortize leasehold rights upto 30 years of tenure only. In the absence of requisite details, it has not been possible to determine the lease period of some of the lands which might have a shorter tenure, due to which amortization of the cost of such land has not been done.
5.4	***Non-reconciliation of persisting differences between CWIP Register and General Control Register in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification (refer Note No. 3.3).***	Such differences in certain items of some units are relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.
5.5	***The registration of transfer of land (freehold & leasehold) and buildings re-vested in favour of the Company is pending in certain cases (refer Note 3.4).***	The formalities for registration of transfer of the land & buildings acquired prior to 01.04.2007 and re-vested in favour of the Company are still under process of transfer.
5.6	***Valuation of Inventories at cost is in non-compliance of AS – 2, 'Valuation of Inventories' issued by ICAI, requiring valuation at lower of cost and net realizable value.***	The Company deals with around 2500 number of materials due to which it is difficult to obtain the net realizable value of such a huge number of items on a particular date. Hence the Company follows the policy of valuation of inventories at weighted average cost.

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
5.7	***Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification (refer Note No. 5.1.2).***	In some units the slow/non moving, obsolete inventories are in the process of identification and necessary classification. On completion of the process, provision for loss, if required, will be made. For other units, a provision of Rs 781.15 lakhs being full value of items identified as obsolete was made in the previous years.
5.8	***Due to non-receipt of confirmations of certain balances of Loans and Advances, material with contractors, Sundry Creditors, Advance from Customers and Sundry Debtors, the consequential adjustments, if any, to be made on receipt thereof (refer Note No. 6).***	Letters had been issued for confirmation of balances in Loans and Advances, material with contractors, Sundry Creditors, Advance from Customers and Sundry Debtors accounts, against which confirmations are yet to be received. Consequential adjustment, if any, would be made on receipt of such confirmation.
5.9	***Non-reconciliation of Inter Unit Balances amounting to Rs 398.71 lakh as at year end, the impact thereof on the profit & loss account and other assets and liabilities is not ascertainable (refer Note No. 8 & 9).***	Reconciliation of Inter-Unit balances for Fund transfers and Capitalization of Assets have been completed and the exercise for the balances pertaining to other transactions aggregating to Rs 398.71 lakh is under process. The resultant impact of such differences between control accounts and subsidiary ledger and those of un-reconciled balances in Inter Unit account on the affected accounts of income, expenditure, assets and liabilities are presently not ascertainable and shall be accounted for only on the reconciliation process being completed.
5.10	***Change in the basis of accounting of over or under recovery of Transmission Charges from 'being accounted for in the year in which such adjustments in the Tariff were notified by WBERC' to now 'being accounted for on approval and issuance of order thereof due to which the profit for the year (net of taxes) is overstated by Rs 3,242.29 lakh (refer Note No. 11).***	Net Sales/Income from Operations for the year ended 31.03.2011 includes an amount of Rs 4,049.34 lakhs on account of APR adjustment for the year 2008-09 approved for recovery as per the WBERC's Order dated 26.07.2010. Actual recovery of such Regulatory Asset through tariff is pending further direction from the Commission.
5.11	***Pending agreement between WBSEDCL and the Company, no counter claim/ reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies (refer Note No. 13.1).***	In the absence of any agreement between WBSEDCL and the Company, no counter claim/re-imbursement of expenditure have been recognized or accounted for in the books with respect to use of buildings, infrastructure and other facilities enjoyed by WBSEDCL or vice-versa. The actual expenditure of such facilities is borne by the Company owning such facilities.

Para Ref.	CARO - Auditors Comment	Management Replies
(i)	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31.03.2010. The updation of the register for the additions pertaining to the year 2010-11 is in progress.	The Asset Register is being updated for the additions pertaining to the year 2010-11.
	(b) As informed to us, the fixed assets as on 31.03.2010 have been got physically verified by on outside agency, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.	Informative, hence No Comments.
	(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.	Informative, hence No Comments.
(ii)	(a) The management has conducted physical verification of inventories at year end at most of the Units during the year.	The management has conducted physical verification of stocks at its entire store Units.
	(b) In our opinion, the procedures of physical verification of inventories are not adequate in relation to the size and nature of the Company, since the identification of slow moving/non-moving and obsolete inventories is still under progress.	The process of identification/ classification of the slow/non moving, obsolete inventories have already been initiated and a provision of Rs 781.15 lakh being full value of items identified as obsolete has been made in previous years.
	(c) Proper records of inventory are not being maintained at most of the Units of the Company. No accounting effect has been given to the discrepancies noticed on physical verification of inventories during the year.	Out of the Inventories of Rs.11638 lakh re-vested with the Company as on 01.04.2007, the materials at certain locations remain to be reconciled with the books of accounts of the Company in absence of necessary details. As stated above the management has conducted physical verification of stocks and is in the process of reconciling the same with the book records wherever necessary details are available. Differences, if any, found after the reconciliation will then be duly adjusted and accounted for.
(iii)	The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.	Informative, hence No Comments.

Para Ref.	CARO - Auditors Comment	Management Replies
(iv)	In our opinion and according to the information and explanations given to us, the internal control procedure of the Company for the purchase of inventory and fixed assets needs to be further strengthened. The Company did not undertake any activity of sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.	The Company engaged consultants and based on their suggestions has formulated the Procurement Policy which is now being implemented in the Company thereby further strengthening the internal control system.
(v)	According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act.	Informative, hence No Comments.
(vi)	No deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under have been accepted by the Company.	Informative, hence No Comments.
(vii)	The Company has a system of internal audit done departmentally and through outside agencies. In our opinion, the same needs to be further strengthened and the scope enlarged.	The coverage of Units has been increased from 49 nos. in 2009-10 to 90 nos. in 2010-11 and the scope has also been enlarged.
(viii)	As informed to us, the Company has made and maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Act. However, as is not required, we have not made a detailed examination of such records.	Informative, hence No Comments.
(ix)	(a) According to the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding, as at 31 March 2011 for a period of more than six months from the date they became payable.	Informative, hence No Comments.

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Para Ref.	CARO - Auditors Comment	Management Replies
(ix)	(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.	Informative, hence No Comments.
(x)	The Company has been registered for a period less than five years and hence the provisions of Clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.	Informative, hence No Comments.
(xi)	In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.	Informative, hence No Comments.
(xii)	According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	Informative, hence No Comments.
(xiii)	The Company is not a chit fund or a nidhi/mutual benefit fund/society.	Informative, hence No Comments.
(xiv)	The In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.	Informative, hence No Comments.
(xv)	According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.	Informative, hence No Comments.
(xvi)	In our opinion and according to the informations and explanations given to us, the term loans have been applied for the purposes for which they were raised.	Informative, hence No Comments.
(xvii)	According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the Company has not raised funds on short term basis during the year.	Informative, hence No Comments.

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Para Ref.	CARO - Auditors Comment	Management Replies
(xviii)	The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.	Informative, hence No Comments.
(xix)	The Company has not issued any debentures during the year.	Informative, hence No Comments.
(xx)	The Company has not raised any money by public issue during the year.	Informative, hence No Comments.
(xxi)	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.	Informative, hence No Comments.

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PHONE : 2213-3161/3152/3163
FAX : (033) 2213-3174

सत्यमेव जयते

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय - प्रधान महालेखाकार (लेखा परीक्षा), पश्चिम बंगाल
ट्रेजरी बिल्डींग, 2, गवर्मेंट प्लेस (पश्चिम), कोलकाता - 700 001
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), WEST BENGAL
TREASURY BUILDINGS, 2, GOVT PLACE (WEST), KOLKATA - 700 001

संख्या / No. OA(Com)/Accts/ WBSETCL/ 2010-11/735
दिनांक / Dated 22.09.2011

To
The Managing Director,
West Bengal State Electricity Transmission Company Limited,
Vidyut Bhavan (9th Floor), DJ-Block, Sector-II, Salt Lake,
Kolkata – 700 091.

Sub: Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2011.

Sir,

I am to forward herewith the Comments under Section 619 (4) of the Companies Act, 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2011.

Yours faithfully,

22/09/11

Encl: As stated.

(B. K. Mukherjee)
Sr. Deputy Accountant General(Com)
West Bengal

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2011.

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 02.08.2011.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

(Sudarshana Talapatra)
Principal Accountant General (Audit)
West Bengal.

Dated at Kolkata
The 22 September 2011

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AUDITORS' REPORT

To the Members of
WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

1. We have audited the attached balance sheet of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (hereinafter referred to as 'WBSETCL' or 'the Company') as at March 31, 2011, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the Electricity Act, 2003 (hereinafter referred to as the "said Act"). Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1998, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of the said Act, continued to be applied by the Company while preparing the financial statements. Further, the provisions of the said Act read with the rules thereunder have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. **We report as below that the (All reference to Notes are on Schedule '24B' attached)**

5.1 As regards the assets and liabilities re-vested to the Company on 01.04.2007 by Govt. of West Bengal ('GoWB'), the differences in some of the balances in the subsidiary ledgers and general ledger are pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities will be given on such reconciliation and identification. (refer Note Nos. 1, 5.1.1, 5.2, 5.3, 5.4 & 9).

5.2 Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is in non-compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI'). (refer Note No. 3.1).

5.3 There has been a change in the basis of accounting of amortization of leasehold rights upto 30 years of tenure only. However no amount has been charged to the profit & loss account since the requisite details were not available. (refer Note No. 3.1).

5.4 Non-reconciliation of persisting differences between CWIP Register and General Control Register

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in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification (refer Note No. 3.3).

5.5 The registration of transfer of land (freehold & leasehold) and buildings re-vested in favour of the Company is pending in certain cases (refer Note 3.4).

5.6 Valuation of Inventories at cost is in non-compliance of AS – 2, 'Valuation of Inventories' issued by ICAI, requiring valuation at lower of cost and net realizable value.

5.7 Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification (refer Note No. 5.1.2).

5.8 Due to non-receipt of confirmations of certain balances of Loans and Advances, material with contractors, Sundry Creditors, Advance from Customers and Sundry Debtors, the consequential adjustments, if any, to be made on receipt thereof (refer Note No. 6).

5.9 Non-reconciliation of Inter Unit Balances amounting to Rs 398.71 lakhs as at year end, the impact thereof on the profit & loss account and other assets and liabilities is not ascertainable (refer Note Nos. 8 & 9).

5.10 Change in the basis of accounting of over or under recovery of Transmission Charges from 'being accounted for in the year in which such adjustments in the Tariff were notified by WBERC' to now 'being accounted for on approval and issuance of order thereof due to which the profit for the year (net of taxes) is overstated by Rs 3,242.29 lakhs (refer Note No. 11).

5.11 Pending agreement between WBSEDCL and the Company, no counter claim/reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies (refer Note No. 13.1).

6. The effect of our observations made by us in paragraphs 5.1 to 5.4, 5.6 to 5.9 and 5.11 above cannot be quantified due to reasons stated therein.

7. We have relied upon the management's representation relating to the disclosures regarding (a) recoverability of balances of Current Assets, Loans & Advances (Note 7); (b) segment information (Note 14); (c) related party disclosures (Note 15); (d) dues to Micro, Small and Medium Enterprises [Note 21(c)] and (e) impairment of assets (Note 24), all on Schedule '24B'.

8. We further report that read with above:

8.1 We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

8.2 In our opinion, proper books of accounts as required by law have been kept by the Company so far as appear from our examination of those books;

8.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

8.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956, ***except as stated in Paras 5.2 & 5.6 above.***

8.5 In pursuance to the Notification No. GSR 829(E) dated 21.10.2003, issued by the Department of Company

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Affairs, clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, is not applicable to a Government Company.

8.6 In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with Significant Accounting Policies as stated in Schedule '24A' and the Notes to Accounts as stated in Schedule '24B', give the information required by the Companies Act, 1956, in the manner so required and ***subject to our comments in paras 3, 4, 5 & 8.4 above,*** give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

Kolkata
August 2, 2011

Vikram Dhanania
Partner
Membership No. 060568

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ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31.03.2010. The updation of the register for the additions pertaining to the year 2010-11 is in progress.

(b) As informed to us, the fixed assets as on 31.03.2010 have been got physically verified by on outside agency, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventories at year end at most of the Units during the year.

(b) ***In our opinion, the procedures of physical verification of inventories are not adequate in relation to the size and nature of the Company, since the identification of slow moving/non-moving and obsolete inventories is still under progress.***

(c) ***Proper records of inventory are not being maintained at most of the Units of the Company. No accounting effect has been given to the discrepancies noticed on physical verification of inventories during the year.***

(iii) The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the internal control procedure of the Company for the purchase of inventory and fixed assets needs to be further strengthened. The Company did not undertake any activity of sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.

(v) According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act.

(vi) No deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under have been accepted by the Company.

(vii) The Company has a system of internal audit done departmentally and through outside agencies. In our opinion, the same needs to be further strengthened and the scope enlarged.

(viii) As informed to us, the Company has made and maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Act. However, as is not required, we have not made a detailed examination of such records.

(ix) (a) According to the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect

of statutory dues as aforesaid were outstanding, as at 31 March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has been registered for a period less than five years and hence the provisions of Clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) In our opinion and according to the informations and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the Company has not raised funds on short term basis during the year.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

Kolkata
August 2, 2011

Vikram Dhanania
Partner
Membership No. 060568

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BALANCE SHEET AS AT 31st MARCH 2011

PARTICULARS	SCHEDULE	CURRENT YEAR Amount (₹ in Lakh)	PREVIOUS YEAR Amount (₹ in Lakh)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	110552.00	110552.00
Reserve & Surplus	2	45325.35	27876.25
Government Grants	2A	514.00	-
LOAN FUNDS			
Secured Loans	3	82106.59	77234.94
Unsecured Loans and Bonds	4	145409.90	147991.25
Liabilities of SLDC-UI Fund	4A	7920.98	13044.80
TOTAL		**391828.82**	**376699.24**
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	443408.92	418664.12
Less - Accumulated Depreciation		127101.29	114554.46
Net Block		316307.63	304109.66
Capital Work in Progress		74160.81	55275.40
Assets of SLDC-UI Fund	5A	7920.98	13044.80
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	10411.06	11860.54
Sundry Debtors	7	5607.03	5925.30
Cash and Bank Balances	8	8023.24	7108.20
Loans & Advances	9	10520.19	11739.89
Other Current Assets	10	6324.37	3433.88
Total Current Assets		40885.89	40067.81
Less : Current Liabilities and Provisions			
Security and Earnest Money Deposits	11	21328.24	13578.93
Other Current Liabilities	12	15439.52	15748.24
Provisions	13	10678.73	6471.26
Total Current Liabilities		47446.49	35798.43
Net Current Assets		**(6560.60)**	**4269.38**
Profit & Loss Account		-	-
TOTAL		**391828.82**	**376699.24**
Significant Accounting Policies & Notes on Accounts	24 A & 24 B		
Schedules 1 to 24 form an integral part of Accounts			

In terms of our report of even date attached herewith
For B.Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

For and on behalf of the Board of Directors

(Vikram Dhanania)
Partner
Membership No: 060568
Place: Kolkata
Dated: August 02, 2011

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(Finance & Accounts)

(A.C.Sarkar)
Managing Director

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCHEDULE	CURRENT YEAR Amount (₹ in Lakh)	PREVIOUS YEAR Amount (₹ in Lakh)
INCOME			
Revenue from Operations(Transmission Charges)	14	74853.29	72128.27
Other Income	15	1700.57	827.78
TOTAL		**76553.86**	**72956.05**
EXPENDITURE			
Transmission Charges (WBPDCL)	16	5886.71	6612.63
Repairs & Maintenance Expenses	17	3079.81	1692.33
Employee Costs	18	11501.26	9305.92
Administrative & General Expenses	19	2399.91	1911.17
Provision for Doubtful Debts		-	616.29
Provision for Obsolete Inventories		-	781.15
Other Write offs		1747.67	-
Preliminary Expenses Written off		-	-
SUB TOTAL		**24615.36**	**20919.49**
EBDIT		**51938.50**	**52036.56**
Depreciation & Related Debits		12001.19	11189.28
Interest & Finance Charges	20, 21	18287.33	19668.31
SUB TOTAL		**30288.52**	**30857.59**
Profit/(Loss) before Tax and Prior Period Adjustments		**21649.98**	**21178.97**
Net Prior Period Income/(Expenditure)	23	6.39	303.96
Profit/(Loss) before Tax		**21656.37**	**21482.93**
Provision For Taxation	22	4207.47	4015.33
Profit /(Loss) After Tax		**17448.90**	**17467.60**
Accumulated Profit/(Loss) brought forward			
Less : Reserve for Unforeseen Exigencies		1046.66	970.53
Balance Available for Appropriation		**16402.24**	**16497.07**
Transferred to Debenture Redemption Reserve		457.50	**457.50**
Transferred to General Reserve		15944.74	16039.57
Balance Carried Over to Balance Sheet		-	-
Earning/(loss) per share			
Basic		1.58	1.60
Diluted		1.58	1.60
Significant Accounting Policies & Notes on Accounts	24 A & 24 B		
Schedules 1 to 24 form an integral part of Accounts			

In terms of our report of even date attached herewith
For B.Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

For and on behalf of the Board of Directors

(Vikram Dhanania)
Partner
Membership No: 060568
Place: Kolkata
Dated: August 02, 2011

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(Finance & Accounts)

(A.C.Sarkar)
Managing Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2011

Sl. No.	Particulars	CURRENT YEAR Amount (₹ in Lakh)	PREVIOUS YEAR Amount (₹ in Lakh)
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) Before Taxation	21656.37	21482.93
	Adjustment For:		
	Depreciation	12546.81	11189.28
	Interest & Financial Charges	18287.33	19668.31
	Interest Income	(619.30)	(324.79)
	Sub Total	**30214.84**	**30532.81**
	Operating Profit Before Working Capital Change	**51871.21**	**52015.74**
	Adjustment for:		
	Stores & Spares	1449.49	940.36
	Sundry Debtors	318.27	(3642.25)
	Other Current Assets	(2890.50)	11481.11
	Loans & Advances	659.05	(211.82)
	Current Liabilities & Provision, etc.	7440.80	(11440.14)
	Sub Total	**6977.11**	**(2872.74)**
	CASH GENERATED FROM OPERATING ACTIVITIES	**58848.32**	**49143.00**
	Less: Income Tax Paid	560.64	(2960.50)
	NET CASH FROM OPERATING ACTIVITIES (A)	**59408.96**	**46182.50**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Decrease (Increase) in Fixed Assets	(24744.80)	(70343.96)
	Decrease (Increase) in Work in Progress	(18885.41)	41824.52
	Interest Incomes, etc.	619.30	324.79
	Grants received from GoWB	514.00	-
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	**(42496.91)**	**(28194.65)**
C	**CASH FLOW FROM FINANCING ACITIVITIES**		
	Proceeds from Borrowing (Net)	2290.31	6709.49
	Interest & Financial Charges, etc.	(18287.33)	(19668.31)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(15997.02)	(12958.82)
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**915.04**	**5029.03**
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7108.20	2079.17
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**8023.24**	**7108.20**

In terms of our report of even date attached herewith
For B.Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

For and on behalf of the Board of Directors

(Vikram Dhanania)
Partner
Membership No: 060568
Place: Kolkata
Dated: August 02, 2011

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(Finance & Accounts)

(A.C.Sarkar)
Managing Director

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SCHEDULE-1: SHARE CAPITAL

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	**Authorised:**		
	1 2000000000 Equity Shares of Rs. 10 each (Previous Year 2000000000 Equity Shares of Rs. 10 each)	200000.00	200000.00
B	**Issued Subscribed and Paid Up:**		
	1 1105520000 Equity Share of Rs.10 each fully paid (Previous Year 1014000000 Equity Share of Rs.10 each fully paid up)	110552.00	110552.00
	Total	**110552.00**	**110552.00**

SCHEDULE-2: RESERVE & SURPLUS

₹. in Lakh

Sl. No.	Particulars	As at 01.04.2010	Additions	As at 31.03.2011
	Reserves			
1	General Reserve	24496.98	15944.74	40441.72
2	Debenture Redemption Reserve	457.70	457.50	915.20
3	Reserve for Unforseen Exigencies- WBERC	2921.77	1046.66	3968.43
	GRAND TOTAL	**27876.45**	**17448.90**	**45325.35**

Note : Reserve for Unforseen exigencies includes an amount of Rs.3013.05 lakhs invested in FD's with Scheduled Banks and Rs.225.33 lakhs of interest earned on those FD's and re-invested.

SCHEDULE-2A: GOVERNMENT GRANTS

₹. in Lakh

Sl. No.	PARTICULARS	As at 01.04.2010	Additions	Deductions / Adjustments	Depreciation / Adjustments	As at 31.03.2011
1	Grants towards Cost of Capital Asset	-	514.00	-	-	514.00
	GRAND TOTAL	-	**514.00**	-	-	**514.00**

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SCHEDULE-3: SECURED LOANS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	**Loan from PFC: #**		
	Loan	94.00	117.50
	Interest Accrued & Due	-	
B	**Loan from REC : ##**		
	Loan	42342.23	44158.20
	Interest Accrued & Due	-	
C	**Term Loan from Bank ***		
	Loan	19933.36	13773.24
D	**Loan from L.I.C.**		
	Loan	3267.00	886.00
E	**Market Bond ****	16470.00	18300.00
	TOTAL	**82106.59**	**77234.94**

#	Includes Installments falling due within next twelve months	₹ 23.50 lakh
##	Includes Installments falling due within next twelve months	₹ 3560.54 lakh
*	Includes Installments falling due within next twelve months	₹ 1000 lakh
**	Includes Installments falling due within next twelve months	₹ 1830 lakh

The Term Loans are Secured by :

A:- Hypothecation of Various Movable assets and transmission lines of Sub-Stations towards which loan has been granted

B:- Hypothecation of all future movable assets and store items towards which loan has been granted.

C:- i) Hypothecation of entire present and future fixed assets lying at Jeerat 400 KV Sub-Station including control room & Switch yard, Plant and Machinery, entire Buildings, Construction and other Assets and Equitable mortgage of Land & Building situated at Jeerat 400 KV Sub-Station having around 32.1697 hectares (79.49 acres) of land at Mouza Urla, Kaspara, Kaipukaria with RS Dag No. 265,1,21,179.

ii) Hypothecation of Various Movable assets and transmission lines of Sub-Stations towards which loan has been granted

D Hypothecation of all future Movable assets of Kharagpur 400 KV Sub-Station and associated lines towards which loan has been granted

E 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)

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SCHEDULE-4: UNSECURED LOANS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	**Long Term Loans :**		
	State Government Loans:		
(a)	Loan from State Govt.	103392.78	108134.52
	Total	103392.78	108134.52
2	**Capital Liabilities:**		
A	**Public Bonds (Against Govt. Guarantee)**		
(a)	Public Bonds	5330.25	10272.25
(b)	Interest Accrued & Due (Claim not received)	-	-
	Total(a+b)	5330.25	10272.25
B	**Loan from PFC (Against Govt. Guarantee)**		
(a)	Loan from PFC	2186.87	2584.48
	Total	2186.87	2584.48
C	**Pension Trust Bonds**		
(a)	Pension Trust Bonds	27000.00	27000.00
(b)	Interest Accrued & Due	-	-
	Total(a+b)	27000.00	27000.00
D	**Working Capital Loan**	7500.00	
	TOTAL(2A+2B+2C+2D)	42017.12	39856.73
	Total (1+2)	**145409.90**	**147991.25**

1	Includes installments falling due within next 12 months	₹ 4741.74 lakhs
2 A	Includes installments falling due within next 12 months	₹ 5330.25 lakhs
2 B	Includes installments falling due within next 12 months	₹ 397.61 lakhs
2 D	Includes installments falling due within next 12 months	₹ 7500.00 lakhs

SCHEDULE-4A: LIABILITIES OF SLDC-UI FUND - WBSETCL

₹. in Lakh

Sl. No.	Particulars		CURRENT YEAR	PREVIOUS YEAR
1	Payable to Constituents		2830.41	2472.88
2	Pool balance of SLDC-UI Fund	4908.06		
Add	Interest transferred to SLDC-UI Fund	182.52	**5090.57**	**10571.92**
	Total		**7920.98**	**13044.80**

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SCHEDULE-5: FIXED ASSETS

₹. in Lakh

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.10	Additions	Deductions / Adjustments	As at 31.03.2011	As at 01.04.10	Additions	Deductions / Adjustments	As at 31.03.2011	As at 31.03.2011	As at 01.04.10
	(1)	(2)	(3)	(4)	(5)=(2+3-4)	(6)	(7)	(8)	(9)=(6+7-8)	(10)=(5-9)	(11)=(2-6)
A	**Tangible Assets:**										
1	Land & Land Rights	4569.00	1275.08	-	5844.08	-	-	-	-	5,844.08	4,569.00
2	Buildings	21581.03	415.92	-	21996.95	5862.86	421.96	-	6284.82	15712.13	15718.17
3	Hydraulic Works	3000.10	31.91	-	3032.01	602.33	71.83	-	674.16	2357.85	2397.77
4	Other Civil Works	5860.17	19.19	-	5879.36	911.47	106.19	-	1017.66	4861.70	4948.70
5	Plant & Machinery	168191.97	6438.24	-	174630.21	49213.47	6121.51	-	55334.98	119295.23	118978.50
6	Lines, Cable Network	214459.46	16540.86	-	231000.32	57450.31	5787.26	-	63237.57	167762.75	157009.15
7	Vehicles	60.20	-	-	60.20	54.18	-	-	54.18	6.02	6.02
8	Furniture and Fixtures	261.09	21.35	-	282.44	150.36	9.18	-	159.54	122.90	110.73
9	Office Equipments	574.00	2.25	-	576.25	305.01	26.97	-	331.98	244.27	268.99
	Sub - Total	**418557.02**	**24744.80**	**-**	**443301.82**	**114549.99**	**12544.90**	**0.00**	**127094.89**	**316206.93**	**304007.03**
1	Capital Expenditure Resulting in an asset not belonging to the company	-	-	-	-	-	-	-	-	-	-
B	Spare Units / Service Units	107.10		-	107.10	4.47	1.93	-	6.40	100.70	102.63
3	Capital Stores										
B	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	TOTAL	418664.12	24744.80	0.00	443408.92	114554.46	12546.83	0.00	127101.29	316307.63	304109.66
	Previous Year Total	348320.16	70343.97	-	418664.12	103365.17	11189.28	-	114554.46	304109.66	-

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SCHEDULE-5A: ASSETS OF SLDC-UI FUND - WBSETCL

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Receivable from Constituents	1733.13	2468.88
2	Fixed Deposit	4450.00	10100.00
3	Accrued Interest on FD	30.27	54.17
4	Tax Deducted at Source	96.66	78.41
5	Cash at Bank	1610.92	343.34
	Total	**7920.98**	**13044.80**

SCHEDULE-6: INVENTORIES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Stock of Materials at Others Stores (O&M)	11186.18	12636.45
2	Other Materials Account	4.65	3.86
3	Stock Shortage Pending Investigation	1.38	1.38
4	Less: Provision for obsolete inventories	(781.15)	(781.15)
	Total	**10411.06**	**11860.54**

SCHEDULE-7: SUNDRY DEBTORS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Debts exceeding six months	-	
	Considered doubtful		616.29
2	**Others**		
	Considered good	5607.03	5925.30
	Considered doubtful	-	-
	Sub – Total	5607.03	6541.59
3	**Less:** Provision for Doubtful Debts	-	(616.29)
	Net Amount	5607.03	5925.30

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SCHEDULE-8: CASH AND BANK BALANCES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Cash In hand	1.47	1.20
2	Imprest Cash including imprest with Staff	15.78	6.55
3	Balance with Scheduled Banks in Current Account including Remittance in Transit and balances in Auto Fixed Deposit Account	3231.11	1651.25
4	Term deposit with Scheduled Banks	4774.88	5449.21
	Total	8023.24	7108.20

SCHEDULE-9: LOANS AND ADVANCES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Advance for (O&M) Supplies & Works-Interest free	234.41	181.21
2	Loans and Advances to Staff-Interest free	142.46	168.04
3	Loans and Advances to Staff-Interest bearing	2.69	658.97
4	Advance Income Tax and Tax deducted at source	10131.00	10691.64
5	Others	9.63	40.03
	Total	10520.19	11739.89

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SCHEDULE -10: OTHER CURRENT ASSETS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Sundry Receivables	0.00	158.03
2	Income Accrued and Due	3.35	51.41
3	Income Accrued but not Due	231.70	1477.89
4	Receivable from WBSEDCL	1935.53	1480.63
5	Receivable from Pension Trust - DCL	-	31.91
6	Receivable from Gratuity Trust - DCL	-	4.97
7	Receivable from GPF Trust - DCL	57.84	-
8	Receivable from EPF Trust - TCL	20.82	20.82
9	Deposits	0.61	0.57
10	Other Claims and Receivables	25.18	207.65
11	Receivable on a/c of Regulatory Asset	4049.34	-
	Total	**6324.37**	**3433.88**

SCHEDULE-11: DEPOSITS (INCLUDING SECURITY AND EARNEST MONEY DEPOSITS)

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Deposits & Retention Money deducted from Contractor/Suppliers	10552.58	9599.36
2	Other Deposits - WBSEDCL for shifting of Towers & other allied works	4629.12	2208.77
3	Advance Deposit from WBSEDCL for Sagar Island Works	4613.48	139.78
4	Advance Deposit for Sonar Bangla Works	130.67	130.67
5	Deposit from KWIC	1402.39	1485.35
6	Deposits - Miscellaneous	-	15.00
	Total	**21328.24**	**13578.93**

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SCHEDULE-12: OTHER CURRENT LIABILITIES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Liability for Capital Supplies / Works	6854.84	3645.10
2	Liability for O&M Supplies / Works	3245.84	4275.62
3	Staff Related Liabilities & Provisions	260.05	1572.02
4	P F Money of Trustees received for distribution	61.19	43.32
5	Other Levies payable to Government	45.00	28.32
6	Liability for Expenses	1292.39	3287.47
7	Amount owing to Licensees	-	5.57
8	Interest accrued but not due	1793.41	1774.15
9	Payable to RPFC	1.25	30.95
10	Sundry Liabilities and Provisions	1339.16	821.87
11	Payable to WBSEDCL(Others)	0.00	151.24
12	Payable to WBSEDCL CPF/EPF Trust	60.17	-
13	Payable to WBSEDCL GPF Trust	284.85	-
14	Payable to WBSEDCL Gratuity Trust	51.67	-
15	Payable to WBSEDCL Pension Trust	24.55	-
16	Payable to WBSETCL GPF Trust	125.15	112.61
	Total	**15439.52**	**15748.24**

SCHEDULE-13: PROVISIONS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Provision for F.B.T.	31.83	31.83
2	Provision for Income Tax	10646.90	6439.43
	Total	**10678.73**	**6471.26**

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SCHEDULE-14: REVENUE FROM OPERATIONS (transmission Charges)

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Transmission Charges	71333.69	69205.51
	Less : Rebate allowed to L.T.O.A. consumers	1348.89	1451.71
	Net Revenue from Transmission Charges	**69984.80**	**67753.80**
2	Short Term Open Access Charges	3383.56	2159.00
3	Scheduling Charges and SLDC Charges	1484.93	2215.47
	Total	**74853.29**	**72128.27**

SCHEDULE-15: OTHER INCOME

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Interest from Bank on Fixed Deposits (includes TDS Rs. 77 lakhs; P.Y. Rs.34.48 lakhs)	619.30	324.79
2	Interest Income of SLDC-UI Fund-WBSETCL	182.52	746.19
3	Interest on Income tax refund	439.47	26.28
4	Recoveries from Transport Facilities	1.32	1.09
5	Sale of Tender Papers	8.65	12.72
6	Other Misc Receipts	9.41	23.37
7	Income from Sale of Scrap (net of Direct Commn on Sale of Scrap)	475.31	226.72
8	Miscellaneous Income	147.11	212.81
9	Provision for Doubtful Debts written back	616.29	-
10	Less : Bad Debts Written Off	(616.29)	-
	Sub-Total	**1883.09**	**1573.97**
11	Less : Transfer of Interest to SLDC-UI Fund WBSETCL	(182.52)	(746.19)
	Total	**1700.57**	**827.78**

SCHEDULE-16: TRANSMISSION EXPENSES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Transmission Charges (WBPDCL)	5015.59	4525.84
2	ULDC Charges	843.89	761.20
3	Various Charges ERPC	27.23	14.50
4	SLDC Handling Charges	-	1311.09
	Total	**5886.71**	**6612.63**

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SCHEDULE-17: REPAIR & MAINTENANCE EXPENSES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Plant & Machinery	1718.38	997.77
2	Buildings	396.73	272.94
3	Civil Works	31.89	44.16
4	Hydraulic Works	16.86	12.41
5	Lines, Cables, Net Work etc.	736.76	234.83
6	Vehicles	-	5.48
7	Furniture & Fixtures	18.15	14.58
8	Office Equipments	161.04	110.16
	Total	**3079.81**	**1692.33**

SCHEDULE-18: EMPLOYEE COSTS

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Salaries	6362.59	6167.46
2	Overtime	223.96	198.55
3	Dearness Allowance	2760.19	1601.16
4	Other Allowance	1496.19	1330.92
5	Bonus	163.08	158.84
6	Other Staff Cost	306.45	207.33
7	Staff Welfare Expenses	40.86	15.27
8	Earned Leave Encashment	993.33	303.67
9	Employee Terminal Benefits	1442.37	1324.95
	Total	**13789.02**	**11308.15**
10	**Less:** Employees Cost Capitalised	2287.76	2002.23
	Net	**11501.26**	**9305.92**

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SCHEDULE-19: ADMINISTRATIVE & GENERAL EXPENSES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Rent,	81.00	52.33
2	Rates & Taxes	195.49	28.66
3	Insurance	1.97	26.02
4	Security Expenses	911.06	711.22
5	Telephone, Postage, Telegram & Telex Charges	68.63	67.16
6	Legal Charges	1.84	8.49
7	Statutory Audit Fees and expenses	4.37	4.41
8	Internal Audit Fees and expenses	7.18	5.53
9	Out of Pocket Expenses of Auditors	4.12	4.83
10	Directors Sitting Fees	2.50	2.25
11	Guest House Expenses	0.00	3.13
12	Cost Audit Fee	0.70	0.60
13	Tax Audit fee	0.40	0.62
14	Other Audit fees	3.18	6.19
15	Conveyance,Travelling & Hotel Charges-Directors	3.07	3.36
16	Technical Fees	1.12	5.47
17	Other Professional Charges	0.56	2.34
18	Consultancy Charges	89.05	35.48
19	Consultancy Charges (TQM)	0.00	2.07
20	Training Expenses	45.96	8.45
21	Conveyance & Travel	99.64	99.49
22	Fees & Subscriptions	1.05	0.39
23	Vehicle Running Expenses	500.91	477.40
24	Books & Periodicals	2.88	2.17
25	Printing & Stationary	42.69	30.58
26	Advertisements	134.95	170.20
27	Electricity Charges	35.22	35.04
28	Water Charges	8.52	4.77
29	Cleaning Charges	84.41	64.21
30	Hospitality - Food and Beverage	6.36	5.07
31	Entertainment	0.94	1.45
32	Fees for New recruitment of Manpower	16.54	8.70
33	License and Registration Fees	4.68	6.95
34	Licence Fees to SERC	148.34	112.66
35	Miscellaneous Expenses	3.73	6.30
36	Fees for Filing Petition/Application to SERC	0.20	6.63
37	Material Related Expenses	12.91	14.12
	Total	**2526.17**	**2024.74**
	Less: Administration and General Expenses Capitalised	126.26	113.57
	Total	**2399.91**	**1911.17**

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SCHEDULE-20: INTEREST CHARGES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Interest on State Govt. Loans	9029.83	9571.23
2	Interest on Bonds	2596.28	2396.47
3	**Interest on other Loans :**		
A	Interest on Loan from Scheduled Banks/LIC	1785.89	1224.09
B	Interest on Loan from REC Ltd. (Net of Rebate received for timely paymet)	4773.78	3301.02
C	Interest on Loan from PFC Ltd (Net of Rebate received for timely paymet)	226.99	1507.65
4	**Total Interest on Capital Liabilities**	18412.77	18000.46
5	**Interest on Pension Trust Bond**	2295.00	2295.00
	Total	**20707.77**	**20295.46**
6	**Less: Interest Capitalised**	2505.94	1517.79
	Net Interest and Finance Charges	**18201.83**	**18777.67**

SCHEDULE-21: FINANCE CHARGES

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Stamp Duty / Registration Fees	25.99	0.69
2	Service Fee/Commitment Charges	1.17	102.29
3	Redemption Premium on PFC Loans	-	696.30
4	Bank Charges for Remittence	-	0.20
5	Other Bank Chrages	1.80	1.13
6	Guarantee Charges	56.54	90.03
	Total	**85.50**	**890.64**

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SCHEDULE-22: PROVISION FOR TAXATION

₹. in Lakh

Sl. No.	Description	As at 01.04.2010	Add further Provision	Adjustments	As at 31.03.2011
1	Provision for Fringe benefit tax	31.83	-	-	31.83
2	Provision for MAT	6439.43	4207.47	-	10646.90
	Total	**6471.26**	**4207.47**	**-**	**10678.73**

SCHEDULE-23: NET PRIOR PERIOD INCOME/(EXPENDITURE)

₹. in Lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	Prior Period Incomes	561.48	316.61
	Total Credits	**561.48**	**316.61**
B	Prior Period Expenses/Losses	9.47	12.65
C	Depreciation Under Provided in Previous Years	545.63	-
	Total Debits	**555.09**	**12.65**
	Net Prior Period Credits / (charges)	**6.39**	**303.96**

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SIGNIFICANT ACCOUNTING POLICIES (SCHEDULE – 24A)

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards, as specified in Companies (Accounting Standards) Rules, 2006. The financial statements are drawn up in accordance with the Companies Act, 1956 except where required otherwise under the Electricity Act, 2003. The preparation of financial statements may require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

2. FIXED ASSETS AND CAPITAL WORK IN PROGRESS

(a) Fixed Assets are shown at historical cost less accumulated depreciation. Cost comprises of its purchase price including duties, taxes and levies, borrowing cost, freight, and incidental expenses and any directly attributable cost of bringing the asset to its working condition.

(b) Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in-Progress ('CWIP'). The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters.

(c) Insurance spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition.

3. DEPRECIATION

Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('WBERC'), a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. The rates specified therein, however, are different from the rates specified in the Companies Act, 1956.

No depreciation is charged for the freehold land as well as no amortization of the land acquired on perpetual lease is made since the same does not have a limited useful life. The leasehold land with a tenure upto 30 years is being amortized over the period of lease.

4. IMPAIRMENT OF ASSETS

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

5. BORROWING COSTS

(a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

(b) The borrowed funds are earmarked to specified projects under implementation and the borrowing costs

thereof are allocated to 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.

6. INVENTORIES

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

7. REVENUE RECOGNITION

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

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

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

8. EMPLOYEE BENEFITS

(a) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.

(b) Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

(c) Employers' contribution towards Provident Fund/Pension Fund in respect of the employees of the Company is accounted for on accrual basis payable to a duly constituted Trust Fund/Pension Fund. In respect of the employees on deputation, the Company's share along with the incumbent's share of contribution is paid to the deputing company for onward deposit to the Provident Fund Authority/Fund.

9. TAXES ON INCOME

Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises Current Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/loss for the reporting period. Deferred tax is not recognized and therefore not shown in the Balance Sheet in accordance with Accounting Standard Interpretation ('ASI')-3 issued by ICAI, since the deferred tax in respect of timing differences originate and reverse during the tax holiday period (keeping in view of the applicable provisions of Section 80-IA of the Income Tax Act, 1961).

10. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development, including contribution to research associations is

charged to profit and loss account. Capital expenditure on tangible assets for research and development to appear as additions to fixed assets.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

12. GOVERNMENT GRANTS

Grants received related to specific fixed assets are treated as Capital Receipt. On such assets being put to use, the Capital Fund is amortized systematically and on a rational basis over the useful life of the asset with the amount of depreciation charge in the profit & loss account.

Further, the revenue grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which it is admitted.

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NOTES TO ACCOUNTS (SCHEDULE – 24B)

1. 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.

2. Reserves & Surplus

The Reserve for Unforeseen Exigencies of Rs 2,921.77 lakhs and the addition of Rs 1,046.66 lakhs in the current year is made in compliance of Notification No. 31/WBERC dated 9-2-2007 of West Bengal Electricity Regulatory Commission ('WBERC'). The opening balance of the Reserve, along with interest accrued and received thereon aggregating Rs 3,013.05 lakhs is invested in Fixed Deposits with nationalized Banks.

3. Fixed Assets & Capital Work-in-Progress ('CWIP')

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

3.2 Location wise identification and value assessment of the individual assets with detailed specification has been completed by an independent agency and the Assets with values up to 31.03.2010 have been incorporated in the Asset Register as certified by their Report dated 19.07.2011. The Asset Register is being updated for the additions pertaining to the year 2010-11.

3.3 In some units, the amounts appearing in the CWIP Register and General Control ledger do not tally for certain items relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.

3.4 The formalities for registration of transfer of the land & buildings re-vested in favour of the Company are still under process since adequate information is yet not available.

3.5 A Grant of Rs 514 lakhs has been received during the year from State Government towards ERP implementation which is in progress.

4. Some of the assets and liabilities re-vested as on 01.04.2007 as stated in 'Note 1' above and appearing in Head Quarter Accounts aggregating to a net sum of Rs 1,747.67 lakhs, for which the requisite details could not be obtained, have been written off during the year.

5. In respect of the assets and liabilities re-vested as on 01.04.2007 as stated in 'Note 1' above and appearing in the accounts at the different units of the Company:

5.1. Inventories

5.1.1 Out of the Inventories of Rs 11,638 lakhs re-vested as on 01.04.2007, the materials at certain locations still remains to be reconciled with the books of accounts of the Company. The management has conducted

physical verification of stocks and is in the process of reconciling the same with the book records wherever necessary details are available. Differences, if any, found after the reconciliation will then be duly adjusted and accounted for.

5.1.2 In some units the slow/non moving, obsolete inventories are in the process of identification and necessary classification. On completion of the process, provision for loss, if any, will be made. For other units, a provision of Rs 781.15 lakhs being full value of items identified as obsolete was made in the previous years.

5.2 Loans & Advances

In some of the Units there are differences in the balances in the subsidiary ledgers of 'loans & advances' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

5.3 Other Current Assets

In some of the Units there are differences in the balances in the subsidiary ledger of 'other current assets' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

5.4 Current Liabilities and Provisions

In some of the Units there are differences in the balances in the subsidiary ledger of 'current liabilities and provisions' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

6. Balances in Loans and Advances, Material with Contractors, Sundry Creditors, Advance from Customers and Sundry Debtors 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.

7. In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

8. Reconciliation of Inter-Unit balances for Fund transfers and Capitalization of Assets have been completed and the exercise for the balances pertaining to other transactions aggregating to Rs 398.71 lakhs is under process.

9. The resultant impact of such differences between control accounts and subsidiary ledger as stated in 'Note 5' above and those of un-reconciled balances in Inter Unit account as in 'Note 8' above, on income, expenditure, assets and liabilities shall be accounted for only on the same being ascertained.

10. Advance against Depreciation

The entire amount of Rs 2,687.00 lakhs allowed by the WBERC as a component of the Aggregate Revenue Requirement of the Company for the year 2010-11 has been recognized as revenue for the year.

11. Regulatory Assets

The overall over or under recovery of Transmission Charges as admitted by WBERC in the APR of a particular financial year, which hitherto was being accounted for in the year in which such adjustments in the Tariff were notified by WBERC, is now being accounted for on approval and issuance of order thereof.

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Consequent to such change in the accounting policy, Net Sales/Income from Operations for the year ended 31.03.2011 includes an amount of Rs 4,049.34 lakhs on account of APR adjustment for the year 2008-09 approved for recovery as per the WBERC's Order dated 26.07.2010. Actual recovery of such Regulatory Asset through tariff is pending further direction from the Commission. Net profit for the year would have been lower by Rs 3,242.29 lakhs (net of taxes), had the change in accounting policy not been effected.

12. Employee Cost

12.1 The provision for pension, gratuity and leave encashment for the year in respect of the absorbed and directly recruited employees of the Company has been made based on the actuarial valuation. For the employees on deputation, the contribution towards Pension and Gratuity as claimed by their Parent organization has been charged to the profit & loss account and recognized as Liability. Provision towards leave encashment of deputed employees of WBSEDCL has been considered based on the Actuarial Valuation of such Liability as on 31.03.2011 as got made and confirmed by WBSEDCL. The amounts paid by the Company and claimed from WBSEDCL are duly accounted for.

12.2 The employers' and employees contribution towards Pension/General Provident Fund for directly recruited employees of the Company has been deposited with the designated Funds in the month of March 2011 on statutory formation of the Trust Funds.

12.3 Terminal Benefits (Disclosure under AS-15)

The Pension and Gratuity of the absorbed and directly recruited employees of the Company are funded Defined Benefit Plans. Leave encashment obligations for such employees are unfunded and are recognized on the basis of valuation by the Actuary. The Actuarial Valuation of Pension, Gratuity and Leave Encashment as on 31.03.2011 are detailed below:

Actuarial Assumptions

Mortality Table	:	LICI 1994-1996
Superannuation Age	:	60
Early Retirement & Disablement	:	10 per thousand P.A.
	:	6 above age 45
	:	3 between 29 and 45
	:	1 below age 29
Discount Rate	:	8.0
Inflation Rate	:	5.0
Return on Asset	:	0
Remaining Working Life	:	33
Formula Used	:	PROJECTED UNIT CREDIT METHOD

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TABLE 1

Table showing changes in present value of obligations as at 31.03.2011

(Figures in Rs.)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation at the beginning of the year	139495574	3017225	6143324
Interest Cost	11159645	241418	491466
Past Service Cost	0	0	0
Current Service Cost	20580873	2462096	5249916
Actuarial gain/loss on obligations	-18785177	-804	1105643
Present value of obligation at end of Year	152450916	5720435	12990349

TABLE 2

Table showing changes in Fair Value of Plan Assets:

(Figures in Rs.)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair Value of Plan Asset at the beginning of the year	0	0	0
Acquisition Adjustment	0	0	0
Expected Return on Plan Asset	0	0	0
Contributions	139495574	3017725	0
Benefits Paid	0	0	0
Actuarial gain/loss on Plan Asset	6975504	116000	0
Fair Value of Plan Asset at the end of the year	146471078	3133725	0

TABLE 3

Table Showing Funded Status

(Figures in Rs.)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Obligation at the end of the year	152450916	5720435	0
Fair Value of Plan Asset at the end of the year	146471078	3133725	0
Funded Status	-5979838	-2586710	0
Unrecognised Actuarial gain/loss at the end of the year	0	0	0
Net Asset (Liability) recognized in Balance Sheet	-5979838	-2586710	0

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TABLE 4

Table showing expenses Recognised in the statement of Profit and Loss

(Figures in Rs.)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	20580873	2462096	5249916
Past Service Cost	0	0	0
Interest Cost	11159645	241418	491466
Expected Return on Plan Asset	0	0	0
Curtailment Cost	0	0	0
Settlement Cost	0	0	0
Actuarial gain/loss recognized in the year	-25760681	-116804	1105643
Expense Recognized in the Statement of Profit / Loss	5979838	2586710	6847025

13. Others

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

13.2 The Accounts of "SLDC-UI Fund WBSETCL" (duly audited by another firm of Chartered Accountants) has been incorporated in the books of Accounts of the Companyin line with the Order dated 02–07-2010 of the WBERC and since it is not an entity of the Company, the respective balances have been distinctly shown in the respective schedules.

14. Segmental Information

Primary Segment: There is no business carried on by the Company other than the Electricity Transmission Activity. As such there are no reportable primary segments as required under AS-17 "Segment Reporting".

Secondary Segment: The Company caters only to West Bengal market representing a singular economic environment with similar risks and returns and hence there are no reportable geographical segments.

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15. Related Party Disclosures

15.1 Key Management Personnel

Malay Kumar De	Chairman & Managing Director (up to 14.12.2010)
	Chairman from 14.12.2010
A.C.Sarkar	Director upto 14.12.2010
	Managing Director from 14.12.2010
Durgadas Goswami	Director
Dilip Kumar Dey	Director
Anjan Chowdhuri	Director w.e.f. 01.07.2010
Subrata Nag	Director w.e.f. 17.01.2011
Dr. G.D.Goutama	Director (Government Nominee) upto 01.10.2010
C.M.Bachawat	Director (Government Nominee)

15.2 Disclosure of transactions between the Company and related parties.

Name of the party	Description of transactions	2010-11 (Amount Rs in lakh)	2009-10 (Amount Rs in lakh)
Key management Personnel	Payment of salary & allowances	57.06	21.78
	Sitting Fees	2.50	2.25

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

16. Earning Per Share

Description	2010-11	2009-10
Profit After Tax(Rs in Lakh)	17448.90	17467.60
No. of Equity Shares	1105520000	1094045851
Face Value of Shares (in Rs.)	10.00	10.00
Basic/Diluted Earnings per Equity share(Rs.)	1.58	1.60

17. Deferred Tax

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

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18. Taxes & Duties

During the year the Company is eligible to claim 100% deductions on Business Income under Section 80-IA of the Income Tax Act, 1961. Hence, the Company has made Current Tax Provisions on Book Profit in accordance with the provisions of Section 115-JB of the Income Tax Act, 1961.

19. Remuneration to the Wholetime Directors

(Rs. in Lakh)

Particulars	2010-2011	2009-2010
Salary & allowances	57.06	21.78

20. Auditors' Remuneration: (Statutory/Branch Auditors):

(Rs. in Lakh)

Particulars	2010-2011	2009-2010
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.40	-
Other Services	1.75	1.75
	4.65	4.25

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

21. (a) Information required to be disclosed regarding consumption of stores & spare parts under paragraphs 3(x)(a) of Part II of Schedule VI of the Companies Act, 1956 are not ascertainable for the period ended 31st March 2011 since consumption of stores is included under the normal heads of capital expenditure and/or revenue expenditure.

(b) The total Power Transmitted during the year 2010-11 is 30523.153 MU considering Transmission Loss as 3.7%.

(c) As per available information there are no outstanding dues for over 30 days to any enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for the period ended 31st March 2011.

(d) In the absence of the notification in the Official Gazette of the Central Government, the Company has not made any provision for cess payable under section 441A of the Companies Act, 1956. The required provision for cess payable shall be made in accordance with the notification, as and when the same will be issued by the Central Government in its Official Gazette.

22. Contingent Liabilities not provided for:

22.2 Rs. 13.34 lakhs being 50% of the decretal amount (i.e. balance after payment of 50 % as per directives of the Hon'ble High Court at Calcutta) towards land acquisition for construction of Purba Ichapur 132 KV Sub-station on a piece of land ad-measuring 2.46 acre at Barasat.

23. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in relation to execution of works and purchase of equipment, to the extent available, is Rs. 391.95 crores.

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24. In the view of the management, the carrying cost of the fixed assets does not exceed its recoverable value and as such there is no impairment.

25. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.

In terms of our report of even date

For B Chhawchharia & Co.

Firm Registration No.: 305123E

Chartered Accountants

For and on behalf of Board of Directors

(Vikram Dhanania)
Partner
Membership No: 060568
Place: Kolkata
Dated: August 02, 2011

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director (Finance & Accounts)

(A.C.Sarkar)
Managing Director

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Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

(i) **Registration Details**

Registration No.	: U40101WB2007SGC113474
State Code	: 21
Balance Sheet Date	: 31st.March 2011

(ii) **Capital Raised During the Year**

	Rs. in lakh.
Public Issue	: NIL
Rights Issue	: NIL
Private Placement (Pending allotment)	: NIL
Bonus Issue	: NIL

(iii) **Position of Mobilization and Deployment of Funds**

	Rs. in lakh
Total Liabilities	: 391828.82
Total Assets	: 391828.82
Sources of funds	
Paid up Capital	: 110552.00
Reserves and Surplus	: 45325.35
Government Grants	: 514.00
Secured Loans	: 82106.59
Unsecured Loans & Bonds	: 145409.90
	Rs. in lakh
Application of Funds	
Net Fixed Assets	: 316307.63
Capital Work-in-Progress	: 74160.81
Investments	: -
Net Current Assets	: (6560.60)

(iv) **Performance of the Company**

	Rs. in lakh
Turnover/Other Income	: 76560.25
Total Expenditure	: 54903.88
Profit before Tax	: 21656.37
Profit after Tax	: 17448.90
Earning per Share (Basic)(Rs.)	: 1.58
Dividend Amount	: 0.00

(v) **Generic names of Principal Product/Service of the Company**

Item Code No. : NOT APPLICABLE

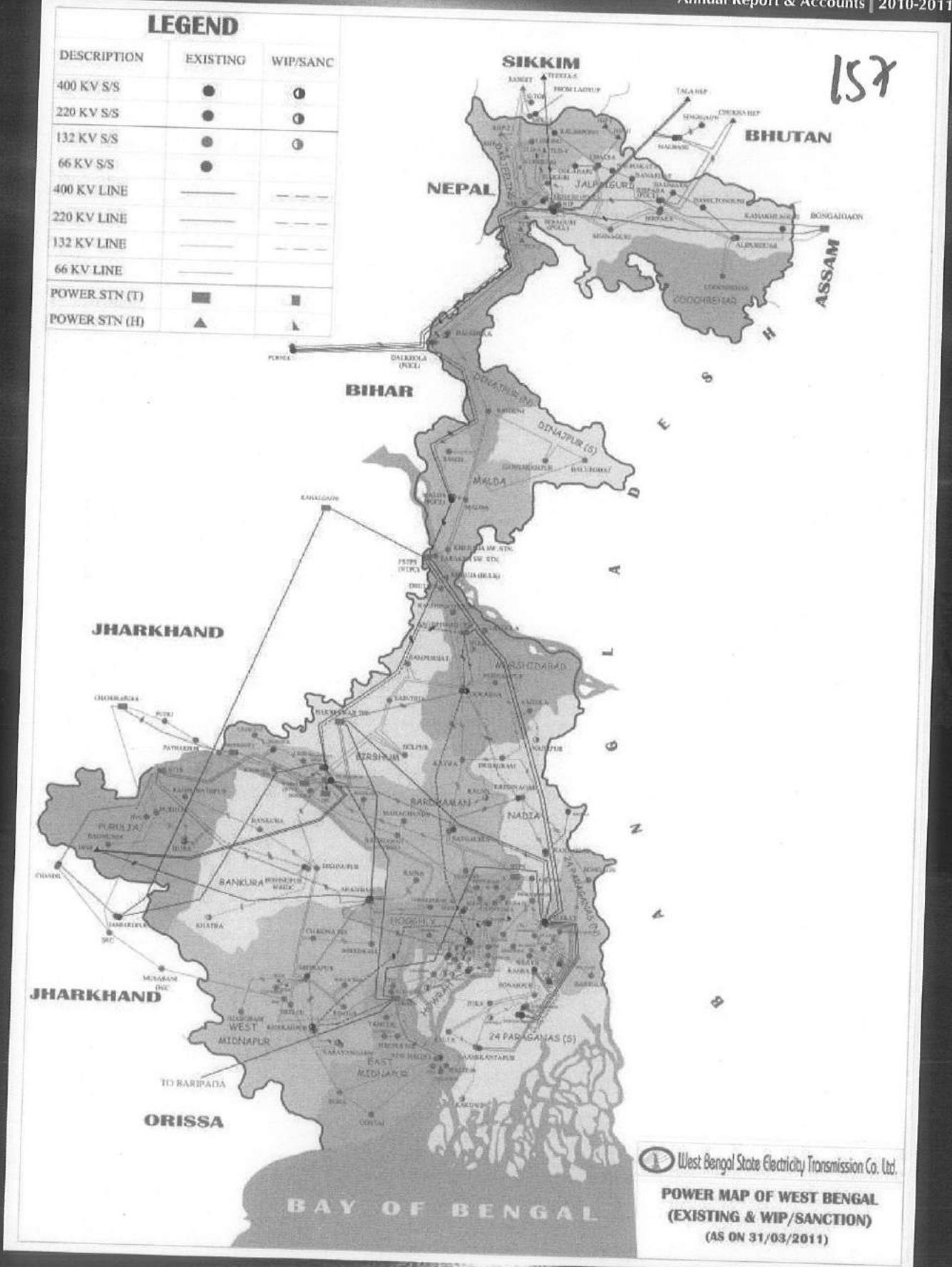
Product Description : Transmission, State Transmission Utility Function

For and on behalf of Board of Directors

(S.Chattopadhyay)	(A.Chowdhuri)	(A.C.Sarkar)
Company Secretary	**Director(Finance & Accounts)**	**Managing Director**

Place: Kolkata
Dated: August 02, 2011

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LEGEND
DESCRIPTION
EXISTING
WIP/SANC
400 KV S/S
220 KV S/S
132 KV S/S
66 KV S/S
400 KV LINE
220 KV LINE
132 KV LINE
66 KV LINE
POWER STN (T)
POWER STN (H)
SIKKIM
BHUTAN
NEPAL
ASSAM
BIHAR
JHARKHAND
JHARKHAND
ORISSA
BANGLADESH
BAY OF BENGAL
JALPAIGURI
COOCHBEHAR
MALDA
DINAJPUR (S)
MURSHIDABAD
BIRBHUM
BARDHAMAN
NADIA
PURULIA
BANKURA
HOOGHLY
24 PARAGANAS (S)
WEST MIDNAPUR
EAST MIDNAPUR
TO BARIPADA
West Bengal State Electricity Transmission Co. Ltd.
POWER MAP OF WEST BENGAL
(EXISTING & WIP/SANCTION)
(AS ON 31/03/2011)

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WBSETCL

West Bengal State Electricity Transmission Company Limited
Vidyut Bhavan, Bidhannagar, Kolkata-700 091
Website : www.wbsetcl.in

Enclosure : 9

Annual Report 2011-12

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ANNUAL REPORT & ACCOUNTS 2011-2012



A New Era

EHV Transmission Lines over the Muriganga River enabling supply of grid power to Sagar Islands.

WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)



Shri A.C. Sarkar, Managing Director, receiving 'Powerline Awards -2012' for ***"Best Performing Transmission Company"*** *on 15th May, 2012, from Shri Sushil Kumar Shinde, the then Union Power Minister.*

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Amaresh Chandra Sarkar
Managing Director

Dilip Kumar Dey
Director (Projects)

Anjan Chowdhuri
Director (Finance & Accounts)

Subrata Nag
Director (Operations)

NON-EXECUTIVE DIRECTORS

Malay Kumar De, IAS
Chairman

Hari Krishna Dwivedi, IAS

Sreekumar Majumdar

Tapan Kumar Basu

COMPANY SECRETARY
Srikumar Chattopadhyay

STATUTORY AUDITOR
B. Chhawchharia & Co., Chartered Accountants
8A & 8B, Satyam Towers,
3 Alipore Road, Kolkata 700027

COST AUDITOR
Datta, Ghosh, Bhattacharya & Associates, Cost Accountants
37, Gobinda Bose Lane, Kolkata 700 025

BANKERS
UCO Bank, State Bank of India, United Bank of India, Axis Bank

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

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WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

Vidyut Bhawan, Bidhannagar, Kolkata – 700 091

NOTICE

NOTICE is hereby given that the **Fifth Annual General Meeting** of **West Bengal State Electricity Transmission Company Limited** will be held at its Registered Office at Vidyut Bhawan, 7th Floor (Conference Room), Block-DJ, Sector-II, Bidhannagar, Kolkata- 700 091, on Thursday, the 20th September 2012, at 12 noon for transaction of the following businesses :

1. To receive, consider and adopt the audited Statement of Profit & Loss for the financial year ended 31st March 2012, the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.

2. To fix remuneration of the Statutory Auditors appointed by the Comptroller and Auditor General of India for auditing the Annual Accounts of the Company for the financial year 2012-2013.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 17th September, 2012

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

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WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)

Vidyut Bhawan, Bidhannagar, Kolkata – 700 091

NOTES

1) **A Member 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 not later than forty-eight hours before commencement of the Meeting.**

2) In pursuance of Section 619(2) of the Companies Act, 1956 (the Act), M/s. N. Sarkar & Company - Chartered Accountants, has been appointed by the Comptroller and Auditor General of India as Statutory Auditor of the Company for the financial year 2012-13.

In accordance with the provisions of Section 224(8) (aa) of the Companies Act, 1956, the remuneration of Statutory Auditor of a Government Company shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The Members may authorise the Board of Directors to fix remuneration of the Statutory Auditor of the Company for the financial year 2012-13.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 17th September, 2012

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

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CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to report upon yet another year of commendable performance by your Company. WBSETCL's all round performance found recognition at the national level when it was bestowed the National Award for the 'Best Performing Transmission Company' in the Powerline Awards 2012, which was presented to our Managing Director by Shri Sushil Kumar Shinde, the then Minister for Power, Government of India.

The Company maintained its satisfactory financial performance during the year and despite the all round inflationary trends in the economy, was successful in containing operational costs. This enabled it to register a profit of Rs.171.67 crores on a turnover of Rs.751.87 crores, which was marginally less than the profit earned in the previous year. In keeping with the need to constantly augment the transmission infrastructure to cater to the increasing demand for power in the State, the Company invested Rs. 393.58 crores in capital assets during the year. As a part of its constant efforts to contain overall cost of funds, WBSETCL issued non-convertible debentures of Rs. 250 crores during the year at a fairly competitive rate of interest despite difficult market conditions. A part of the proceeds of the issue was utilised to prepay high cost debt, while the balance is being utilised for funding capital expenditure. Financial ratios continued to remain at satisfactory levels and the Company retained its "A" credit rating from CARE.

The constant rise in the demand for electricity in the State; ushered in by the implementation of rural electrification schemes such as the Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY) and other initiatives of the State Government in its commitment to bring electricity to every doorstep in West Bengal, has resulted in a vast increase in the distribution network in the State, with West Bengal State Electricity Distribution Co. Ltd., the State distribution utility, serving more than one crore consumers spread all over the State. To match this emerging demand, new generating capacities are being added by the State and private sector so as to ensure that West Bengal remains self-dependant in meeting its power requirements in the foreseeable future. In tandem with this increase in generation and demand for electricity, your Company is required to ensure that the transmission system in the State – which forms the backbone of the power infrastructure, is able and ready to transmit energy from the generation/import centres to the load centres where it will be consumed. This entails construction of

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substations and transmission lines over diverse and often, difficult terrain spread all over the State. A singular achievement in this area has been the commissioning of the Extra High Voltage transmission line from Kakdwip to the Sagar Island, which entailed erection of transmission towers, each having a height of 145 meter above normal water level; the highest in the country, over the Muri Ganga river, thus ensuring the availability of 24x7 grid power to the inhabitants of this island. The commitment and dedication of your Company's work force in operations and maintenance enabled it to register among the lowest downtime and transmission losses among transmission utilities in the country.

The performance of a company as depicted by operational numbers are an indirect reflection of the quality of its people and the various stakeholders, both within and outside it, who work together and contribute to its results. Over the five years of its existence, WBSETCL has carved an enviable place for itself in the power sector in India. I am confident that in the years to come, your Company will scale even greater heights with the commitment and support of its human capital and external stakeholders.

Yours sincerely,

(M. K. De)
Chairman

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DIRECTORS' REPORT

Your Board of Directors has the pleasure of presenting the **Fifth Annual Report** together with the audited financial statements of the Company for the financial year ended 31st March 2012.

AWARDS

It was a matter of great pride that in the first year of its operation (2007-08), the Company was conferred the 'Best Transmission System Availability Award' with Gold Shield by the Ministry of Power, Government of India.

Your Company, in a span of only 5 years, has carved a niche for itself amongst the transmission utilities in the country. It is a proud privilege to share with you that the Company, based on overall performance, has been chosen as the winner of 'Powerline Awards 2012' in the category of 'Best Performing Transmission Company'. The coveted award was presented by the Union Power Minister on 15th May 2012 at a ceremonial function at New Delhi.

Financial Performance

The year 2011-12 has been another year of impressive financial performance by your Company. In its fifth year of operation, the Company registered a net profit of **Rs. 171.67 crore** on a turnover of **Rs. 751.87 crore**.

	Current Year ₹ in Crores	Previous Year ₹ in Crores
Profit before Interest, Depreciation and Tax	519.96	519.44
Less Interest & Finance Charges	180.22	182.87
	339.74	336.57
Less Depreciation	125.13	120.01
Profit Before Tax	214.61	216.56
Provision for Taxation	42.94	42.07
Profit After Tax	**171.67**	**174.49**

- After appropriation of an amount of Rs.14.20 crore towards Reserve for Unforeseen Exigencies as per Regulations of WBERC, inclusive of interest income of Rs.3.11 crore required to be reinvested in the Reserve as per Regulations and Rs.15.49 crore towards Debenture Redemption Reserve (DRR), the balance of Rs.141.99 crore has been transferred to General Reserve during the year under review.

- Revenue from transmission charges is accounted for based on the tariff fixed by the West Bengal Electricity Regulatory Commission (WBERC) which stipulates the Annual Revenue Requirement (ARR) to be recovered from its consumers under 'cost plus' mechanism. The tariff order for the year 2011-12 has not yet been issued by WBERC; hence revenue has been billed and registered on the basis of the tariff approved by the Commission for 2010-11. Consequential effects of the tariff order for 2011-12 will be accounted for, when issued by the WBERC.
- In spite of the Company having accounted for 'revenue' as per the tariff order for 2010-11, the Company earned a net profit of Rs.171.67 crore which was at a marginal decrease of 1.64% as compared to the net profit of the previous year.
- Revenue from operations stood at Rs.724.11 crore as compared to Rs.748.62 crore in the previous year. This was due to the fact that revenue from operations in 2010-11 included an additional amount of Rs.40.49 crore, allowed by WBERC as Regulatory Assets for 2008-09 which was recognized as revenue, on receipt of the Annual Performance Review (APR) Order dated 26th July 2010 for that year. Such decrease was partially offset by increase in 'Other Income' on account of Sale of Scrap and prior – period credit adjustments in the current year.

Your Company continues to explore options for financing its projects at least cost as well as for replacing costly debt. Towards this end, the Company had issued Secured Bonds of a value of Rs.183 crore in October 2009 to prepay costlier loans. Further, for part financing capital expenditure undertaken by the Company, as well as to prepay high cost term loans already availed, the Company has mobilized Rs.250 crore in July 2011 from domestic market through private placement of bonds, repayable at the end of 10 years. Out of this amount, a sum of Rs.50.44 crore was utilized for pre-paying high cost debt and an amount of Rs.87.47 crore has already been utilized for funding on-going capital projects till the end of the year.

These debt instruments have been listed with Bombay Stock Exchange in Wholesale Debt Market (WDM) segment. CARE Limited assigned a rating of "A" to these bonds indicating adequate safety with regard to timely payment of interest and principal.

During the year, gross fixed assets rose to Rs.4671.08 crore, a commendable growth of Rs.237 crore, while investments in ongoing projects increased to Rs.855.01 crore from Rs.698.43 crore. We remain committed to our long-term strategy and will continue to allocate capital towards our existing operations and new projects that are of strategic importance.

In view of the need to conserve resources for part financing of its capital project programme, your Board is not recommending any dividend for the year.

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Change in Board of Directors

Shri Tapan Mitra and Shri Partho S. Datta, Independent Directors, resigned from the Board with effect from 14th May 2011 and 16th May 2011, respectively.

Shri Durgadas Goswami ceased to be a Director of the Company with effect from 18th September 2011 on repatriation of his services.

The Board places on record its sincere appreciation for the valuable guidance provided and contributions made by Shri Mitra, Shri Datta and Shri Goswami during their tenure in the Board.

Operational Performance

Your Company has developed strong in-house expertise in various facets of power transmission business. The operational data have been re-assessed and re-cast during the year. At the end of FY 2011-12, the Company owns and operates

- 11095.44 circuit kilometer (ckm) of Extra High Voltage Transmission Lines;
- 103 sub-stations (400 kV to 66 kV);
- with transformation capacity of more than 19236 MVA spread over the entire State of West Bengal.

The availability of this huge transmission network was consistently maintained at over 99%, at par with international standards. Transmission losses were around 3% which is comparable with the best in the country. This excellent operational efficiency has been achieved through deployment of state-of-the-art operation & maintenance techniques.

Project Execution

Your Company puts best efforts to implement transmission projects within stipulated time frame to derive maximum economic benefits. For timely implementation of projects, your Company takes pre-emptive measures and pro-active actions on various project linked activities such as land acquisition, survey and soil investigations, tender activities, funding tie-up, etc. in parallel with project investment approval process. Project appraisal and review meetings at regular intervals help to tone up the implementation process.

In June 2009, WBSETCL took the challenge to erect river crossing transmission towers over Muri Ganga River to supply grid power to Sagar Island and adjoining areas to make the dream of thousands of people come true. The 3.7 km long river crossing project between Lot 8 and Kachuberia in 24-Parganas (South) was executed for WBSEDCL at a cost of Rs.62 crore, funded by Government of West Bengal. Out of seven high rise towers, three were erected within river bed, each tower having a height of 145 meter above normal water level, the highest in the country, weighing 153 MT and resting on group of pile foundations driven up to 60 meter depth from high flood level. Execution was carried out in hostile

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climate conditions prevailing throughout the year, surmounting daily tidal variations of 4-5 meter height apart from fortnightly high tides in the estuary, while maintaining highest degree of safety measures in execution. Grid Power to Sagar Island was fed at 33 kV on 20th October 2011.

The **Projects completed** during 2011-2012 are :

Sub-stations :

- One 220/132 kV sub-station at Dalkhola with transformation capacity of 320 MVA;
- One 132/33 kV sub-station at Khatra with transformation capacity of 100 MVA; and
- One 132/33 kV sub-station at Kalna with transformation capacity of 63 MVA.

Augmentation of transformer capacity

535 MVA has been added to the system by augmenting transformer capacities in existing sub-stations :

Name of the Sub-station		Capacity Addition
(a) Rishra 220/132 kV	:	160 MVA
(b) Gokarna 220/132/33 kV	:	18.5 MVA
(c) Rampurhat 132/33 kV	:	18.5 MVA
(d) Coochbehar 132/33 kV	:	18.5 MVA
(e) Dharampur 132/33 kV	:	18.5 MVA
(f) Egra 132/25 kV	:	48.5 MVA
(g) Birsingha 132/33 kV	:	18.5 MVA
(h) Barasat 132/33 kV	:	18.5 MVA
(i) Raghunathganj 132/33 kV	:	18.5 MVA
(j) Malda 132/33 kV	:	18.5 MVA
(k) Basirhat 132/33 kV	:	18.5 MVA
(l) Bolpur 132/33 kV	:	18.5 MVA
(m) CK Road 132/33 kV	:	18.5 MVA
(n) Tamluk 132/33 kV	:	18.5 MVA
(o) Sainthia 132/33 kV	:	11.5 MVA
(p) Pingla 132/33 kV	:	18.5 MVA
(q) Satgachia 132/33 kV	:	31.5 MVA
(r) Kolaghat 132/33 kV	:	50.0 MVA

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Line Bays : 6 (six)

- 1 No. 220 kV at Kasba 220/132 kV sub-station for connectivity with CESC;
- 2 Nos. 132 kV at Satgatchia 220/132 kV sub-station for Kalna 132 kV sub-station;
- 2 Nos. 132 kV at New Bishnupur 220/132 kV sub-station for Khatra 132 kV sub-station;
- 1 No. 132 kV at Tamluk 132 kV sub-station for traction power supply.

Transmission Lines

A total of 192.138 circuit kilometers (ckm) covering four transmission lines have been added to the system.

The Transformation Capacity (MVA), voltage-wise as on 31.03.2012, was as under :

(a)	400/220 kV Transformers	:	2520
(b)	220/132 kV Transformers	:	7910
(c)	220/33 kV Transformers	:	100
(d)	132/66 kV Transformers	:	205
(e)	132/33 kV Transformers	:	7044.5
(f)	132/25 kV Traction Transformers	:	352.5
(g)	66/33 kV Transformers	:	20.0
(h)	66/33/11 kV Transformer	:	11.3
(i)	66/11 kV Transformers	:	188.0
(j)	33/11 kV Transformers	:	884.8

Incomplete / Stalled Projects

Land availability for construction of proposed EHV sub-stations is becoming an issue in the State. In order to restrict land requirement, your Company is increasingly going in for Gas Insulated Sub-stations (GIS) in areas where the problem of land availability is acute. Despite the pro-active steps taken in project management, there are several on-going transmission projects which are facing problems associated with delay in land acquisition for sub-stations and severe right of way in erection of transmission lines. Due to this, a number of transmission projects remain unexecuted, stalled or delayed, resulting in a building up of the capital works-in-progress.

Details of such projects are given in the **Management Discussion and Analysis,** forming part of the Annual Report.

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ISO Certification

Your Company, after extensive audit of its Quality Management System, was accorded ISO 9001:2000 certification by KVQA, Norway, for the 14 EHV sub-stations, accounting for nearly 50% of total capacity.

Technology Upgradation

The Company has undertaken several technological innovations aimed at conserving Right-of-Way (RoW), minimizing impact on natural resources and human habitat and cost effectiveness in evacuation of power from generating stations. The Company has upgraded and uprated its existing transmission lines on case-to-case basis to optimally utilize available Right of Way. The Company has developed and adopted state-of-the-art technology in Transmission System Development and has given thrust on standardization of designs/drawings/type testing which has helped in minimizing post award engineering activities for regular packages.

The Company is in the process of implementing Geographical Information System (GIS) for geographic mapping of assets / transmission line routes through satellite imagery, which will be useful for both Planning and O&M purposes. The options available across the GIS spectrum are being actively evaluated for this purpose.

Transformational Changes

To sustain good performance and responding to ever changing business and regulatory requirements, WBSETCL has taken a number of initiatives e.g

- Realignment of corporate organization structure;
- Restructuring of field offices;
- Creation of new functional units/cells;
- Introduction of new/re-engineered business processes;
- Documentation and implementation of Policies/Procedures/Manuals.

Communication & Information Technology

The Company has made remarkable strides in the area of Information Technology (IT) and systematically developed, through in-house efforts, software applications for most of the functional areas for deploying IT for efficient and effective discharge of its objectives.

For development of communication system a good number of PLCC terminals for voice, data and tele-protection have been installed and commissioned in EHV network during the year under review. All 400 kV transmission lines and most of the 220 kV transmission lines have been equipped with carrier aided protection equipment and they are fully operational. Vital Operational data from 47 EHV sub-stations are displayed at SLDC as well as at ALDC, under ULDC SCADA, through PLCC/Microwave system for system monitoring.

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The generation data from all power stations are also being displayed at SLDC/ALDC. All EHV sub-stations of the Company are linked with Very High Frequency (VHF) base station sets and Power Line Carrier Communication system. Replacement of microwave system by Optical Fibre Network is under process. Thus, acquisition of data from more sub-stations will also be made through fibre optic network.

Implementation of SAP Enterprise Resource Planning (ERP) Solution is in advanced stage in order to offer seamless integration among the modules and functions like Plant Maintenance Management, Project Planning & Management, Materials Management, Financial Management, HR Management, etc. The SAP Blueprinting phase of the functional processes of the Company has been completed for the various modules. The required software configuration, developments and customisations are in progress to map the existing processes in SAP environment for roll-out of the system in the pilot locations. Functional and technical training sessions on SAP have also commenced.

Activities related to Information & Communication Technology infrastructure is in progress to house the Computer and Networking components required for the roll-out of the ERP and other IT based solutions. More than 160 establishments of the Company will avail of the SAP system through secure MPLS-VPN backbone.

As stated earlier, an initiative has also been taken by a cross-functional team for development and implementation of Geo Referenced Power Map within the State for use of WBSETCL, using GIS technology.

A re-designed Website of the Company has been developed with a new look and feel, more online information and user friendly interface. With the objective to bring in transparency, major policies and procedures on different aspects, detailed information about the Company including Annual Reports, periodical financial results, NITs & contract documents, schedule and notifications, etc. are made available on the website. Online recruitment process of employees has been successfully conducted through the website of the Company **(www.wbsetcl.in)**. Furthermore, relevant information under the provisions of RTI Act are also periodically uploaded on the website for the use of stakeholders. The Company has also initiated corporate email facility for the employees of the Organization.

Operation & Maintenance Management

Operation and Maintenance (O&M) methodology has been standardized throughout WBSETCL. Standard documents in this regard have already been developed. Documents of maintenance schedule, procedures and formats have been standardized for all assets. Continuous efforts envisage providing stable and quality power with minimum extent of line outages and transmission loss.

The IT initiatives have added considerable value to the functionalities of the different O&M departments, providing tools for mission-critical activities like outage monitoring, root-cause analysis, metering and protection.

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Health & Safety Management

Electricity is indispensable in our lives and transmission of electricity at different voltages contains an element of danger to life and property. Hence, to combat it, a multi-dimensional approach involving safety awareness, use of safety devices, designing the processes, ensuring safe performance of duties and also a mechanism of punishment and reward to inculcate and encourage practice of safety measures are considered important ingredients. Contracting agencies executing works are made responsible, with inclusion of appropriate provisions in contract, for discharging their safety obligations. In designated areas of particular hazard, the appropriate executives are required to authorize in writing, the commencement of any work and before doing so, to satisfy themselves that all necessary safety precautions as appropriate to the hazard have been carried out. This has resulted in significant improvements in all areas of safety. Further, Safety Committees have been formed at Field level and at Corporate level to oversee adherence of safety standards and safety rules so as to raise safety profile of the Company.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm to the best of their knowledge and belief that :

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

ii) selected such accounting policies and applied them consistently and made judgments and estimates that 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 that period;

iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) prepared the annual accounts on a going concern basis.

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 31st March 2012.

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Corporate Social Responsibility

Since its inception, Corporate Social Responsibility (CSR), has always been at the core of the way business is done in WBSETCL, which is centered around the overall development of the people residing in and around the operational areas. A number of social development schemes have been undertaken during the financial year ended 31st March 2012.

Particulars of Employees under Sec. 217(2A) of the Companies Act, 1956

There were no employees engaged in the Company for the whole or part of the year to whom the provisions of Section 217(2A) of the Companies Act, 1956 were applicable.

Statutory Auditors' Report & Comments of Comptroller and Auditor General of India

i) Auditors' observations and Company's responses thereto are **annexed,** which form part of the Report.

ii) Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2012 is **annexed.**

Right to Information Act, 2005

An independent RTI Cell has been made functional to ensure compliance with the provisions of the Right to Information (RTI) Act, 2005 and attending to the requests for information. The Company has appointed 39 Assistant Public Information Officers (APIO) in each administrative unit and one Public Relation Officer at Corporate Office. WBSETCL website also hosts information on all the items as required under the Act under the caption "RTI".

Corporate Governance

Your Company is committed to conform to the highest standards of Corporate Governance by ensuring transparency, adequate disclosures and timely reporting. A separate section on **Corporate Governance** forms part of the Annual Report.

Management Discussion and Analysis Report

A detailed analysis of the Company's performance is provided in the **Management Discussion and Analysis**, which forms part of this Annual Report.

Energy conservation, Technology absorption and Foreign Exchange earning and outgo.

The Company is not categorized as Scheduled Industry, so the particulars in respect of Form 'A' pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 are not required to be furnished. However, the details in respect of Form 'B' pursuant to Rule 2 are furnished in the Annexure.

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Auditors

The Comptroller and Auditor General of India appointed B. Chhawchharia & Co. - Chartered Accountants, as Statutory Auditor of the Company, for the financial year 2011-12.

The Board of Directors with the approval of the Ministry of Corporate Affairs, Government of India, appointed Datta, Ghosh, Bhattacharya & Associates - Cost Accountants, as Cost Auditor of the Company for the year 2011-12 under the provisions of the Companies Act, 1956. The Cost Auditor's Reports for the previous year have been filed with the Ministry of Corporate Affairs on 11th August 2011.

Human Resource Development

Human potential have been perceived as a powerful resource right from the inception of the Company and it makes continuous and concrete efforts to groom its human capital to meet the present and future challenges in the field of technology and management functions. For the purpose of doing so, the Company focuses on providing an enabling environment conducive for employees to contribute on a continuous basis to the growth of the organization as also to adapt to the rapidly changing industrial scenario. The Company has developed a comprehensive 'in-house induction training module' to make sure that new employees understand the basic aspects of the Company in its all operations. With recruitment of 117 heads under different categories during the year, the total strength of human assets of the Company as on 31st March 2012 was 2757 of which 1916 employees were deputed by West Bengal State Electricity Distribution Company Limited on provisional basis to provide services to the Company. The process of recruitment of sizeable manpower is in progress to replace retiring employees as well as to meet the requirements of its increasing transmission infrastructure.

With a focus on long term sustainability and to enhance service delivery levels, as an integral part of HR Policy, various Policies e.g. Welfare Policy, Recruitment Policy, Promotion Policy, etc. have been formulated with the objective of providing guiding principles and methods that ensure transparency, integrity and merit, amongst others. As a step towards integrated development of employees, employees are encouraged to take up membership of professional bodies through reimbursement of professional fees, besides being nominated to in house and external training programmes and workshops to upgrade their skill levels and preparing them for assuming greater responsibilities.

The Company believes in philosophy of Total Quality Management (TQM) for improvement of productivity, quality, safety, cost, delivery and morals. At the core of this concept is voluntary involvement of employees in small teams known as Quality Circles (QC). Quality Circles at different units/areas have been formed to impart training with the help of in-house trainers and consultants for facilitating, nurturing and spreading TQM activities.

The Company maintains healthy, cordial and harmonious relations at all levels. The role of Employees' Unions and Officers' Associations has been constructive in maintenance of harmonious relations, over all growth of the Company and adaptability in changing processes to suit the business requirements.

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Acknowledgement

Your Board place on record their deep sense of appreciation for the co-operation, support and guidance received from the Government of West Bengal, particularly the Department of Power and Non-conventional Energy Sources, the Ministry of Power in Government of India, the State and Central Electricity Regulatory Commissions, Central Electricity Authority, Central Transmission Utility and Eastern Regional Power Committee in the effective management of the Company's affairs and resources.

The Board also acknowledges with thanks the constructive suggestions received from C&AG, Statutory Auditors and Cost Auditors. The Board also places on record their sincere appreciation for the continued support and confidence reposed by the Financial Institutions, Banks, Credit Rating Agencies and Bombay Stock Exchange.

The Board would like to express their deep sense of appreciation for the meritorious performance of the employees at all levels which helped crown the Company with the covetous honour of being the 'Best Performing Transmission Company' in the country. Having achieved this milestone, the Company is conscious of and committed to the need to maintain this benchmark in the future.

For and on behalf of the Board of Directors

(M. K. De)
CHAIRMAN

Dated: 17th September, 2012

Place: Vidyut Bhavan, Sector II
Bidhannagar, Kolkata - 700 091

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Annexure - I

MANAGEMENT DISCUSSION AND ANALYSIS

A robust and responsive power sector is the backbone of a strong economy and is essential to support GDP growth in the country. A well designed integrated transmission system and efficient, adequate and properly coordinated grid management could go a long way in ensuring optimal utilization of generated energy and its delivery to the load centres for ultimate consumption by the myriad users of electricity.

WBSETCL, with its alert and committed personnel and systems, has delivered another year of excellent performance in all facets of power transmission business. The Company; one of the largest Transcos in the country, added 192.138 circuit kilometer (ckm) of extra high voltage transmission lines, commissioned 3 Extra High Voltage (EHV) sub-stations with 483 Mega Voltage Ampere (MVA) transformation capacity and added 535 MVA to the system by augmenting transformer capacities in its existing sub-stations during the year under review. The operational data have been re-assessed and re-cast during the year and as on 31.3.2012, the Company owns and operates:

- Transmission Network of around 11095.44 ckm of EHV (400 kV to 66 kV) transmission lines;
- Transformation capacity of about 19236 MVA, maintaining availability at over 99% throughout the year;
- 103 sub-stations of various voltages.

Constant focus was given to improving operational efficiency, asset utilization, reduction of transmission loss and prudent fund management. Our efforts bore gratifying results. During the year under review, WBSETCL handled energy flow of 34750.097 million units (MU) with transmission losses of around 3%, comparable with the best in the country.

The Company's stellar performance found national recognition, when it was adjudged the 'Best Performing Transmission Company' in the Power Line Awards 2012 and conferred a National Award, presented by the then Minister for Power, Government of India.

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Financial Review

The summary of financial result of the Company for the year ended 31st March, 2012 is given below :

FINANCIAL HIGHLIGHT	(₹ in crores)	
Operating Income	**2011-12**	**2010-11**
Earned from Operation	724.11	748.53
Other Income	27.76	17.01
Total (A)	**751.87**	**765.54**
Paid and Provided for		
Transmission & ULDC charges	56.98	58.87
Repair & Maintenance	28.49	30.80
Employees Cost	119.77	115.01
Administration & General Expenses	26.67	24.00
Provisions / Other Write Offs	-	17.48
Sub – Total (B)	**231.91**	**246.16**
Profit before Depreciation, Interest and Tax(A – B)	**519.96**	**519.38**
Depreciation	125.13	120.01
Interest & Finance Charges	180.22	182.87
Profit before Tax	**214.61**	**216.56**
Provision for Tax	42.94	42.07
Profit after Tax	**171.67**	**174.49**
Appropriations:		
Reserve for Unforeseen Exigencies	(14.19)	(10.47)
Debenture Redemption Reserve (DRR)	(15.49)	(4.58)
Balance Transferred to General Reserve	**141.99**	**159.44**

The Gross Block of fixed Assets increased to Rs.4671.08 crores as on 31.3.12 from Rs.4434.09 crores as on 31.3.11, while capital works-in-progress increased from Rs.741.61 crores to Rs.888.90 crores, indicating the large amount of capital expenditure the Company is required to undertake in order to cater to the increases in supply and demand of electricity in the State. Consequent to the above, total long term borrowings of the Company increased to Rs. 2467.40 crores as on 31.3.12 from Rs. 2200.16 crores a year before. Despite such additional debt, the Company's debt equity ratio registered a marginal increase from 1.51:1 as on 31.3.11 to 1.54:1 as on 31.3.12, against a normative debt equity ratio of 2.33:1 permitted by the WBERC for funding capital expenditure.

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Some indicative financial ratios are provided below :

Ratios	2011-2012	2010-2011
Current Ratio	0.81	0.82
Debt to Equity Ratio	1.54	1.51
Debt Service Coverage Ratio (DSCR)	1.12	1.36
Interest Service Coverage Ratio (ISCR)	1.95	1.95
Earnings per Share (EPS) (Rs.)	1.55	1.58

The Company operates under the regulatory oversight of the WBERC and is governed by the provisions of The Electricity Act, 2003 and regulations framed by WBERC. Tariffs of the Company are determined under the Tariff Regulations prescribed by the Commission, which has, since 2007-08, opted for approving multi-year tariffs (MYT) of the electricity utilities operating in the State. The tariff regulations provide for post facto appraisal by the Commission of actual performance, both operational and financial, during the year, as submitted by the licensee through its Annual Performance Review (APR) petition and for allowance of certain uncontrollable expenses and return on equity on actual basis after netting off expenses and revenues that may have been allowed in excess while approving the tariff in the initial stage. Adjustments on account of revenues short/excess allowed in a particular year, as revealed on such annual performance review, is carried out with the revenue approved for recovery in subsequent year(s). Based on such appraisal, the WBERC also makes some limited interim revision of the Aggregate Revenue Requirement (ARR) of the ensuing year, when it is of the opinion that non-adjustment of certain unanticipated increases/decreases in uncontrollable costs is likely to have an adverse effect on the operations of the utility and/or interest of the consumers.In case WBERC is of the opinion that such recovery of costs of earlier years is likely to unduly increase the tariffs of the utility, it has the option of deferring the recovery of such sum to a subsequent year or years and classifying the sum recoverable as a Regulatory Asset. The Company has already received the APR Order for the year 2008-09, where under, an additional sum of Rs. 40.49 crores was approved for recovery. Though this amount was accounted for as revenue in 2010-11, the year in which the APR Order was received, the Commission is yet to authorize the Company for recovering the amount from its sole customer, the West Bengal State Electricity Distribution Co. Ltd. (WBSEDCL). The Company has recently received the APR order from WBERC for 2009-10 whereunder Rs. 72.72 crores has been approved for recovery. APR order for 2010-11 is awaited.

The last tariff fixation under the MYT regime was carried out for the three year block of 2008-09 to 2010-11. WBSETCL, along with the other State power utilities, have filed their MYT petitions for the subsequent three year block of 2011-12 to 2013-14 with the Commission in July, 2011. The Commission is yet to issue the tariff order against the MYT petition submitted. Consequently, pending issuance of the tariff order for 2011-12, the Company has billed and accounted for revenues on the basis of the revised tariff order issued for the year 2010-11. Consequential adjustments in revenue, as may be called for on approval of tariff for the year 2011-12 will therefore be carried out on receipt of the MYT Order for the years 2011-12 to 2013-14.

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Fund Mobilization and Management

In view of the steadily increasing demand for electricity throughout the State, both from existing consumers and the new consumers added under the rural electrification scheme and the addition of generating capacities in new and existing generating stations in the State, the Company is required to incur large capital expenditure to augment and add to the existing transmission infrastructure for catering to the emerging requirements. Given the capital intensive nature of the power industry, debt constitutes an important means of finance to supplement the equity investments made in new projects. Despite undertaking substantial capital expenditure since its inception in 2007-08, the Company has not availed of any fresh equity infusion from the State Government since 2009-10 and ploughed back internal accruals to partly finance ongoing capital expenditure. As mentioned earlier, this has enabled the Company to consistently maintain a debt equity ratio which is significantly lower than the normative ratio prescribed by the WBERC.

Your Company makes every effort to tap appropriate source of funding to minimize the weighted average cost of funds as also exploring cheaper options for refinancing high cost debt. During the year under review, due to prevailing inflationary pressures, raising resources in a cost-effective manner in an adverse economic environment prevalent during the year has been quite a challenging task and by and large, the Company had done well on that front.

During the year, the Company mobilized funds amounting to Rs. 250 crore from domestic market through private placement of secured, redeemable, non-convertible bonds at a very competitive rate to finance its up-coming/on-going projects and pre-pay high cost borrowings. Domestic Credit rating agency - Credit Analysis & Research Limited (CARE) maintained its "A" rating for the Company's long term debt, which indicates that the Company is fundamentally strong with regard to timely payment of interest and principal amount.

In addition to the issue of non-convertible debentures, during the year under review, the Company availed of

- Long-term project loans of Rs.136.52 crore from Life Insurance Corpn. of India and other commercial banks; and
- Short term working capital loan of Rs. 180.08 crore from a Commercial Bank.

It redeemed Market Bonds of Rs. 53.30 crore issued by erstwhile WBSEB and Rs. 18.30 crore of Secured, Redeemable, Non-convertible bond of Rs. 183.00 crore, issued in 2009.

The Company has complied with all debt service commitments including re-payment of principal on :

(a) Short term loans of Rs. 103.19 crore to commercial Banks and

(b) Long term loans aggregating to Rs. 147.69 crore to GoWB, Commercial Banks/Rural Electrification Corpn. Ltd/Power Finance Corpn. Ltd.

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Project Execution

During the year under review, the Company completed the following transmission projects, which were added to the transmission system :

- three new sub-stations adding 483 MVA capacity;
- augmentation of transformation capacity by 535 MVA, along with associated Line/Feeder Bays at the existing sub-stations; and,
- four transmission lines, adding 192.138 circuit kilometers (ckm).

Sub-stations and **Transmission Lines** of different voltage levels, as on 31.3.2012

Voltage Level	No. of Sub-Stations	Circuit Kilometers
400 kV	3	1546.00
220 kV	19	2507.20
132 kV	70	6621.24
66 kV	8	421.00
132 kV Switching sub-stations	3	-
Total	**103**	**11,095.44**

Perspective Plan for XII Plan (2012-13 to 2016-17)

Transmission plays a crucial role in the value chain of the electricity sector. West Bengal's geographical location, in the center of Eastern Region and as the gateway to the North-Eastern States, Sikkim and Bhutan, plays a crucial role as a power carrying corridor interconnecting these states/country to the rest of India and the National grid. This requires the State to have extensive and adequate transmission links – both intra-state and inter-state, for wheeling and evacuation of power to other states and regions. Keeping this in view and after taking into consideration long term demand forecast and prospective generating units in the State, the Board of the Company approved implementation of a Perspective Plan for augmentation of the State transmission systems during the XII Plan period (2016-17) involving capex of about Rs.6045 crore.

The Perspective Plan is to be reviewed and, if necessary, amended each year, depending on the emerging power scenario in the State and in the country, keeping in view the following :

- Effective, reliable and quality power supply in the command area of WBSEDCL;
- Evacuation of power from State Sector and private Generators within the State;
- Export of surplus power outside the State; and
- Strengthening of the existing transmission network for accommodating future load growth.

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Projects under execution

To cater to the need of improving transmission system and to meet the requirement of increasing demand of both industrial and rural load in the state of West Bengal, various transmission projects are under execution.

Sub-stations

Following EHV sub-stations, including augmentation of transformer capacity and extension of bays at existing sub-stations are under progress which would result in capacity addition of 3220 MVA from Financial Year 2012-13 onwards.

Voltage-wise MVA output

Name of Sub-station	400/220 kV	220/132 kV	132/33 kV
Kharagpur 400/220 kV	630	320	
Foundry Park 220/132/33 kV		320	100
Hura 220/132/33 kV		320	100
Salt Lake GIS 132/33kV			100
Kakdwip 132/33 kV			100
Food Park 132/33 kV			100
Bagnan GIS 132/33 kV			100
Kurseong 132/33 kV			30

Line Bays

- Construction of 220 kV Line Bays at Dalkhola 200 kV sub-station (on deposit work);
- Construction of Bays at Haldia NIZ, Birsingha and Chandrakona Road sub-stations;
- Construction of Transformer Bays at Arambag (400 kV), Jeerat (400 kV), Laxmikantapur (220 kV) and Uluberia (132 kV).

Augmentation of Transformer Capacity

	Name of Sub-station	Capacity Addition
a)	Arambag 400/220/132/33 kV	315 MVA
b)	Jeerat 400/220/132 kV	315 MVA
c)	Laxmikantapur 220/132/33 kV	160 MVA
d)	Kasba 220/132 kV	160 MVA
e)	Uluberia 132/33 kV	50 MVA

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Transmission Lines

Following transmission lines have been taken up for execution which would result in further addition of around 1348 ckm from the financial year 2012-13 :

- KTPS - Kharagpur 400 kV S/C Line
- LILO of KTPS – Baripada 400 kV S/C line at Kharagpur
- NJP – TLDP-III 220 kV S/C Line
- NJP – TLDP-IV 220 kV D/C Line
- TLDP III – TLDP-IV 220 kV S/C Line
- Jeerat – Rishra 220 kV D/C Line
- Kharagpur – Midnapur 220 kV D/C Line
- Dalkhola (PG) – Dalkhola 220 kV D/C Line
- LILO of Howrah – Domjur 220 kV D/C at Foundry Park
- LILO of 1 CKT of STPS – N. Bishnupur 220kV D/C at Hura
- Subhasgram (PG) – Saitala Point 220 kV D/C Line
- Hura – Raghunathpur 220 kV D/C Line
- Foundry Park – Bagnan 132 kV D/C Line
- Hura – Purulia 132 kV D/C Line
- Jeerat – Mohispota 132 kV D/C Line
- Domjur – Chanditala 132 kV D/C Line
- Gokarna – Lalgola 132 kV D/C Line
- New Town AA-III – Salt Lake GIS 132 kV D/C Line
- LILO of Siliguri (PG) – Rangit 132 kV S/C Line at Kurseong
- Birshingha – Chandrakona Road 132 kV D/C Line
- LILO of 1 CKT of KTPS – Uluberia 132 kV D/C Line at Bagnan
- Amtala – Najirpur 132 kV D/C Line
- LILO of 1 CKT of Howrah (DVC) – Kolaghat (DVC)132 kV D/C Line at Food Park
- Food Park – Ambuja 132 kV D/C Line
- Laxmikantapur – Kakdwip 132 kV D/C Line
- Subhasgram – Nayadiara 132 kV D/C Line

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In addition, following projects are under execution during 2012-13 in operational sub-stations and transmission lines.

- Sub-station distribution capacity enhancement by replacement of 132/33 kV, 31.5 MVA transformers by 132/33 kV, 50 MVA transformers at 11 Nos. sub-stations;
- Construction of 38 Nos. 33 kV bays at different sub-stations in South & North Bengal for capacity enhancement of power for distribution utilities;
- Improvement of transmission voltage and quality of power by installing capacitor banks of 140 MVAR at different sub-stations;
- Replacement of 33 kV and 132 kV breakers at different sub-stations;
- Up-gradation of relay and instrumentation by installation of numerical relays at different sub-stations;
- Construction of various lines, bays, etc. for effecting power supply to different bulk consumers of 132 kV and above voltages;
- Diversion of existing transmission lines and re-location of towers at different locations to facilitate construction of proposed Metro Railway / Railway tracks and widening of National Highways.

The availability of land for construction of new sub-stations and right of way for erection of transmission lines are vital necessities for timely and smooth implementation of expansion plans of the transmission sector. With increasing population density over the years, availability of land for industry, infrastructure and habitation is becoming problematic day by day all over India. This is particularly true for West Bengal, where the fertility of the land and the high percentage of people dependant on agriculture for their livelihood makes acquisition of land difficult for most projects and acts as a stumbling block in the development of industry and infrastructure – equally vital necessities for the economic well being of the State. Given the fact that most people have strong emotional attachment to land, the formulation of a well thought out land acquisition and rehabilitation policy; which will ensure adequate availability of land for habitation as well as provide sustainable source of alternative income generation, is of paramount importance to surmount the resistance that is presently faced in undertaking industrial and infrastructure projects. As a consequence of such imbroglio, projects under implementation are often delayed or have to be abandoned midway, leading to time and cost over runs in the projects, besides leading to deferment and/or curtailment of the social and economic benefits that were to be derived from them. While the National and State Governments are in the process of framing suitable policies in this regard, the urgency of implementation of an equitable and rational land acquisition and rehabilitation policy cannot be overemphasized for maintaining the pace of progress of the country.

In common with many other institutions, the Company too has faced delays in the execution and completion of many of its projects, which are necessary for the orderly development of the power sector in the State and is linked to the commitment to reach electricity to every village and meet the increasing demand of existing users of electricity. The projects which are incomplete / stalled, as on 31.03.2012, due to non-availability of sub-station land or due to problems associated with 'right of way' during execution of transmission lines are as under :

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- Work of Nazirpur 132/33 kV sub-station could not be commenced due to problem in acquisition of land in spite of payment of cost of land to the District Collector. 21 out of total 49 tower foundations of 132 kV D/C Amtala-Nazirpur line were completed but further work was stopped due to uncertainty on the availability of land for the Nazirpur sub-station.
- New Town 220/132/33 kV sub-station was commissioned with incoming power supply being provided by LILO of one circuit of the 220 kV D/C Jeerat - Laxmikantapur line. The other circuit could not be drawn due to the collective resistance from the villagers of Bhagawanpur Mouza / village under P.S. Bhangar, Dist. 24 Parganas (S).
- New Town 132/33 kV sub-station was completed and back-charged from 33 kV supply source long back. But it is yet to be connected with New Town 220/132 kV sub-station since the balance work of the transmission line along WBHIDCO approved route could not progress due to severe and prolonged right of way problems.
- Subhasgram 220/132/33 kV sub-station in 24 Parganas (S) District was commissioned long back in September 2009. But the progress of work on the 132 kV D/C Subhasgram – Nayadiyara line meant for improvement of power availability in command area of Sonarpur, Amtala, Behala and for catering to additional loads could not be completed due to severe right of way constraints.
- Mohispota 132/33 kV sub-station in 24 Parganas (N) district was back-charged from 33 kV supply source since the balance work of 24 tower foundations of the incoming 132 kV D/C line from Jeerat could not be completed due to severe ROW problem. Consumers of Barasat, Titagarh, Nilganj Road, Kharda, Sodepur areas are thus deprived from getting reliable and quality power supply from Mohispota sub-station which is lying idle.
- 220/132/33 kV sub-station at Singur at Hooghly district was back charged from 33 kV supply source since work of incoming 220 kV line could not be commenced due to ROW issues. Subsequently, tender for construction of 220 kV LILO of 220 kV S/C Arambag- Rishra line following alternative route along I&W Dept and NHAI land and partly using monopoles has been finalized at a substantially higher cost.
- Work on Gokarna 400 kV sub-station could not commence due to local resistance even after acquisition of land. Land for proposed Chanditala 400 kV sub-station has still not been received because of non-cooperation of the land owners demanding huge compensation. Commencement of work on these two 400 kV sub-stations and associated 400 kV lines is urgently required since prolonged delay in getting land will jeopardize evacuation of power from the on-going Sagardighi generating station project (2x500 MW).
- Progress of work on Foundry Park 220/132/33 kV and Food Park 132/33 kV sub-stations are affected from time to time in view of stoppage of work by barricading of project work site by land owners claiming non-receipt of land compensation from local Collectorate.
- Day to day progress of ongoing transmission lines are also being affected delaying completion of the projects due to persistent way leave problems and objections from the land owners to the ongoing project work.

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Technological Initiatives

A well designed and integrated transmission system is a prerequisite for optimal utilization of energy and achieving the larger goal of environmental sustainability. As a state Transmission Utility, WBSETCL has facilitated development of a robust power transmission system throughout the length and breadth of the State of West Bengal. Many technological initiatives have been undertaken with a focus on long term sustainability and to serve the growing energy needs.

- Utilization of monopole towers and narrow based Lattice Towers in congested areas.
- Application of Thermo Vision Scanning in sub-station for detecting Hot Spot in situ and initiating preventive maintenance / repair work before breakdowns.
- Installation of Gas Insulated sub-station to reduce sub-station land requirement.
- Phase-wise augmentation of existing line capacity by replacement of high ampicity < conductors and erecting multi-circuit towers.
- Procurement of Emergency Restoration System (ERS) and other diagnostic tools & equipment to reduce the down time and increase the system availability in case of failure of 400 kV, 220 kV & 132 kV Towers.
- Laying of underground XLPE cables in congested urban areas.
- Utilization of modern survey techniques for route selection and length optimization.

State Load Despatch Centre

Transmission and Grid Management are essential functions for smooth evacuation of power from the generating stations to the DISCOM/consumers. Grid Management ensures moment-to-moment power balance in the interconnected power system to take care of reliability, security, economy and efficiency of the power system. Grid Management in the State is carried out in accordance with the Grid Codes issued by West Bengal Electricity Regularity Commission (WBERC).

The State Load Despatch Centre (SLDC) of the Company is responsible for :-

- Optimum Scheduling and economic dispatch of electricity.
- Ensuring Grid Security through round-the-clock monitoring of the Power System Network of the State of West Bengal.
- Keeping accounts of the quantity of electricity transmitted through the WBSETCL Network.
- Keeping accounts of Unscheduled Interchanges of electricity and Billing of these U/I energies.
- Allowing non-discriminatory open access to STU network considering network permissibility.
- Preparing capacity charge and variable charge in respect of WBPDCL power plants and energy charge of other constituents on monthly basis.

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The SLDC is assisted by four Area Load Despatch Centres for data acquisition and transfer to SLDC and supervisory control of 132 kV and 33 kV equipment.

During the year under review, the grid performance improved due to implementation of modernization of SLDC with state-of-the art technology and manning it by skilled and experienced personnel.

		LOAD MANAGEMENT MONITORED BY SLDC	2011-12	2010-11
(A)	1.	Energy consumption in WBSEDCL (Own System)	26302.708 MU	24773.662 MU
	2.	Supplied to CESC	998.269 MU	1163.795 MU
	3.	Energy consumption of West Bengal System (excluding valley area served by DVC)	41327.367 MU	39550.620 MU
(B)		No. of planned shut downs in WBSETCL under maintenance programme	4183	5196

Availability of Transmission Lines 2011-12

Availability	99.93%

Tripping of Lines during 2011-12

Line voltage	No. of line	Tripping rate in 2011-12
400 kV	11	2.62
220 kV	45	
132 kV	209	
66 kV	15	

Tripping of lines have come down so significantly that it can be reckoned as a benchmark achievement.

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Operation & Maintenance

Operation and Maintenance (O&M) methodology has been standardized throughout the Company.

To maintain high availability, WBSETCL employs state-of-the-art technology in operation and maintenance of its assets. Equipment health is being assessed periodically using 'condition assessment techniques' with sophisticated tools. All shut down and on-line maintenance activities are planned in advance and an "Annual Maintenance Plan" is worked out for each and every asset. Standardized documents of maintenance schedule, procedures and formats have been developed for all assets. Periodical reviews are conducted at Sub-stations and Area Offices to evaluate implementation of the systems and procedures. Major thrust is given on preventive maintenance which involve :

- Residual Life Assessment (RLA) of EHV equipment of different sub-stations has been completed. Action for replacement of equipment having no residual life has already been started in phased manner.
- For improvement of voltage and power factor, additional 182 MVAR Capacitor Banks have been installed in 33 kV system of 132 kV transmission sub-stations.
- The old and aged Circuit Breakers (18 Nos.) in the system network have been replaced to ensure stable power flow.
- A program has been taken up on war footing for renewal of old and worn out sub-station infrastructures like Control Room Buildings, Switch Yard installations, Earthing systems of the switch yards, Roads & Pathways inside the substations premises and store yards. While renovation jobs have been completed in nine sub-stations, work in another ten sub-stations is in progress.
- For disaster management in Transmission System and enabling fast restoration of services after breakdowns, acquiring of Emergency Restoration System (ERS) is in process.
- Hot line maintenance of Transmission Lines / sub-stations in live line condition, on line filtration in operating transformers, etc. is under contemplation.
- Replacement / use of polymer insulators in place of ceramic insulator in environmentally polluted areas.

Integrated Management Policy

WBSETCL is committed to :

- establishing and maintaining an efficient and effective "Grid" with due regard to time, cost, technology and value addition,
- sustainable development through conservation of natural resources and adoption of environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- ensuring safe, occupational hazard free and healthy work environment,

to the satisfaction of stakeholders in all spheres of its activities and endeavour to continually improve its management systems and practices in conformity with legal and regulatory provisions.

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Risks and concerns

- Revenue from transmission charges is collected based on the tariff fixed by WBERC, which stipulates the Aggregate Revenue Requirement (ARR) to be recovered from the consumers by way of tariff during the year under consideration. Any radical change in the terms and conditions of tariff determination as well as disallowance of any of the ARR components may have a significant impact on the profitability of WBSETCL.
- Since transmission business is capital intensive in nature and renders a feeder service to generation and distribution utilities, major changes in the business plans of such entities will have a significant impact on the business plan of WBSETCL. Any delay in commissioning / abandoning of new generating unit or downstream power distribution networks might result in stranded investment in associated transmission infrastructure.
- Construction of several sub-stations and transmission lines, which will facilitate evacuation of new generation capacity and meet additional demand, are facing serious challenges due to opposition from a section of landowners (especially, in case of tower foundations for lines). Inordinate delay in acquisition of appropriate land for sub-stations and Right of Way for transmission lines are major risks in project implementation which are potential threats to timely completion of these projects within sanctioned project cost, besides jeopardizing the Company's ability to provide in time infrastructure required for evacuation of power from upcoming generating stations and/or meeting load growth.
- The number of good and reliable turn-key contractors for execution of sub-stations and transmission line projects are limited. Since all states are accelerating their investments in transmission, availability of capital goods or capable turnkey contractors for timely execution of projects can pose a problem.

Internal Control Systems and their Adequacy

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

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

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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 Internal Technical Audit Guidelines and rolled out technical audit. The technical audit findings and action arising out of technical audits are placed before the Audit Committee periodically.

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

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 unforeseen factors which may come into play and affect the actual results, which could be different from those expressed or implied in respect of future performance and outlook.

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Annexure -II

CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance, disclosure and transparency right from its incorporation. It has been a core belief and practice with the Company to consider itself as the custodian and trustee of all the stakeholders and constituents of its business. WBSETCL has sought and will continue to seek corporate excellence and profits through ethics, passion and perseverance.

The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants in the Company. All strategic and major decisions regarding investment, procurement, commercial and finance are proceeded with after approval of the Board.

The powers of the internal participants, i.e., top executives and below are laid down in the well-established and practiced "Delegation of Powers". WBSETCL has also prepared and implemented "Procurement Policy and Procedures" for Pre-award and Post-award Stages with a view to making the policies and procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.

Besides adhering to the provisions of Corporate Governance as per Listing Agreement with BSE (under wholesale debt market), as a Government Company - Guidelines on Corporate Governance issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India, are also followed by the Company.

A brief report on Corporate Governance is given below.

Board of Directors

WBSETCL is a Government Company, under the provisions of Section 617 of the Companies Act, 1956 and its entire share capital is held by the Governor of West Bengal and his nominees.

As per its Articles of Association, the power to appoint Directors rests with the Governor of West Bengal. The Whole-time Directors are appointed for a period of three years from the date of taking over of charge or till the date of superannuation of the incumbent or till further instruction from the Government of West Bengal, whichever event occurs earlier.

Government Nominee Directors representing Departments of Power & NES and Finance, Government of West Bengal, retire from the Board on ceasing to be officials of those Departments.

Independent Directors have been appointed by the Government of West Bengal, usually for tenure of three years.

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During the year under review, due to induction / cessation, the composition of the Board has undergone changes. As on 31st March, 2012, the Board comprised eight Directors

- Two Government Nominee Directors including the Chairman;
- Four Whole-time Directors including the Managing Director; and
- Two Independent Directors.

The following was the composition of the Board of Directors on 31.03.2012 :

Category	No. of Directors	Percentage to total number of Directors
Executive Director	4	50%
Non-Executive	4	50%
Total	8	100%

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The details of the Directors and their attendance in the Board Meetings held during the year 2011-2012 are given below :

Name of Directors	Category	DIN	Tenure		Number of Board Meeting attended
			From	To	
Shri Malay Kumar De	Chairman	00117655	01.04.08	Continuing	Four
Shri Amaresh Ch. Sarkar	Managing Director	02473276	14.12.10	Continuing	Five
Shri Durgadas Goswami	Director (H.R)	02847619	07.12.09	Ceased on 18.09.11	Two
Shri Dilip Kumar Dey	Director (Projects)	02882249	08.12.09	Continuing	Five
Shri Anjan Chowdhuri	Director (F & A)	03144031	01.07.10	Continuing	Five
Shri Subrata Nag	Director (Operations)	03415795	17.01.11	Continuing	Four
Shri Chanchal Mal Bachhawat	Govt. Nominee Director	02302769	01.08.09	Ceased on 11.01.12	Nil
Shri Hari Krishna Dwivedi	Govt. Nominee Director	01952502	03.02.12	Continuing	Nil
Shri Tapan Mitra	Independent Director	00101574	01.04.08	Ceased on 14.05.11	One
Shri Sreekumar Majumdar	Independent Director	00004726	01.04.08	Continuing	Five
Shri Partho S. Datta	Independent Director	00040345	01.04.08	Ceased on 16.05.11	One
Prof. Tapan Kumar Basu	Independent Director	01849330	01.04.08	Continuing	Five

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Other Directorship of Board Members as on 31.03.2012 :

Director	Category	Other Directorship	
		Name of the Company	Position held
Shri M. K. De	Chairman	West Bengal Green Energy Development Corporation Limited	Chairman
		Bengal EMTA Coal Mines Limited	Chairman
		West Bengal State Electricity Distribution Company Limited	Director
		West Bengal Housing Infrastructure Development Corporation Limited	Director
		West Bengal Power Development Corporation Limited	Director
		W.B. Infrastructure Development Finance Corporation Ltd.	Director
Shri A. C. Sarkar	Managing Director	None	
Shri D. Goswami	Director (HR)	West Bengal State Electricity Distribution Company Limited	Director
Shri D. K. Dey	Director (Projects)	None	
Shri A. Chowdhuri	Director (F&A)	None	
Shri S. Nag	Director (Operations)	None	
Shri C. M. Bachhawat	Director (Govt. Nominee)	W.B.I.D.F.C. Ltd.	Chairman
		W.B.F.C.	Director
		West Bengal Industrial Development Corporation	Director
		West Bengal Electronic Industrial Development Corporation	Director
		W.B.I.I.D.C. Ltd.	Director
		West Bengal Power Development Corporation limited	Director
		West Bengal State Electricity Distribution Company Limited.	Director
		Kolkata Metro Rail Corporation Limited	Director
		West Bengal Police Housing Corporation	Director

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Director	Category	Other Directorship	
		Name of the Company	Position held
Shri H. K. Dwivedi	Director (Govt. Nominee)	W.B.I.D.F.C. Ltd.	Director
		West Bengal Police Housing Corporation Ltd.	Director
		W.B. Industrial Dev. Corporation Ltd.	Director
		W.B. Electronics Ind. Dev. Corporation Ltd.	Director
		W.B.I.I.D.C. Ltd.	Director
		W.B. Power Dev. Corporation Ltd.	Director
		W.B. State Electricity Distribution Co. Ltd.	Director
		Kolkata Metro Rail Corporation Ltd.	Director
Shri Tapan Mitra	Independent Director	Thermax Limited	Director
		Essel Propack Limited	Director
		West Bengal Power Development Corporation Limited	Director
		West Bengal State Electricity Distribution Company Limited	Director
Shri Sreekumar Majumdar	Independent Director	None	
Shri Partho S. Datta	Independent Director	Endurance Technologies Limited	Director
		Peerless Funds Management Co. Ltd.	Director
		IRIS Business Services Limited	Director
		HDFC Bank Limited	Director
Prof. T. K. Basu	Independent Director	None	

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

Meetings and Attendance

The Company follows the Governance Policy that the Board meet at least four times in a year, once in every three months – the intervening period between two Board meetings not exceeding the maximum gap of 120 days.

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Board Procedure

The Board meets at regular intervals and Meetings are generally scheduled well in advance so as to enable the Directors in scheduling their program accordingly. The agenda of the meeting is circulated among the members of the Board well in advance along with proper reports, recommendations and supporting documents, so that each Board member can actively participate on each agenda item during the meeting. The members of the Board have complete access to all the information of the Company. Senior officials are invited to attend Board meetings to provide clarification as and when required. All statutory, significant and material information is placed before the Board.

The information regularly supplied to the Board, inter-alia, includes :

- Report on action taken on last Board Meeting decisions;
- Minutes of meeting of the Board and Board Committees, resolutions passed by circulation;
- Periodical operational and financial results of the Company;
- Disclosures received from Directors;
- Regular business updates;
- Annual operating & capital expenditure budgets and any updates;
- Half-yearly and Annual Accounts, Auditors' 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.

The Board of Directors met five times during the year on 12th May 2011, 2nd August 2011, 26th September 2011, 11th November 2011 and 21st February 2012. The interval between any two successive meetings was less than four months.

Sl. No.	Date	Board strength	No. of Directors present
1	12.05.2011	11	10
2	02.08.2011	9	8
3	26.09.2011	8	7
4	11.11.2011	8	5
5	21.02.2012	8	7

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Post-meeting follow-up system :

The Governance process in the Company include 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 :

Date	Venue	Type of Meeting	Resolutions adopted
11.08.08	Registered Office	First A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.** Power of Borrowing limit u/s 293(1)(d) of the Companies Act, 1956 enhanced to Rs. 5000 crore. **Passed by Ordinary Resolution.** Board was empowered u/s 293(1)(a) of the Companies Act, 1956 to create charge on company's assets. **Passed by Ordinary Resolution.**
27.03.09	Registered Office	First A.G.M (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the first financial year ended 31/3/2008 adopted by **Ordinary Resolution.**
27.03.09	Registered Office	E.G.M.	Board was authorized, pursuant to Section 81(1A) of the Companies Act, 1956, to issue equity shares of Rs. 294 crore in favour of Governor of West Bengal. **Passed by Special Resolution.**
17.12.09	Registered Office	Second A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.**
29.12.09	Registered Office	Second A.G.M. (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2009 adopted by **Ordinary Resolution.**
16.09.10	Registered Office	Third A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2010, adopted by **Ordinary Resolution.**
26.09.11	Registered Office	Fourth A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2011, adopted by **Ordinary Resolution.**

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Committees of the Board of Directors

The following Committees constituted by the Board are functional :

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

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

Composition

The composition of Board Committees and details of attendance in Committee Meetings held during 2011-12 are shown below :-

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

Keeping in mind the best practices of corporate governance, ensuring transparency and speed 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.

Name of the Director	Meetings	
	Held	Attended
Shri M. K. De, Chairman	3	1
Shri A.C. Sarkar, Member	3	3
Shri A. Chowdhuri, Member	3	3
Shri Partho S. Datta, Member	1	1
Shri S. Majumdar, Membar	3	3
Shri Dilip Kumar Dey, Member	3	3
Shri Subrata Nag, Member	3	2

(b) Board Committee for Projects Appraisal and Monitoring

The Board Committee for Projects Appraisal and Monitoring exercise powers in relation to the investment decisions for new projects/schemes for modernization/renovation including according administrative and technical sanctions and monitoring status of various ongoing projects/Schemes and Budget utilization.

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Name of the Director	Meetings	
	Held	Attended
Shri M. K. De, Chairman	3	2
Shri A. C. Sarkar, Member	3	3
Shri A. Chowdhuri, Member	3	3
Shri S. Majumdar, Member	3	3
Prof. T. K. Basu, Member	3	3
Shri D. K. Dey, Member	3	3
Shri S. Nag, Member	3	2

(c) Audit Committee

The Board of Directors in terms of the provisions of Section 292A of the Companies Act, 1956 and adhering to the corporate governance norms, constituted the Audit Committee. The Members of Audit Committee bring with them vast experience in the field of operations, finance and accounts and the Company is immensely benefitted from the deliberations of the Audit Committee. Besides the Committee members, Director (F&A), Chief of Internal Audit, Statutory Auditors of the Company are standing invitees in the Audit Committee meetings. Senior functional executives are also invited as and when required to provide inputs to the Committee.

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The quorum is either two members or one third of the Members of the Audit Committee, whichever is greater, but there shall be a minimum of two independent members present.

Five meetings of Audit Committee were held during the Financial Year 2011-12, on 12.05.11, 02.08.11, 26.09.11, 11.11.11 and 21.02.2012.

Attendance at Audit Committee Meetings is given below :

Name of the Director	Meetings	
	Held	Attended
Shri Partho S. Datta, Chairman (upto May 2011)	1	1
Shri Tapan Mitra, Member	1	1
Shri Durgadas Goswami, Member	1	1
Prof. T. K. Basu, Chairman (from June 2011)	5	5
Shri S. Majumdar, Member	5	5

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The Chairman of the Company, Managing Director, Director (F&A), Chief of Internal Audit, Statutory Auditors and Cost Auditors are standing invitees in the Audit Committee meetings.

The Audit Committee, 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; and
- Compliance with all relevant statutes.

The Audit Committee have powers, which include the following :

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. To consider other matters as referred by the Board.

The Role of the Audit Committee includes the following :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
2. Fixation of audit fees to be paid to statutory auditors appointed by Comptroller & Auditor General under the Companies Act, 1956 and approval for payment with respect to any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :

a) Directors' Responsibility Statement for inclusion in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.
f) Disclosure of any related party transactions.
g) Qualifications in the draft audit report.

4. Reviewing, with the management, the half-yearly financial statements before submission to the Board for approval.
5. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure, coverage and frequency of internal audit.
7. Discussion with internal auditors on any significant findings and follow up thereon.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Issue of Bonds :

a) The Company, to retire high interest bearing loan, issued 9.75% - 10 year secured bonds of Rs. 183 crore, on 16th October 2009, on private placement basis.

b) Further, for part financing capital expenditure undertaken as well as to pre-pay high cost term loan availed, the Company issued 10.29% - 10 year secured bonds of Rs. 250 crore, on 26th July 2011, on private placement basis.

The aforesaid bonds are listed with Bombay Stock Exchange in Wholesale Debt Market (WDM).

Apart from the applicable provisions of the Companies Act, 1956, issue of Bond is governed by SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Debt Listing Agreement with Bombay Stock Exchange and Trustee Agreement. The Company has complied with all the statutory requirements.

Shri Srikumar Chattopadhyay, Company Secretary, has been designated as the 'Compliance Officer' for complying with the statutory requirements relating to issue of Bonds.

Compliance with Applicable Laws :

Compliance Report with factual details of nature of statutory compliance, as applicable to the Company, was placed before the Board. The Board had reviewed the compliance with applicable laws and found there has been no case of non-compliance as on 31.03.2012.

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Disclosures :

Considering the size and nature of business, there was no materially significant related party transaction that may have a potential conflict with the interests of the Company at large. There was no pecuniary relationship or transaction with non-Executive Directors.

The Company has complied with the requirements of the Listing Agreement with BSE (under wholesale debt market segment) as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter.

Risk Management :

Risk management is an integral part of business process for identifying and assessing the inherent risks and effectively responding to them. The Company continuously lays emphasis on ensuring effective reporting and compliance with laws and regulations. This exercise contributes to good corporate governance by providing reasonable assurance to Board that the organizational objectives will be achieved with a tolerable degree of risk in complying with the regulatory framework.

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Annexure -III

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1999 READ WITH SECTION 217(1) (e) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY :

Energy conservation measures taken and on hand :

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 O&M 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.

Following steps are being taken to conserve energy/reduce energy loss :

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

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

iii) Transmission Capacity Enhancement by installation of additional transformers;

iv) Augmentation of 31.5 MVA to 50 MVA transformer at different sub-stations with associated bays for system improvement;

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

vi) Replacement of old electrical equipment with new energy efficient equipment;

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

B. RESEARCH & DEVELOPMENT :

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

C. TECHNOLOGY ABSORPTION :

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

i) GIS technology has been adopted for sub-stations where severe space constraints exist;

ii) For efficient Grid Management, continuous upgradation of the State Load Despatch Centre through technologies like Intelligent Grid comprising wide area monitoring, adoptive islanding, voltage security assessment;

iii) Modern survey techniques are being employed for route selection and length optimisation;

iv) Adoption of SF6 gas filled current transformers on experimental basis;

v) Utilization of high ampicity 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) Special insulators like Polymer composite insulators have been adopted in transmission lines particularly in polluted areas;

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

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

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

D. FOREIGN EXCHANGE EARNING & OUTGO :

i) Foreign Exchange Earning ..... Nil

ii) Foreign Exchange Outgo ..... Nil

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors' Comment	Management Replies
5.1	As regards the assets and liabilities re-vested to the Company on 01.04.2007 by Govt. of West Bengal ('GoWB'), the differences in some of the balances in the subsidiary ledgers and general ledger are pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities will be given on such reconciliation and identification. (refer Note Nos. 22, 24.1.1, 24.2, 24.3, 24.4 & 28).	During the year the scope of the Internal Audit was enlarged to include identification of such differences. Besides this, Special Audit by Firm of Chartered Accountants was also conducted for this purpose. Accordingly, balances of inventories of Arambagh Unit were verified physically by the Special Audit Team and the discrepancies including those pertaining to periods prior to 01.04.2007 were properly dealt with in the books of account of the Company.(Refer to point (ii)(c) of Annexure to Auditors' Report). Thus, the management has taken steps for reconciling differences appearing at certain units pertaining to Current Assets and Liabilities. The consequential adjustment will be made after the process of identification/reconciliation is over which is expected to be completed by the next Financial Year.
5.2	Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is in non-compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer Note No. 23.1).	Most of the leasehold land is on lease for a period of over 99 years which do not need to be amortized. The Company is of the opinion that value and volume of leasehold land with a lease of less than 99 years are not material. Process of identifying land with lease periods of shorter tenure is ongoing.
5.3	Non-reconciliation of persisting differences between CWIP Register and General Control Register in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification (refer Note No. 23.3).	During the year the scope of the Internal Audit was enlarged to include identification of such differences. Such differences in certain items of some units are relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.

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COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors' Comment	Management Replies
5.4	The registration of transfer of land (freehold & leasehold) and buildings re-vested in favour of the Company is pending in certain cases (refer Note 23.4).	The formalities for registration of transfer of the land & buildings acquired prior to 01.04.2007 and re-vested in favour of the Company are still under process of transfer.
5.5	Valuation of Inventories at cost is in non-compliance of AS – 2, 'Valuation of Inventories' issued by ICAI, requiring valuation at lower of cost and net realizable value.	The Company deals with around 2500 number of materials due to which it is difficult to obtain the net realizable value of such a huge number of items on a particular date. Hence the Company follows the policy of valuation of inventories at weighted average cost.
5.6	Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification (refer Note No. 24.1.2).	In some units the slow/non moving, obsolete inventories are in the process of identification and necessary classification. On completion of the process, provision for loss, if required, will be made. For other units, a provision of Rs. 781.15 lakhs being full value of items identified as obsolete was made in the previous years. An amount of Rs. 96.64 lakhs being the book value of items identified as obsolete during the year has been adjusted with the above provision in the Current Year.
5.7	Due to non-receipt of confirmations of certain balances of Loans and Advances, material with contractors, Trade Payables and Advance from Customers, the consequential adjustments, if any, to be made on receipt thereof (refer Note Nos. 25.24.1.2).	Letters had been issued for confirmation of balances in Loans and Advances, material with contractors, Trade Payables and Advance from Customers, against which confirmations are yet to be received. Consequential adjustment, if any, would be made on receipt of such confirmation.
5.8	Non-reconciliation of Inter-Unit Balances amounting to Rs 130.53 Lakhs as at year end, the impact thereof on the Statement	Reconciliation of Inter-Unit balances for Fund Transfers and Capitalization of Assets have been completed and the exercise for the balances

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COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors' Comment	Management Replies
5.8	of profit & loss and other assets and liabilities is not ascertainable (refer Note Nos. 27 & 28).	pertaining to other transactions aggregating to Rs. 130.53 Lakhs is under process. The resultant impact of such differences between control accounts and subsidiary ledger and those of un-reconciled balances in Inter-Unit account on the affected accounts of income, expenditure, assets and liabilities are presently not ascertainable and shall be accounted for only on the reconciliation process being completed.
5.9	Pending agreement between WBSEDCL and the Company, no counter claim/ reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies (refer Note No. 29.1).	In absence of any agreement between WBSEDCL and the Company, no counter claim/re-imbursement of expenditure have been recognized or accounted for in the books with respect to use of buildings, infrastructure and other facilities enjoyed by WBSEDCL or vice-versa. The actual expenditures of such facilities are borne by the company owning such facilities.

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Para Ref.	CARO - Auditors' Comment	Management Replies
(i)	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31.03.2010. The updation of the register for the additions pertaining to the years 2010-11 & 2011-12 is in progress.	The Asset Register is being updated for the additions pertaining to the year 2010-11 and 2011-12.
	(b) As informed to us, the fixed assets as on 31.03.2010 have been got physically verified by an outside agency, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.	Informative, hence No Comments.
	(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.	Informative, hence No Comments.
(ii)	(a) The management has conducted physical verification of inventories at year end at most of the Units during the year.	The management has conducted physical verification of stocks at its entire store Units.
	(b) In our opinion, the procedures of physical verification of inventories needs to be further strengthened since the identification of slow moving/non-moving and obsolete inventories is still under progress.	The process of identification/ classification of the slow/non moving, obsolete inventories have already been initiated and a provision of Rs. 781.15 Lakhs being full value of items identified as obsolete has been made in previous years against which an amount of Rs. 96.64 Lakhs being the book value of items identified as obsolete during the year has been adjusted in the Current Year.
	(c) Proper records of inventory are not being maintained at some of the Units of the Company. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records of Arambagh Unit were not material and the same have been properly dealt with in the books of account. The reconciliation of physical stocks and the book records of other Units are under progress.	Out of the Inventories of Rs.11638 Lakhs re-vested with the Company as on 01.04.2007, the materials at certain locations remain to be reconciled with the books of accounts of the Company in absence of necessary details. As stated above the management has conducted physical verification of stocks and is in the process of reconciling the same with the book records wherever necessary details are available. Differences, if any, found after the reconciliation will then be duly adjusted and accounted for.

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Para Ref.	CARO - Auditors' Comment	Management Replies
(iii)	The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.	Informative, hence No Comments.
(iv)	In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. The Company did not undertake any activity of sale of goods. During the course of our audit, we have not observed any major weaknesses in the internal control system.	Informative, hence No Comments.
(v)	According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act.	Informative, hence No Comments.
(vi)	No deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder have been accepted by the Company.	Informative, hence No Comments.
(vii)	The Company has a system of internal audit done departmentally and through outside agencies. In our opinion, the same needs to be further strengthened and the scope enlarged.	During the year the scope of the Internal Audit was enlarged. Besides this, Special Audit by Firm of Chartered Accountants was also conducted for this purpose. Accordingly, balances of inventories of Arambagh Unit were verified physically by the Special Audit Team and the discrepancies including those pertaining to periods prior to 01.04.2007 were properly dealt with in the books of account of the Company. (Refer to point (ii)(c) of Annexure to Auditors' Report). Audit of 71 nos. of Units out of a total of 104 Units have been carried out in F.Y. 2011-12. The coverage for 2012-13 has been targeted for 80 nos. and the scope has also been enlarged.

Para Ref.	CARO - Auditors' Comment	Management Replies
(viii)	As informed to us, the Company has made and maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Act. However, as is not required, we have not made a detailed examination of such records.	Informative, hence No Comments.
(ix)	(a) According to the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding, as at 31st March 2012 for a period of more than six months from the date they became payable.	Informative, hence No Comments.
	(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.	Informative, hence No Comments.
(x)	The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.	Informative, hence No Comments.
(xi)	In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.	Informative, hence No Comments.

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Para Ref.	CARO - Auditors' Comment	Management Replies
(xii)	According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	Informative, hence No Comments.
(xiii)	The Company is not a chit fund or a nidhi/ mutual benefit fund/society.	Informative, hence No Comments.
(xiv)	In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.	Informative, hence No Comments.
(xv)	According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.	Informative, hence No Comments.
(xvi)	In our opinion and according to the informations and explanations given to us, the term loans have been applied for the purposes for which they were raised.	Informative, hence No Comments.
(xvii)	According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the Company has not raised funds on short term basis during the year.	Informative, hence No Comments.
(xviii)	The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.	Informative, hence No Comments.
(xix)	According to the information and explanations given to us, during the period covered by our audit report, the Company has issued 10.29% 2,500 Market Bonds of Rs 1,000,000 each aggregating to Rs. 25,000 Lakhs. The Company has created security in respect of such bonds issued.	Informative, hence No Comments.

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Para Ref.	CARO - Auditors' Comment	Management Replies
(xx)	The Company has not raised any money by public issue during the year.	Informative, hence No Comments.
(xxi)	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.	Informative, hence No Comments.

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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/ 2011-12/ 684
Date:- 17.09.2012

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

Sub: Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2012.

Sir,

I am to forward herewith the Comments under Section 619 (4) of the Companies Act, 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2012.

Yours faithfully,

(S. K. De)
Deputy Accountant General (ESA-II)
West Bengal

Encl: As stated.

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20.07.2012.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

(M. Ray Bhattacharyya)
Accountant General (E&RSA)
West Bengal

Dated at Kolkata
The 17 September 2012

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AUDITORS' REPORT

To the Members of

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

1. We have audited the attached balance sheet of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (hereinafter referred to as 'WBSETCL' or 'the Company') as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the Electricity Act, 2003 (hereinafter referred to as the "said Act"). Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1998, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of the said Act, continued to be applied by the Company while preparing the financial statements. Further, the provisions of the said Act read with the rules thereunder have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. We report as below (All references are to Notes to the financial statements)

5.1 As regards the assets and liabilities re-vested to the Company on 01.04.2007 by Govt. of West Bengal ('GoWB'), the differences in some of the balances in the subsidiary ledgers and general ledger are pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities will be given on such reconciliation and identification. (refer Note Nos. 22, 24.1.1, 24.2, 24.3, 24.4 & 28).

5.2 Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is in non-compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer Note No. 23.1).

5.3 Non-reconciliation of persisting differences between CWIP Register and General Control Register in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification (refer Note No. 23.3).

5.4 The registration of transfer of land (freehold & leasehold) and buildings re-vested in favour of the Company is pending in certain cases (refer Note 23.4).

5.5 Valuation of Inventories at cost is in non-compliance of AS – 2, 'Valuation of Inventories' issued by ICAI, requiring valuation at lower of cost and net realizable value.

5.6 Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification (refer Note No. 24.1.2).

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5.7 Due to non-receipt of confirmations of certain balances of Loans and Advances, material with contractors, Trade Payables and Advance from Customers, the consequential adjustments, if any, to be made on receipt thereof (refer Note No. 25).

5.8 Non-reconciliation of Inter-Unit Balances amounting to Rs. 130.53 Lakhs as at year end, the impact thereof on the Statement of Profit & Loss and other assets and liabilities is not ascertainable (refer Note Nos. 27 & 28).

5.9 Pending agreement between WBSEDCL and the Company, no counter claim/reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies (refer Note No. 29.1).

6. The effect of our observations made by us in paragraphs 5.1 to 5.3, 5.5 to 5.8 and 5.9 above cannot be quantified due to reasons stated therein.

7. We have relied upon the management's representation relating to the disclosures in the notes to the financial statements regarding (a) recoverability of balances of Current Assets, Loans & Advances (Note 26); (b) segment information (Note 30); (c) related party disclosures (Note 31); (d) dues to Micro, Small and Medium Enterprises [Note 36(a)] and (e) impairment of assets (Note 39).

8. We further report that read with above :

8.1 We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

8.2 In our opinion, proper books of accounts as required by law have been kept by the Company so far as appear from our examination of those books;

8.3 The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

8.4 In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956, ***except as stated in Paras 5.2 & 5.5 above;***

8.5 In pursuance to the Notification No. GSR 829(E) dated 21.10.2003, issued by the Department of Company Affairs, clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, is not applicable to a Government Company;

8.6 In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Notes to Accounts, give the information required by the Companies Act, 1956, in the manner so required and ***subject to our comments in paras 3, 4, 5 & 8.4 above,*** give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

(b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

Vikram Dhanania
Partner
Membership No. 060568

Kolkata
July 20, 2012

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ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31.03.2010. The updation of the register for the additions pertaining to the years 2010-11 & 2011-12 is in progress.

(b) As informed to us, the fixed assets as on 31.03.2010 have been got physically verified by an outside agency, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventories at year end at most of the Units during the year.

(b) ***In our opinion, the procedures of physical verification of inventories needs to be further strengthened since the identification of slow moving/non-moving and obsolete inventories is still under progress.***

(c) ***Proper records of inventory are not being maintained at some of the Units of the Company.*** As explained to us, the discrepancies noticed on verification between the physical stocks and the book records of Arambagh Unit were not material and the same have been properly dealt with in the books of account. The reconciliation of physical stocks and the book records of other Units are under progress.

(iii) The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. The Company did not undertake any activity of sale of goods. During the course of our audit, we have not observed any major weaknesses in the internal control system.

(v) According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act.

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(vi) No deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder have been accepted by the Company.

(vii) The Company has a system of internal audit done departmentally and through outside agencies. In our opinion, the same needs to be further strengthened and the scope enlarged.

(viii) As informed to us, the Company has made and maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Act. However, as is not required, we have not made a detailed examination of such records.

(ix) (a) According to the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding, as at 31st March 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

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(xvi) In our opinion and according to the informations and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, the Company has not raised funds on short term basis during the year.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued 10.29% 2,500 Market Bonds of Rs 1,000,000 each aggregating to Rs. 25,000 Lakhs. The Company has created security in respect of such bonds issued.

(xx) The Company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

Vikram Dhanania
Partner
Membership No. 060568

Kolkata
July 20, 2012

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BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lakhs)

	Note	As at 31st March, 2012		As at 31st March, 2011	
EQUITY & LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	110552.00		110552.00	
(b) Reserves and Surplus	3	63006.42	173558.42	45839.15	156391.15
Non-Current Liabilities					
(a) Long-Term Borrowings	4	224794.18		203132.85	
(b) Other Long-Term Liabilities	5	11902.84		10552.57	
(c) Long-Term Provisions	6	253.40	236950.42	128.30	213813.72
Current Liabilities					
(a) Short-Term Borrowings	7	8008.26		7500.00	
(b) Trade Payables	8	4750.53		4538.23	
(c) Other Current Liabilities	9	38683.29		38430.89	
(d) Short-Term Provisions	6	2.85	51444.93	549.34	51018.46
TOTAL			**461953.77**		**421223.33**
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	327409.67		316307.63	
(ii) Capital Work-In-Progress		85501.28		69842.84	
(b) Long-Term Loans and Advances	11	3389.43		4317.97	
(c) Other Non-Current Assets	12	4049.34	420349.72	4049.34	394517.78
Current Assets					
(a) Inventories	13	8773.48		10411.06	
(b) Trade Receivables	14	6221.54		5607.03	
(c) Cash and Bank Balances	15	21907.89		8023.24	
(d) Short-Term Loans and Advances	11	2609.45		389.19	
(e) Other Current Assets	16	2091.69	41604.05	2275.03	26705.55
TOTAL			**461953.77**		**421223.33**

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.
As per our report of even date
For B. Chhawchharia & Co.
Firm Registration No. 305123E
Chartered Accountants

Vikram Dhanania
Partner
M. No. 060568
Kolkata, Date : July 20, 2012

For and on behalf of the Board of Directors

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(A.C.Sarkar)
Managing Director

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in Lakhs)

		Note	Year ended 31st March, 2012	Year ended 31st March, 2011
I.	**Revenue from operations**			
	Income from Services	17	72411.37	74861.74
II.	Other Income	18	2775.83	1698.51
III.	**Total Revenue (I + II)**		**75187.20**	**76560.25**
IV.	**Expenses:**			
	(a) Employee Benefits Expense	19	11976.98	11501.26
	(b) Finance costs	20	18021.93	18285.53
	(c) Depreciation and amortization expense		12512.90	12001.19
	(d) Other expenses	21	11214.23	11368.23
	Total expenses		**53726.04**	**53156. 21**
V.	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		21461.16	23404.04
VI.	Exceptional Items		–	1747.67
VII.	Profit before Extraordinary Items and Tax (V - VI)		21461.16	21656.37
VIII.	Extraordinary Items		–	–
IX.	Profit before Tax (VII - VIII)		21461.16	21656.37
X.	**Tax Expenses**			
	(a) Current Tax		4293.89	4207.47
	(b) Deferred Tax		–	–
XI.	**Profit/(Loss) for the Period from Continuing Operations (IX - X)**		**17167.27**	**17448.90**
XII.	**Profit/(Loss) from Discontinuing Operations**		–	–
XIII.	**Tax Expenses of Discontinuing Operations**		–	–
XIV.	**Profit/(Loss) from Discontinuing Operations (after Tax) (XII - XIII)**		–	–
XV.	**Profit/(Loss) for the Period (XI + XIV)**		**17167.27**	**17448.90**
XVI.	**Earning per Equity Share (nominal value of share Rs.10)**			
	(a) Basic		1.55	1.58
	(b) Diluted		1.55	1.58

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B. Chhawchharia & Co.
Firm Registration No. 305123E
Chartered Accountants

For and on behalf of the Board of Directors

Vikram Dhanania
Partner
M. No. 060568
Kolkata, Date : July 20, 2012

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(A.C.Sarkar)
Managing Director

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CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2012

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) Before Taxation	21461.16	21656.37
	Adjustment For:		
	Depreciation	12597.53	12546.81
	Interest & Financial Charges	18025.90	18287.33
	Interest Income	(804.28)	(619.30)
	Sub Total	**29819.15**	**30214.84**
	Operating Profit Before Working Capital Change	**51280.31**	**51871.21**
	Adjustment for :		
	Inventories	1637.58	1449.49
	Trade Receivables	(614.51)	318.27
	Other Current Assets	183.35	(2890.50)
	Loans & Advances	(11.28)	659.05
	Current Liabilities & Provision, etc.	(3120.53)	7440.80
	Sub Total	**(1925.39)**	**6977.11**
	CASH GENERATED FROM OPERATING ACTIVITIES	**49354.92**	**58848.32**
	Less: Income Tax Paid	**7050.58**	**(560.64)**
	NET CASH FROM OPERATING ACTIVITIES (A)	**42304.34**	**59408.96**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Decrease (Increase) in Fixed Assets	(23699.57)	(24744.80)
	Decrease (Increase) in Work in Progress	(14729.92)	(18885.41)
	Interest Incomes, etc.	804.28	619.30
	Grants received from Go WB	–	514.00
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	**(37625.21)**	**(42496.91)**
C	**CASH FLOW FROM FINANCING ACITIVITIES**		
	Proceeds from Borrowing (Net)	27231.42	2290.31
	Proceeds from Share Capital	–	–
	Interest & Financial Charges, etc.	(18025.90)	(18287.33)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**9205.52**	**(15997.02)**
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**13884.65**	**915.04**
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8023.24	7108.20
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**21907.89**	**8023.24**

In terms of our report of even date attached herewith
For B.Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

For and on behalf of the Board of Directors

Vikram Dhanania
Partner
M. No. 060568
Kolkata, Date : July 20, 2012

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(A.C.Sarkar)
Managing Director

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NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

I. Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards, as specified in Companies (Accounting Standards) Rules, 2006. The financial statements are drawn up in accordance with the Companies Act, 1956 except where required otherwise under the Electricity Act, 2003. The preparation of financial statements may require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

II. Fixed Assets and Capital Work in Progress

(a) Fixed Assets are shown at historical cost less accumulated depreciation. Cost comprises of its purchase price including duties, taxes and levies, borrowing cost, freight, and incidental expenses and any directly attributable cost of bringing the asset to its working condition.

(b) Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in-Progress ('CWIP'). The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters.

(c) Insurance spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition.

III. Depreciation

Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('WBERC'), a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. The rates specified therein, however, are different from the rates specified in the Companies Act, 1956.

No depreciation is charged on freehold land as well as no amortization of the land acquired on perpetual lease is made since the same does not have a limited useful life. The leasehold land with a tenure upto 30 years is being amortized over the period of lease.

IV. Impairment of Assets

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

V. Borrowing Costs

(a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

(b) The borrowed funds are earmarked to specified projects under implementation and the borrowing costs thereof are allocated to 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.

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VI. Inventories

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

VII. Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on accrual basis. Revenue from Transmission Charges is accounted for based on the last tariff rates approved by WBERC. The adjustments of over or under recovery of Transmission Charges as admitted by WBERC in the Annual Performance Review ('APR') of a particular financial year is being accounted for only on approval and issuance of order there for. Income from short term open access is accounted for on the basis of regulations notified by WBERC. Advance against Depreciation allowed by WBERC as a component of the Aggregate Revenue Requirement of the Company is recognized as revenue for the year.

VIII. Employee Benefits

(a) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.

(b) Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

(c) Employer's contribution towards Provident Fund/Pension Fund in respect of the employees of the Company is accounted for on accrual basis payable to a duly constituted Trust Fund/Pension Fund. In respect of the employees on deputation, the Company's share along with the incumbent's share of contribution is paid to the deputing company for onward deposit to the Provident Fund Authority/Fund.

IX. Taxes on Income

Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises Current Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/loss for the reporting period. Deferred tax is not recognized and therefore not shown in the Balance Sheet in accordance with Accounting Standard Interpretation ('ASI')-3 issued by ICAI, since the deferred tax in respect of timing differences originate and reverse during the tax holiday period (keeping in view of the applicable provisions of Section 80-IA of the Income Tax Act, 1961).

X. Research and Development

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

XI. Provisions, Contingent Liabilities and Contingent Assets

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

XII. Government Grants

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

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2 a) Share Capital

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	Authorised: 200,00,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,00,000 Equity Shares of Rs. 10 each)	200000.00	200000.00
B	Issued Subscribed and Paid Up: 110,55,20,000 Equity Share of Rs.10 each fully paid (Previous Year 110,55,20,000 Equity Share of Rs.10 each fully paid up)	110552.00	110552.00
	Total	**110552.00**	**110552.00**

b) Share Capital Reconciliation

(₹ in Lakhs)

Equity Shares	31 March 2012		31 March 2011	
	Nos.	Amount	Nos.	Amount
Opening balance	110,55,20,000	110552.00	110,55,20,000	110552.00
Issued during the period	0	0.00	0	00.00
Closing Balance	**110,55,20,000**	**110552.00**	**110,55,20,000**	**110552.00**

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

	31 March 2012		31 March 2011	
Shareholder	Nos.	% holding	Nos.	% holding
Governor of West Bengal	110,54,70,000	99.995%	110,54,70,000	99.995%

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(₹ in Lakhs)

3 Reserves & Surplus		31 March, 2012		31 March, 2011
(a) **General Reserve**				
Opening balance		40441.72		24496.98
Add: Transferred from Statement of Profit & Loss		14198.77		15944.74
Less: Adjustments during the year		–		–
Closing Balance		**54640.49**		**40441.72**
(b) **Debenture Redemption Reserve**				
Opening balance		915.00		457.50
Add: Transferred from Statement of Profit & Loss		1549.20		457.50
Less: Adjustments during the year		–		–
Closing Balance		**2464.20**		**915.00**
(c) **Reserve for Unforeseen Exigencies Fund***				
Opening balance		3968.43		2921.77
Add: Appropriation for the year transferred from Statement of Profit & Loss	1108.52		1046.66	
Add: Interest earned on Reserve for Unforeseen Exigencies investment	310.78	1419.30	–	1046.66
Less: Adjustments during the year		–		–
Closing Balance		**5387.73**		**3968.43**
(d) **Government Grants**				
Opening balance		514.00		–
Add: Received during the year		–		514.00
Less: Adjustments during the year		–		–
Closing Balance		**514.00**		**514.00**
(e) **Surplus/(Deficit) in the Statement of Profit or Loss**				
Opening balance		–		–
Profit for the year		17167.27		17448.90
Transfer to Reserve for Unforeseen Exigencies, including interest		(1419.30)		(1046.66)
Transfer to Debenture Redemption Reserve		(1549.20)		(457.50)
Transfer to General Reserve		(14198.77)		(15944.74)
Net Surplus/(Deficit)		–		–
Total Reserves & Surplus		**63006.42**		**45839.15**

* The Reserve for Unforeseen Exigencies of Rs 3968.43 lakhs and the addition of Rs 1108.52 lakhs in the current year is made in compliance of Notification No. 48/WBERC dated 25-04-2011 of West Bengal Electricity Regulatory Commission ('WBERC'). The opening balance of the Reserve, along with interest accrued and received thereon aggregating Rs 4337.42 lakhs is invested in Fixed Deposits with nationalized Banks.

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(₹ in Lakhs)

4 A) Long-term Borrowings

Particulars	Non-Current Portion		Current Maturities	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
I Bonds:				
Secured				
9.75% Market Bonds	12810.00	14640.00	1830.00	1830.00
10.29% Market Bonds	25000.00	–	–	–
Unsecured				
8.50% Pension Trust Bonds	27000.00	27000.00	–	–
12.00% Public Bonds (Against Govt. Guarantee)	–	–	0.25	5330.25
II Term Loans:				
Secured				
From Banks :				
Bank of Rajasthan	5245.07	6245.07	1000.00	1000.00
Allahabad Bank	13040.45	7644.00	566.98	–
Corporation Bank	–	5044.29	–	–
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	47.00	70.50	23.50	23.50
Rural Electrification Corporation (RECL)	33896.30	38781.69	4885.39	3560.54
Life Insurance Corporation of India (LIC)	10598.78	3267.00	–	–
National Bank for Agricultural and Rural Development (NABARD)	355.63	–	–	–
Unsecured				
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	1391.65	1789.26	397.61	397.61
State Government Loan	93909.30	98651.04	4741.74	4741.74
From Banks				
Working Capital Loan from United Bank of India (UBI)	1500.00	–	8500.00	–
Sub-total	224794.18	203132.85	21945.47	16883.64
Amount disclosed under the head Other Current Liabilities (Note 9)	–	–	21945.47	16883.64
Total	**224794.18**	**203132.85**	–	–

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B) Security

(a) 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).

(b) 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 sub stations at Bishnupur, Jhargram, New Town AA-I, Contai, Subashgram 220/132 kV sub station and their asociated transmission lines.

(c) Term Loans from banks are secured by:

(i) Term Loan from Bank of Rajasthan 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 Nos. 265, 1, 21, 179.

(ii) Term Loan from Allahabad Bank is secured by hypothecation of entire present and future fixed assets of the132/33 kV substations at Khatra, Nazirpur, Kalna, Lalgola and their associated transmission lines and 132 kV Line Bays at Birshingha, Chandrakona Road, Gokarno and Lalgola.

(d) Term Loan from PFCL is secured by hypothecation of various movable assets and transmission lines of sub-stations towards which loan has been granted.

(e) Term Loan from RECL is secured by hypothecation of all future movable assets towards which loan has been granted.

(f) Term Loan from LIC is secured by hypothecation of all future movable assets of Kharagpur 400 KV sub-station and associated lines towards which loan has been granted.

(g) Term Loan from NABARD is secured by hypothecation of present, proposed and future assets of Hura sub-station and connected installations elsewhere.

C) Repayment Terms

(a) 9.75% Market Bonds balance are repayable in eight equal yearly instalments of Rs. 1830 lakhs each maturing in 2019-20.

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

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

(d) Term Loan from Bank of Rajasthan (@9.50%) is repayable in further 25 quarterly installments of Rs 250 lakhs upto June 2018.

(e) Term Loan from Allahabad Bank (@Base Rate + 1.50% or 12.25% on reporting date) is repayable in 48 quarterly instalments of Rs. 283.49 lakhs from Nov 2012 upto Sep 2024.

(f) Loan from PFC (@ 9.00%) is repayable in further 12 quarterly instalments of Rs. 5.88 lakhs upto March 2015.

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

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(₹ in Lakhs)

Loan No.	Loan Amount	No. of Balance Instalments	Installment Amount.	Maturity Year	Interest Rate (%)
210919	2656.82	6	442.80	2017-2018	8% to 14%
210928	3805.78	6	634.30	2017-2018	8% to 14%
210929	1236.98	2	618.49	2013-2014	10.5% to 14%
210931	962.99	8	120.37	2019-2020	10.5% to 12%
210001	7321.38	9	813.49	2020-2021	10.75% to 12.25%
210002	3363.09	9	373.68	2020-2021	10.75% to 12.25%
210003	2534.66	9	281.63	2020-2021	10.75% to 12%
210004	2482.03	9	275.78	2020-2021	10.60% to 12.25%
210005	1169.39	10	116.94	2022-2023	10.60%
210007	10987.05	10	1098.70	2021-2022	10.60% to 12.25%
210942	2261.53	10	226.15	2021-2022	10.60% to 12.25%

Tranche-wise disbursement of each loan bear interest rate prevailing at the time of disbursement and are subject to reset after 3/5/10 years from such date.

(h) Loan from LIC (@ 10.10%) (partially disbursed) is repayable in 24 equal half-yearly instalments beginning from 2013-14 and maturing in 2024-25.

(i) Loan from NABARD (@ 10.25%) (partially disbursed) is repayable in 48 equal quarterly instalments beginning from 2015-16 and maturing in 2026-27.

(j) Unsecured loan from PFC (@ 9.00% to 12.50%) is repayable in further 18 equal quarterly instalments of Rs. 99.40 lacs up to 2016-17. Tranche-wise disbursement of each loan bear interest rate prevailing at the time of disbursement and are subject to reset after 3/5/10 years from such date.

(k) Unsecured Working Capital Loan from UBI is repayable in 12 equal monthly instalments from June 2012 and bears an interest rate of UBI Base Rate +2% or 12.6% on reporting date.

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

(₹ in Lakhs)

Particulars	Loan Amount	Installment Amount.	Maturity Year	No. of Instalments
Opening Loan transferred from WBSEB	87057.26	4145.69	2032-33	21
05(sanction)-PO/P/C/II/1B-10/2004	685.41	42.84	2027-28	16
19(sanction)-PO/P/C/II/1B-10/2004	673.66	42.10	2027-28	16
30(sanction)-PO/P/C/II/1B-10/2004	893.19	55.82	2027-28	16
62(sanction)-PO/P/C/II/1B-10/2004	1295.75	80.98	2027-28	16
17(sanction)-PO/P/II/1B-24/2006	61.99	4.13	2027-28	15
56(sanction)-PO/P/C/II/1B-24/2006(pt)	1456.17	97.08	2027-28	15
04(sanction)-PO/P/C/II/1B-10/2004	1643.75	96.69	2028-29	17
12(sanction)-PO/P/C/II/1B-10/2004	1015.88	59.76	2028-29	17
28(sanction)-PO/P/C/II/1B-10/2004	2829.80	166.46	2028-29	17
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	113.16	7.54	2028-29	15
62(sanction)-PO/P/C/II/1B-10/2004	925.02	51.39	2029-30	18

(m) There were no defaults during the year and no continuing default at the year end in repayment of principal or payment of interest on any of the long term boroowings referred to here in above.

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(₹ in Lakhs)

5	Other Long-term Liabilities	31 March 2012	31 March 2011
	Deposits & Retention Money deducted from Contractor/Suppliers	11902.84	10552.57
		11902.84	**10552.57**

(₹ in Lakhs)

6		Long-term		Short-term	
	Provisions	**31 March 2012**	**31 March 2011**	**31 March 2012**	**31 March 2011**
	Provision for employee benefits	253.40	128.30	2.85	1.61
	Other Provisions - Income Tax	-	-	-	547.73
		253.40	**128.30**	**2.85**	**549.34**

Please also refer to Note 24.2

(₹ in Lakhs)

7	Short-term Borrowings	31 March 2012	31 March 2011
	Loans Repayable on demand from Banks :		
	Cash Credit from United Bank of India (Secured)	8008.26	–
	Working Capital Loan from Corporation Bank (Unsecured)	–	7500.00
		8008.26	**7500.00**

Cash Credit facility from UBI is secured by way of exclusive charge on current assets (debtors and stock) and bears an interest rate of UBI Base rate + 2% or 12.6 on reporting date.
There was no default in repayment of principal or repayment of interest on short-term Borrowings during the year.

(₹ in Lakhs)

8	Trade Payables	31 March 2012	31 March 2011
	Trade Payables	4750.53	4538.23
		4750.53	**4538.23**

(₹ in Lakhs)

9	Other Current Liabilities	31 March 2012	31 March 2011
	Current maturities of long-term borrowings (refer note 4 above)	21945.47	16883.64
	Interest accrued but not due on borrowings	2078.30	1567.91
	Deposits from Agencies	9551.66	10775.66
	Payable to WBSEDCL Gratuity, Pension & PF Trusts	265.09	421.24
	Payable to WBSETCL Gratuity, Pension & GPF Trusts	221.82	125.15
	Payble to WBSEDCL	21.03	-
	Others	4560.70	8611.04
	Statutory Dues Payable	39.85	46.25
		38683.29	**38430.89**

Please also refer to Note 24.4

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10 FIXED ASSETS

(₹ in Lakhs)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.11	Additions	Deductions / Adjustments	As at 31.03.2012	As at 01.04.11	Additions	Deductions / Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	(1)	(2)	(3)	(4)	(5)=(2+3-4)	(6)	(7)	(8)	(9)=(6+7-8)	(10)=(5-9)	(11)=(2-6)
A	**Tangible Assets:**										
	Land & Land Development										
1	Leasehold Land	5844.08	33.03	-	5877.11	-	-	-	-	5877.11	5844.08
2	Buildings	30908.32	478.97	-	31387.29	7976.64	588.24	-	8564.88	22822.41	22931.68
3	Plant & Equipment	405630.53	23143.07	-	428773.60	118572.55	11975.45	-	130548.00	298225.60	287057.98
4	Vehicles	60.20	-	-	60.20	54.18	-	-	54.18	6.02	6.02
5	Furniture and Fixtures	282.44	23.36	-	305.80	159.54	10.96	-	170.50	135.30	122.90
6	Office Equipment	576.25	21.14	-	597.39	331.98	20.95	-	352.93	244.46	244.27
	Spare Units / Service Units	107.10		-	107.10	6.40	1.93	-	8.33	98.77	100.70
	TOTAL	**443408.92**	**23699.57**	**0.00**	**467108.49**	**127101.29**	**12597.53**	**0.00**	**139698.82**	**327409.67**	**316307.63**
	Previous Year Total	**418664.12**	**24744.80**		**443408.92**	**114554.46**	**12546.83**	**-**	**127101.29**	**316307.63**	-

Depreciation for the year includes Prior Period Depreciation of Rs. 84.63 Lakhs (Previous Year Rs. 545.63 Lakhs)

(₹ in Lakhs)

11 Loans & Advances (Unsecured, Considered good)	Long-term		Short-term	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Capital Advances	3389.43	4317.97	-	-
Other loans and advances				
Income Tax Advances (Net of provisions)	-	-	2208.97	-
Advances recoverable in cash or kind or for value to be received	-	-	400.47	389.19
	3389.43	**4317.97**	**2609.45**	**389.19**

Please also refer to Note 24.2

(₹ in Lakhs)

12 Other Non-Current Assets	31 March 2012	31 march 2011
Regulatory Assets recoverable	4049.34	4049.34
	4049.34	**4049.34**

(₹ in Lakhs)

13 Inventories	31 March 2012	31 March 2011
Stock of Materials (net of Provision for obsolete inventories Rs. 684.51 lakhs; Previous year Rs. 781.15 lakhs)	8773.48	10411.06
	8773.48	**10411.06**

Please also refer to Note 24.1

(₹ in Lakhs)

14 Trade Receivables	31 March 2012	31 March 2011
Unsecured, considered good (Due for less than six months)	6221.54	5607.03
	6221.54	**5607.03**

(₹ in Lakhs)

15 Cash and Bank Balances	31 March 2012	31 March 2011
Cash and Cash equivalents		
Balances with Banks		
Balance with Scheduled Banks in Current Account including Remittance in Transit	3842.73	3231.11
Cash on hand	1.48	1.47
Imprest Cash including imprest with Staff	8.31	15.78
Balance with Banks in Deposit Accounts	13717.95	1761.83
Fixed Deposit against Reserve for Unforseen Exigencies (inclusive of interest re-invested)	4337.42	3013.05
	21907.89	**8023.24**

(₹ in Lakhs)

16 Other Current Assets	31 March 2012	31 March 2011
Interest accured on fixed deposits	219.81	231.70
Receivable from WBSEDCL	1782.51	1935.53
Receivable from CPF Trust-DCL	41.93	-
Receivable form GPF Trust-DCL	-	57.84
Receivable from EPF Trust-TCL	20.82	20.82
Others	26.62	29.14
	2091.69	**2275.03**

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17 Revenue From Operations (Transmission Charges)

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Transmission Charges	67284.35	71333.69
	Less : Rebate allowed to L.T.O.A. consumers	1345.69	1348.89
	Net Revenue from Transmission Charges	**65938.66**	**69984.80**
2	Short Term Open Access Charges	4468.52	3383.56
3	Scheduling Charges and SLDC Charges	2004.19	1493.38
	Total	**72411.37**	**74861.74**

17.1 Pending isuance of Tariff Order for 2011-12 by the Honb'le WBERC, Transmission Charges and Short Term Open Access charges have been billed and accounted for on the basis of tariffs approved by WBERC for 2010-11. Necessary adjustments, if any, on account of any retrospective change of tariffs for the year 2011-12, as approved by WBERC, will be accounted for in the year in which such order is received.

18. Other Income

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Interest from Bank on Fixed Deposits	493.50	528.00
2	Interest Income from FD investment against Reserve for Unforeseen Exigencies Fund	310.78	91.30
3	Interest on Income tax refund	-	439.47
4	Recoveries from Transport Facilities	1.54	1.32
5	Sale of Tender Papers	14.63	8.65
6	Other Misc Receipts	-	0.96
7	Income from Sale of Scrap (net of Direct Commn on Sale of Scrap)	844.43	475.31
8	Supervision Charges-Bulk Connection	363.76	-
9	Miscellaneous Income	195.13	147.11
10	Provision for Doubtful Debts written back	-	616.29
11	Bad Debts Written Off	-	(616.29)
	Sub-Total	**2223.77**	**1692.12**
12	Prior Period Income (Net)	552.04	6.39
	Total	**2775.83**	**1698.51**

19 Employee Costs

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Salaries, wages and bonus*	12667.43	12305.79
2	Contribution to Provident and Other Funds	1661.70	1442.37
3	Staff welfare expenses	26.02	40.86
	Total	**14355.15**	**13789.02**
4	**Less:** Employees Cost Capitalised	2378.17	2287.76
	Net	**11976.98**	**11501.26**

*Includes remuneration to Wholetime Directors amounting to Rs.50.73 Lakh (P.Y. - Rs. 57.06 lakh)

19.1 The provision for pension, gratuity and leave encashment for the year in respect of the absorbed and directly recruited employees of the Company has been made based on the actuarial valuation. For the employees on deputation, the contribution towards Pension and Gratuity as claimed by their Parent organization has been charged to the profit & loss account and recognized as Liability. Provision towards leave encashment of deputed employees of WBSEDCL has been considered based on the Actuarial Valuation of such Liability as on 31.03.2012 as got made and confirmed by WBSEDCL. The amounts paid by the Company and claimed from WBSEDCL are duly accounted for.

19.2 Terminal Benefits (Disclosure under AS-15)

The Pension and Gratuity of the absorbed and directly recruited employees of the Company are funded Defined Benefit Plans. Leave encashment obligations for such employees are unfunded and are recognized on the basis of valuation by the Actuary. The Actuarial Valuation of Pension, Gratuity and Leave Encashment as on 31.03.2012 are detailed below :

Actuarial Assumptions

Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 per thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8
Inflation Rate	5
Return on Asset	0
Remaining Working Life	33
Formula Used	PROJECTED UNIT CREDIT METHOD

TABLE 1

Table showing changes in present value of obligations as at 31.03.2012

(₹ in Lakhs)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation at the beginning of the year	1524.51	57.20	129.90
Interest Cost	129.58	4.86	11.04
Past Service Cost	0.00	0.00	0.00
Current Service Cost	245.72	40.11	88.07
Actuarial gain/loss on obligations	-79.64	21.99	27.23
Present value of obligation at end of Year	1820.17	124.16	256.25

TABLE 2

Table showing changes in Fair Value of Plan Assets :

(₹ in Lakhs)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded
Fair Value of Plan Asset at the beginning of the year	1464.71	31.34	0.00
Acquisition Adjustment	0.00	0.00	0.00
Expected Return on Plan Asset	124.50	2.66	0.00
Contributions	59.80	25.87	0.00
Benefits Paid	0.00	0.00	0.00
Actuarial gain/loss on Plan Asset	24.34	1.62	0.00
Fair Value of Plan Asset at the end of the year	1673.35	61.48	0.00

TABLE 3

Table showing Funded Status

(₹ in Lakhs)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Obligation at the end of the year	1820.17	124.16	0.00
Fair Value of Plan Asset at the end of the year	1673.35	61.48	0.00
Funded Status	-146.82	-62.68	0.00
Unrecognised Actuarial gain/loss at the end of the year	0.00	0.00	0.00
Net Asset (Liability) recognized in Balance Sheet	-146.82	-62.68	0.00

TABLE 4

Table showing expenses recognised in the statement of Profit and Loss

(₹ in Lakhs)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	245.72	40.11	88.07
Past Service Cost	0.00	0.00	0.00
Interest Cost	129.58	4.86	11.04
Expected Return on Plan Asset	124.50	2.66	0.00
Curtailment Cost	0.00	0.00	0.00
Settlement Cost	0.00	0.00	0.00
Actuarial gain/loss recognized in the year	-103.99	20.37	27.23
Expense Recognized in the Statement of Profit / Loss	146.82	62.68	126.35

20 Finance Costs

(₹ in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Interest Expense	22641.09	20707.77
2	Less: Interest Capitalised	4821.27	2505.94
3	Net Interest Expense (A)	17819.82	18201.83
	Other Borrowing Cost		
4	Stamp Duty / Registration Fees	25.00	25.99
5	Service Fee/Commitment Charges	138.88	1.17
6	Guarantee Charges	38.23	56.54
7	Total (Other Borrowing Costs) (B)	202.11	83.70
8	Total Finance Cost (A + B)	18021.93	18285.53

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21 Other Expenses

(₹in Lakhs)

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Transmission Charges (WBPDCL)	5015.59	5015.59
2	ULDC Charges	667.60	843.89
3	Various Charges ERPC	15.00	27.23
4	Repairs & Maintenance		
	Plant & Machinery	2126.96	2455.14
	Buildings	526.12	445.48
	Others	196.31	179.19
5	Rent	68.19	81.00
6	Rates & Taxes	130.04	195.49
7	Security Expenses (Outsourced)	1002.47	911.06
8	Consultancy Charges	59.85	89.05
9	Conveyance & Travel	121.18	99.64
10	Vehicle Running Expenses	570.38	500.91
11	Advertisements	184.14	134.95
12	Contribution towards Corporate Social Responsibility	22.16	–
13	Cleaning Charges	98.55	84.41
14	Licence Fees to SERC	152.62	148.34
15	Fees for Filing Petition/Application to SERC	124.00	0.20
16	Other Expenses	274.02	282.92
	Total	**11355.18**	**11494.49**
	Less: Administration and General Expenses Capitalised	140.95	126.26
		11214.23	**11368.23**

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

23 Fixed Assets & Capital Work-in-Progress ('CWIP')

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

23.2 Location wise identification and value assessment of the individual assets with detailed specification has been completed by an independent agency and the Assets with values up to 31.03.2010 have been incorporated in the Asset Register as certified by their Report dated 19.07.2011. The Asset Register is being updated for the additions pertaining to the years 2010-11 and 2011-12.

23.3 In some Units, the amounts appearing in the CWIP Register and General Control ledger do not tally for certain items relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.

23.4 The formalities for registration of transfer of the land & buildings re-vested in favour of the Company are still under process since adequate information is yet not available.

24. In respect of the assets and liabilities re-vested as on 01.04.2007 as stated in Note 22 above and appearing in the accounts at the different units of the Company :

24.1.Inventories

24.1.1 Out of the Inventories of Rs.11,638 lakhs re-vested as on 01.04.2007, the materials at certain locations still remains to be reconciled with the books of accounts of the Company.The management has conducted physical verification of stocks and is in the process of reconciling the same with the book records wherever necessary details are available. Differences, if any, found after the reconciliation will then be duly adjusted and accounted for.

24.1.2 In some units the slow/nonmoving, obsolete inventories are in the process of identification and necessary classification. On completion of the process, provision for loss, if any, will be made. For other units, a provision of Rs. 781.15 lakhs being full value of items identified as obsolete was made in the previous years. An amount of Rs.96.64 lakhs being the book value of items identified as obsolete during the year has been adjusted with the above provision

24.2 Loans & Advances

In some of the Units there are differences in the balances in the subsidiary ledgers of 'loans & advances' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

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24.3 Other Current Assets

In some of the units there are differences in the balances in the subsidiary ledger of 'Other Current Assets' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

24.4 Current Liabilities and Provisions

In some of the units there are differences in the balances in the subsidiary ledger of 'Current Liabilities and Provisions' with those appearing in the General Ledger. The management is in the process of reconciling these differences. The consequential adjustment will be made after the process of identification/reconciliation is over.

25. Balances in Loans and Advances, Material with Contractors, Trade payables and Advance from Customers are subject to confirmation and consequential adjustments, if any. The Company has sent letters requiring confirmation and reconciliation of balances to some of these parties but has not received any confirmation there against.

26. In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

27. Reconciliation of Inter-Unit balances for Fund transfers and Capitalization of Assets have been completed and the exercise for the balances pertaining to other transactions aggregating to Rs. 130.53 lakhs is under process.

28. The resultant impact of such differences between control accounts and subsidiary ledger as stated in Note 24 to 26 above and those of un-reconciled balances in Inter Unit account as in Note 27 above, on income, expenditure, assets and liabilities shall be accounted for only on the same being ascertained.

29. Others

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

29.2 The Accounts of "SLDC-UI Fund WBSETCL" have not been incorporated in the books of accounts of the Company since a separate Trust for the same has duly been formed in the year 2011-12.

30. Segmental Information

Primary Segment : There is no business carried on by the Company other than the Electricity Transmission Activity. As such there are no reportable primary segments as required under AS-17 "Segment Reporting".

Secondary Segment : The Company caters only to West Bengal market representing a singular economic environment with similar risks and returns and hence there are no reportable geographical segments

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31. Related Party Disclosures

31.1 Key Management Personnel

Malay Kumar De	Chairman
A.C.Sarkar	Managing Director
Durgadas Goswami	Director (Upto 18.09.2011)
Dilip Kumar Dey	Director
Anjan Chowdhuri	Director
Subrata Nag	Director
C.M.Bachawat	Director (Government Nominee) upto 03.02.2012
H.K.Dwivedi	Director (Government Nominee) w.e.f. 03.02.2012

31.2 Disclosure of transactions between the Company and related parties.

Name of the party	Description of transactions	2011-12 (Amount ₹ in lakhs)	2010-11 (Amount ₹ in lakhs)
Key Management Personnel	Payment of salary & allowances	50.73	57.06
	Sitting Fees	1.65	2.25

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

32. Earning Per Share

Description	2011-12	2010-11
Profit After Tax (Rs. in Lakhs)	17167.27	17448.90
No. of Equity Shares	1105520000	1105520000
Face Value of Shares (in Rs.)	10.00	10.00
Basic/Diluted Earnings per Equity share (Rs.)	1.55	1.58

33. Deferred Tax

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

34. Taxes & Duties

During the year the Company is eligible to claim 100% deductions on Business Income under Section 80-IA of the Income Tax Act, 1961. Hence, the Company has made Current Tax Provisions on Book Profit in accordance with the provisions of Section 115-JB of the Income Tax Act, 1961.

35. Auditors' Remuneration: (Statutory/Branch Auditors) :

(₹in Lakhs)

Particulars	2011-2012	2010-2011
Statutory Audit Fee	4.00	2.50
Tax Audit Fee	0.70	0.40
Other Services	1.75	1.75
	6.45	**4.65**

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

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36. (a) As per available information there are no outstanding dues for over 30 days to any enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for the period ended 31st March 2012.

(b) In the absence of the notification in the Official Gazette of the Central Government, the Company has not made any provision for cess payable under section 441A of the Companies Act, 1956.The required provision for cess payable shall be made in accordance with the notification, as and when the same will be issued by the Central Government in its Official Gazette.

37. **Contingent Liabilities not provided for :**

Rs. 13.34 lakhs being 50% of the decretal amount (i.e. balance after payment of 50% as per directives of the Hon'ble High Court at Calcutta) towards land acquisition for construction of Purba Ichapur 132 KV Sub-station on a piece of land ad-measuring 2.46 acre at Barasat.

38. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in relation to execution of works and purchase of equipment, to the extent available, is Rs. 34786.70 lakhs

39. In the view of the management, the carrying cost of the fixed assets does not exceed its recoverable value and as such there is no impairment.

40. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.

In terms of our report of even date
For B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants

For and on behalf of Board of Directors

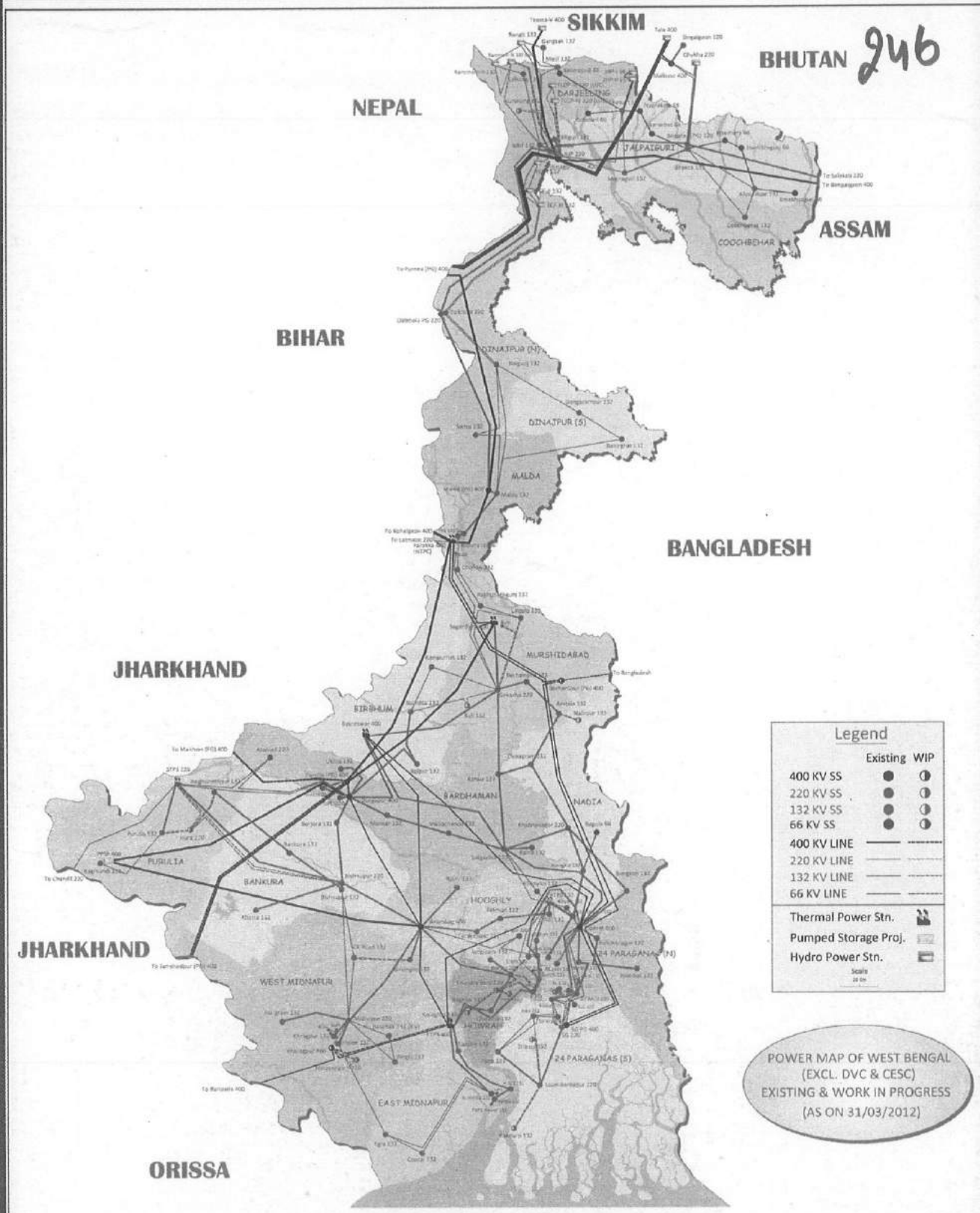
Vikram Dhanania
Partner
M. No. 060568
Kolkata
Date : July 20, 2012

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(A.C.Sarkar)
Managing Director

POWER MAP OF WEST BENGAL



POWER MAP OF WEST BENGAL
(EXCL. DVC & CESC)
EXISTING & WORK IN PROGRESS
(AS ON 31/03/2012)

West Bengal State Electricity Transmission Co. Ltd.

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Enclosure : 10

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ANNUAL REPORT & ACCOUNTS 2012-2013



WBSETCL

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WBSETCL

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ANNUAL REPORT & ACCOUNTS

2012 – 2013

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WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)

DIRECTORS



Malay Kumar De, IAS
Chairman



Amaresh Chandra Sarkar
Managing Director
(upto 31.1.2013)



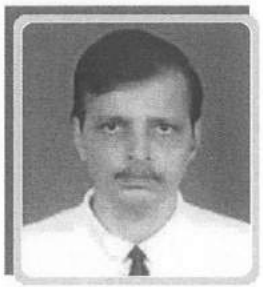
Dilip Kumar Dey
Director (Projects) & holding charge of
Managing Director from 1.2.2013



Anjan Chowdhuri
Director (F&A)



Subrata Nag
Director (Operations)
(upto 31.7.2013)



Manas Bandyopadhyay
Director (Operations)
(from 1.8.2013)



Hari Krishna Dwivedi, IAS
Director

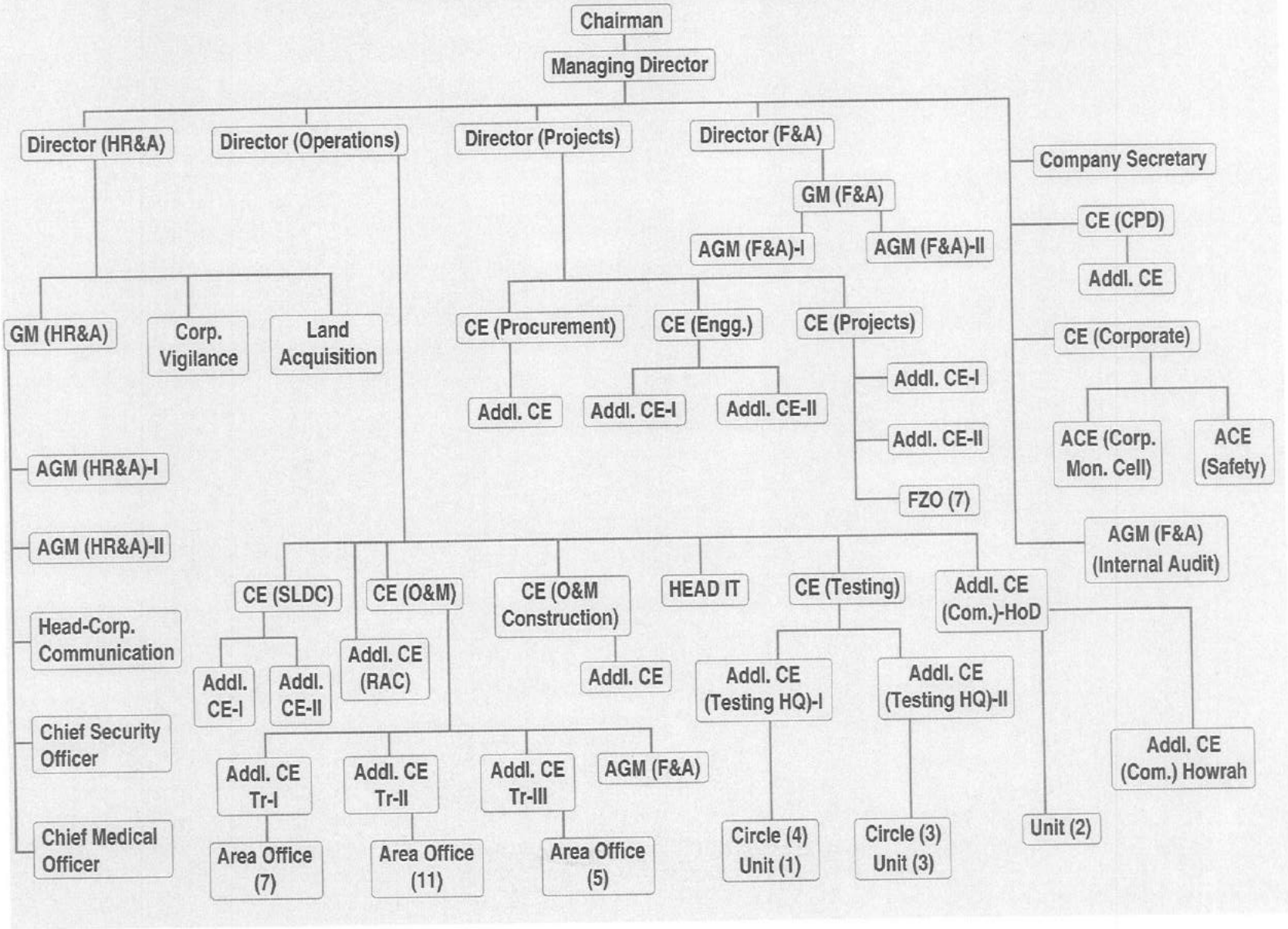


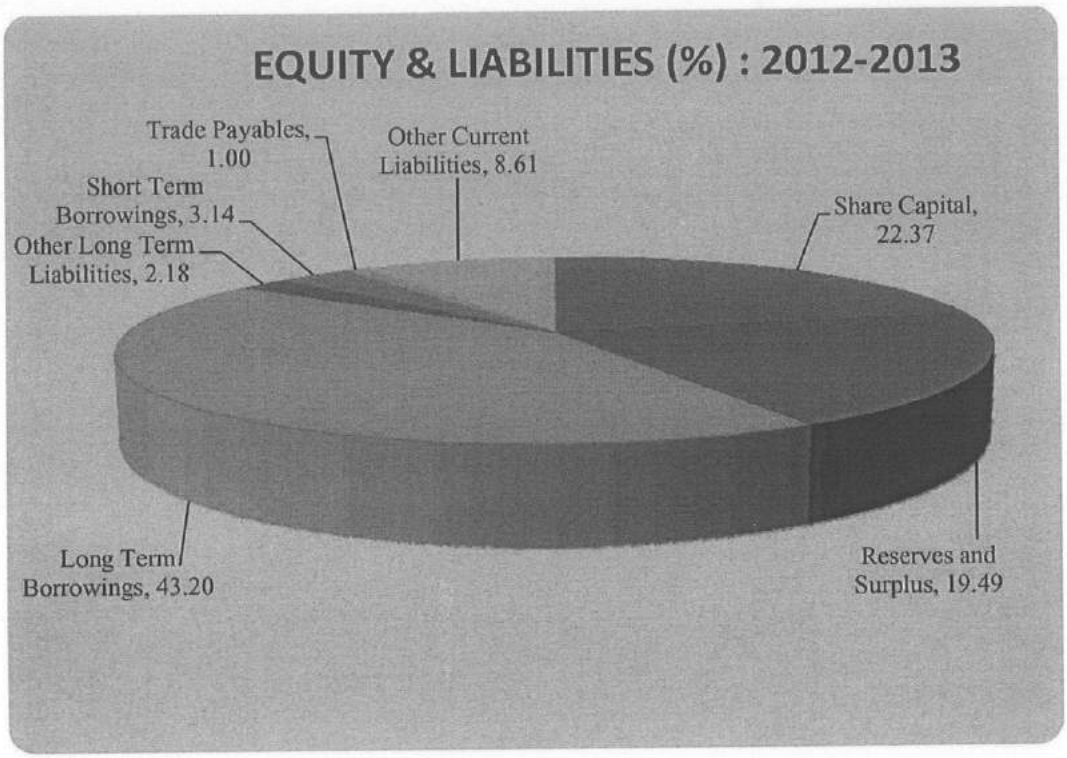
Sreekumar Majumdar
Director

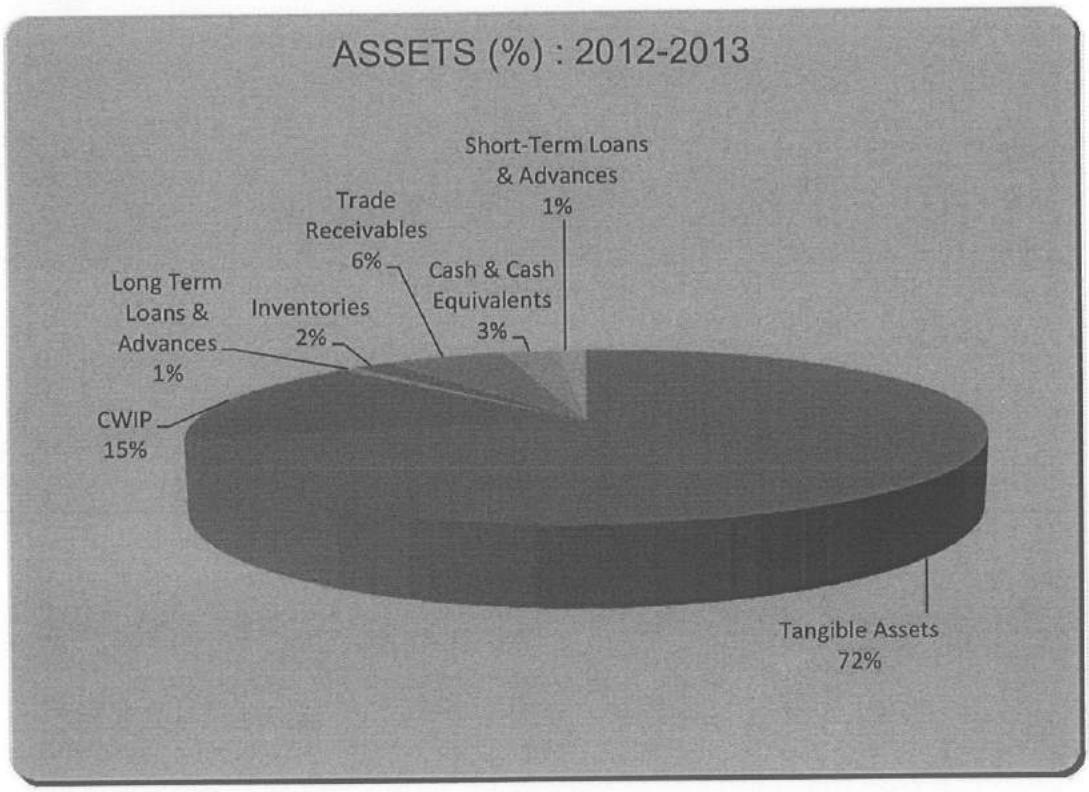


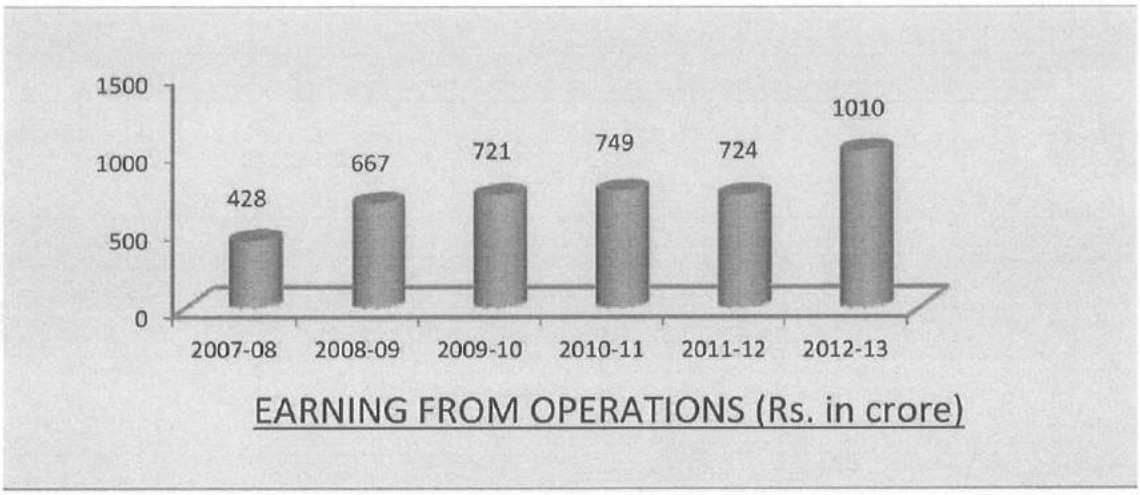
Tapan Kumar Basu
Director

ORGANISATION CHART

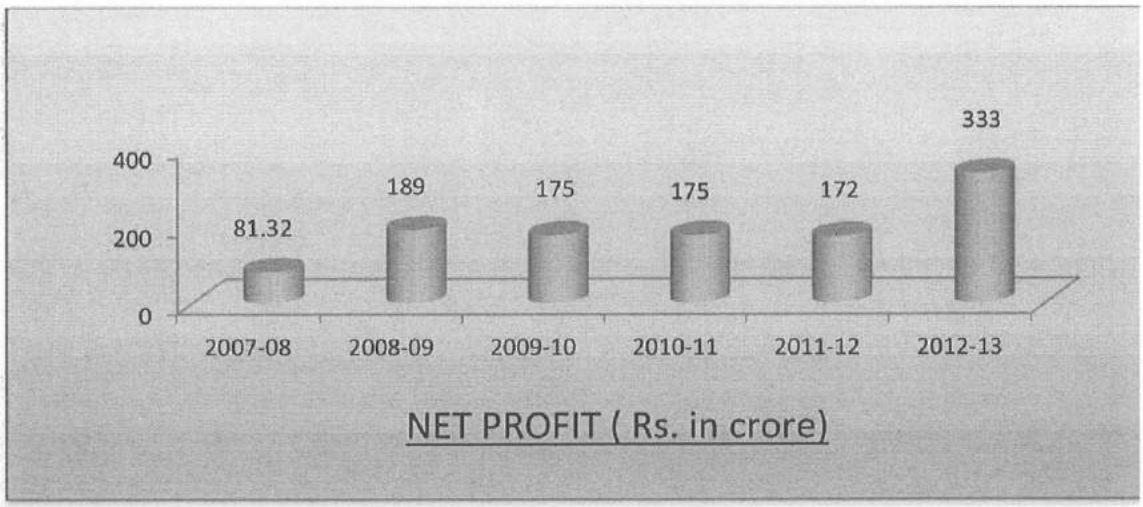



EQUITY & LIABILITIES (%) : 2012-2013
Trade Payables, 1.00
Other Current Liabilities, 8.61
Short Term Borrowings, 3.14
Other Long Term Liabilities, 2.18
Share Capital, 22.37
Long Term Borrowings, 43.20
Reserves and Surplus, 19.49

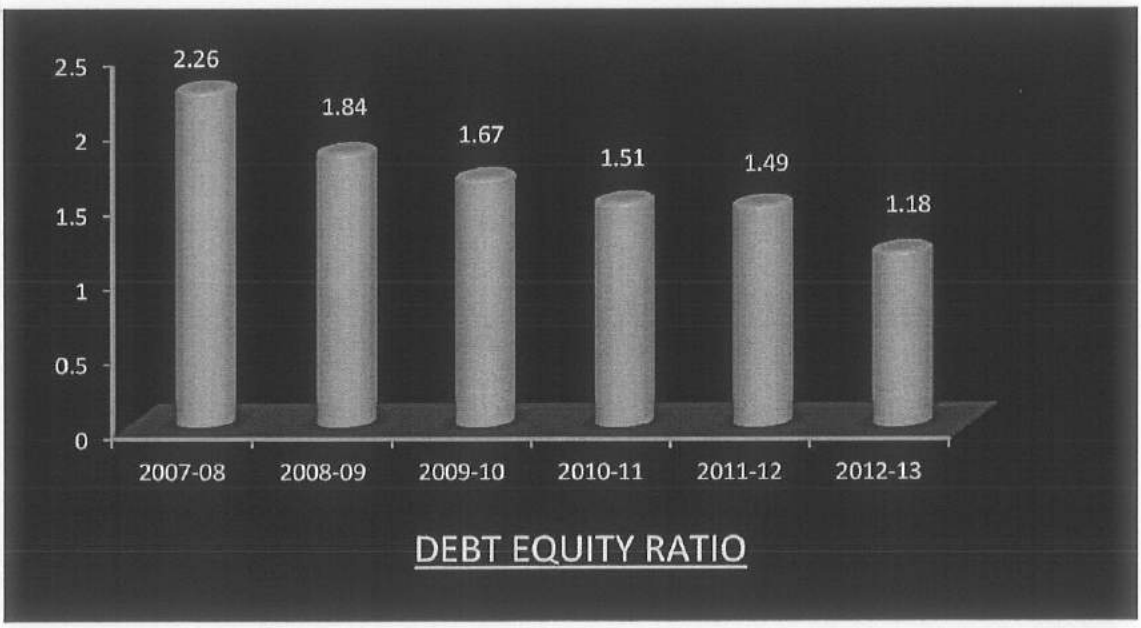

ASSETS (%) : 2012-2013
Short-Term Loans & Advances 1%
Trade Receivables 6%
Cash & Cash Equivalents 3%
Long Term Loans & Advances 1%
Inventories 2%
CWIP 15%
Tangible Assets 72%



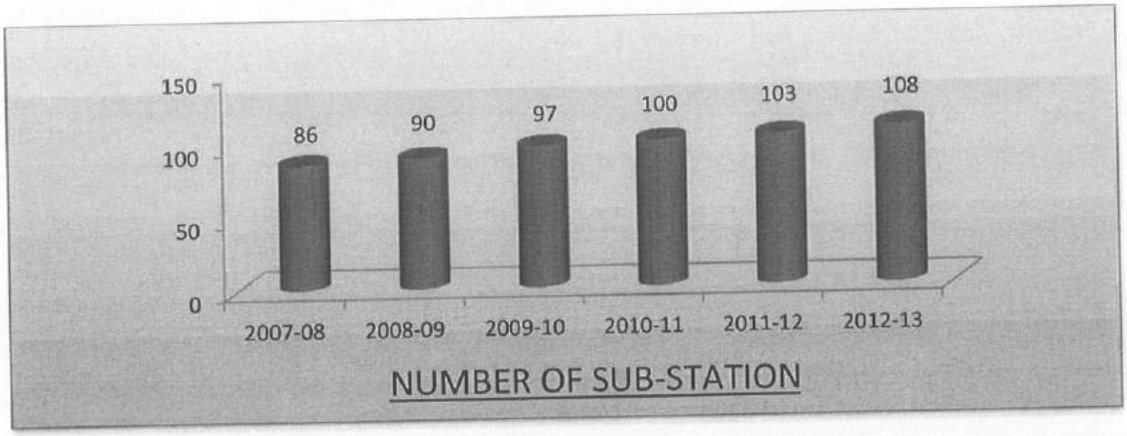
EARNING FROM OPERATIONS (Rs. in crore)



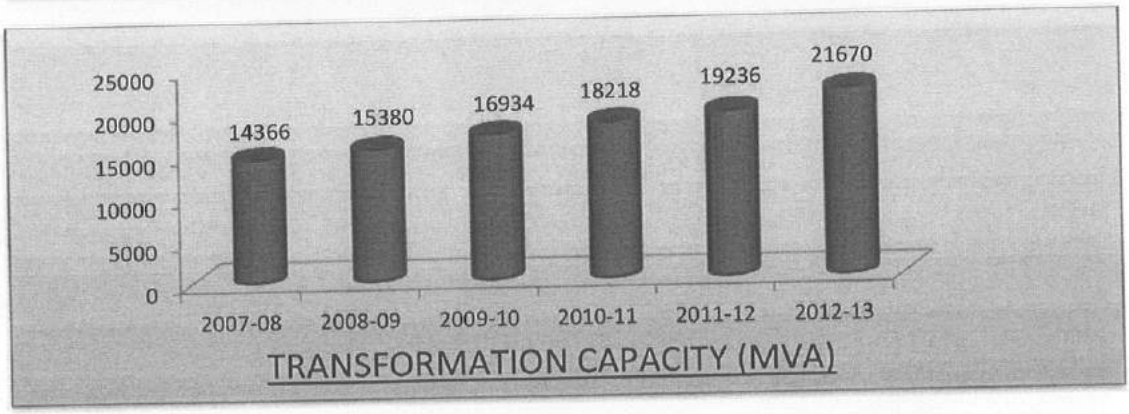
NET PROFIT (Rs. in crore)



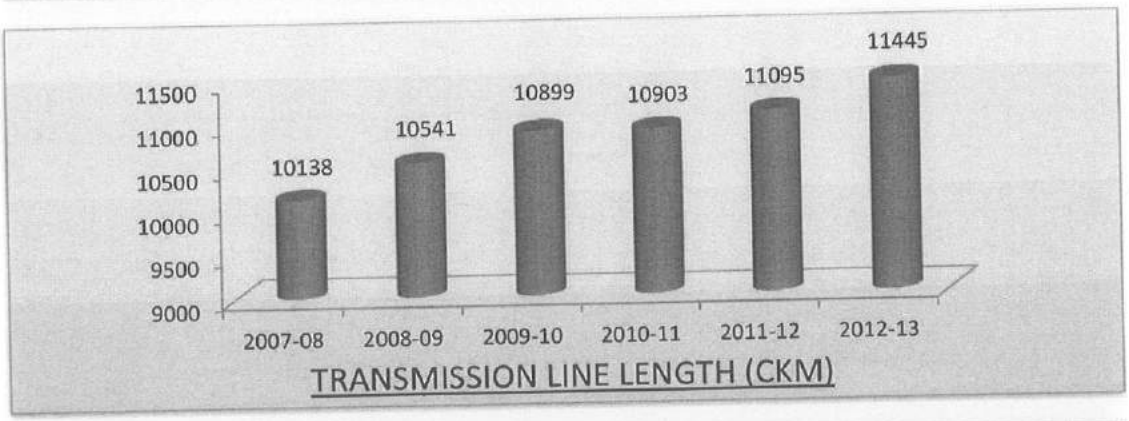
DEBT EQUITY RATIO



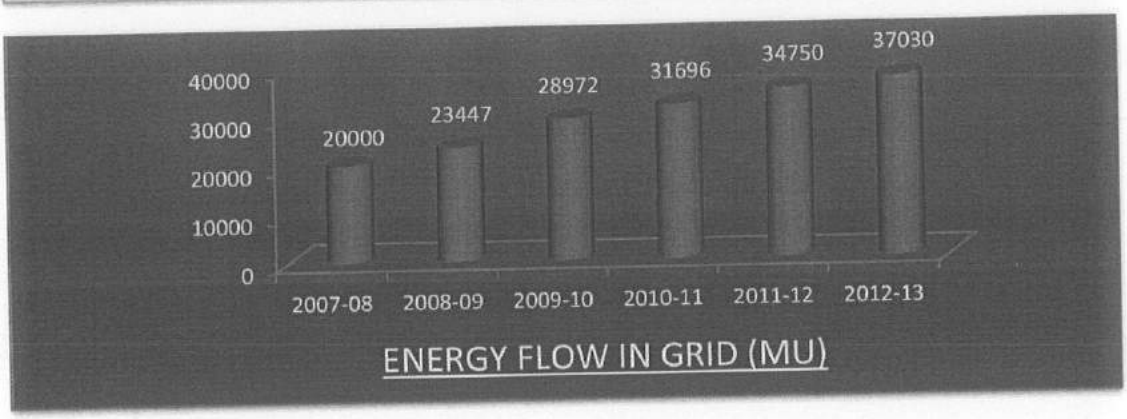
NUMBER OF SUB-STATION



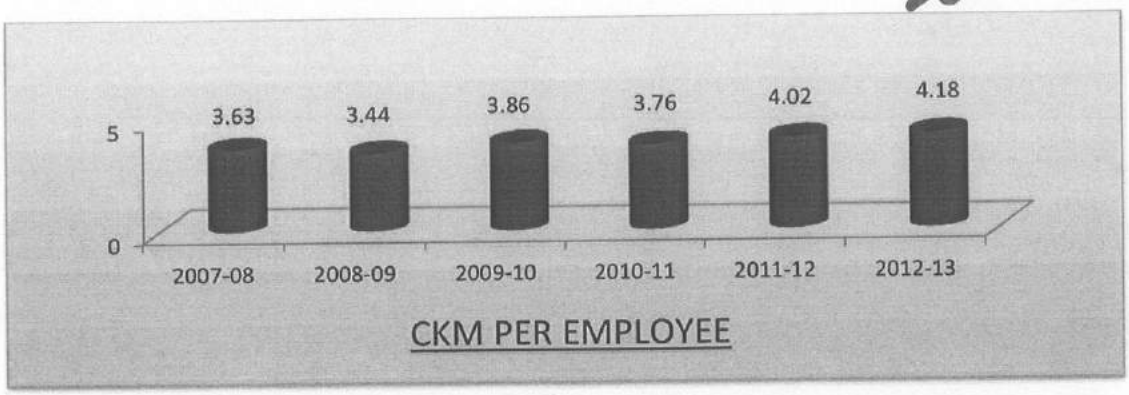
TRANSFORMATION CAPACITY (MVA)



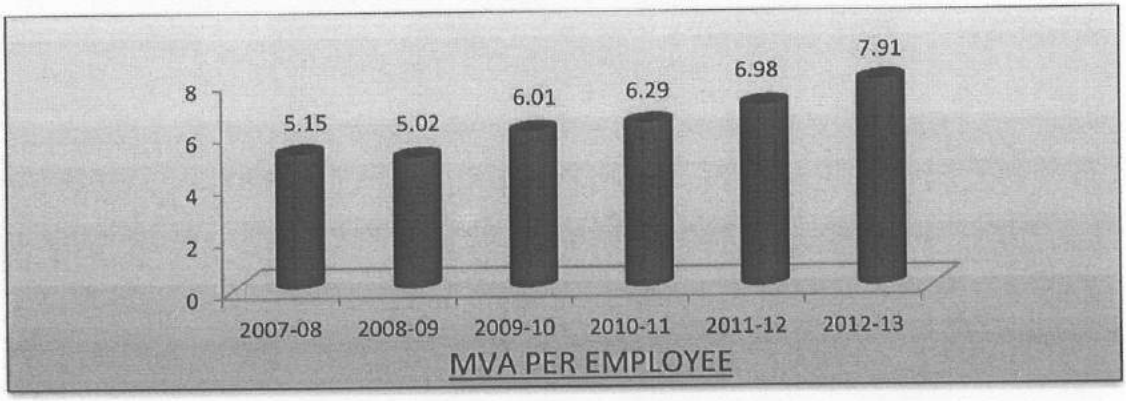
TRANSMISSION LINE LENGTH (CKM)



ENERGY FLOW IN GRID (MU)



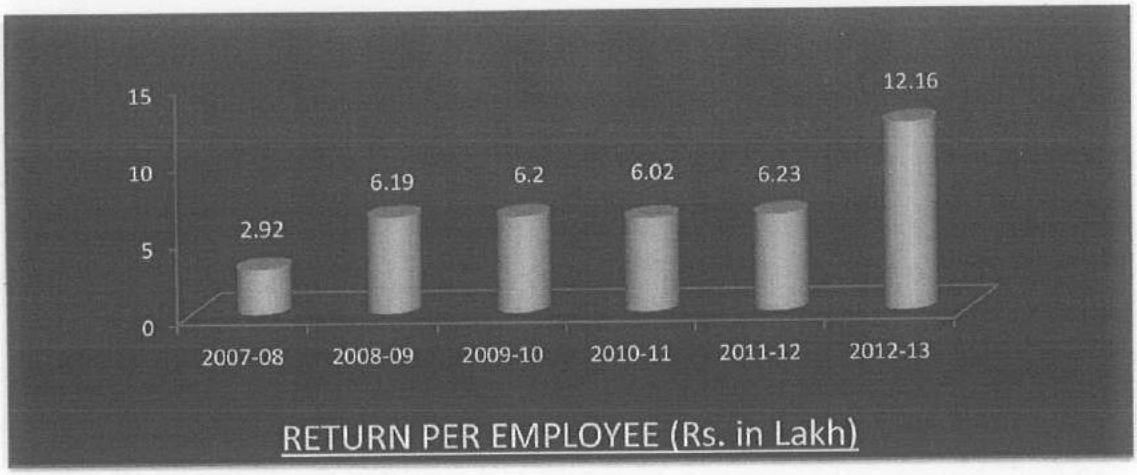
CKM PER EMPLOYEE



MVA PER EMPLOYEE



REVENUE PER EMPLOYEE (Rs. in Lakh)



RETURN PER EMPLOYEE (Rs. in Lakh)

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WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)

BOARD OF DIRECTORS

Executive Directors

Amaresh Chandra Sarkar
Managing Director (upto 31.1.2013)

Dilip Kumar Dey
Director (Projects) & holding
charge of Managing Director (from 1.2.2013)

Anjan Chowdhuri
Director (Finance & Accounts)

Subrata Nag
Director (Operations) (upto 31.7.2013)

Manas Bandyopadhyay
Director (Operations) (from 1.8.2013)

Non-Executive Directors

Malay Kumar De, IAS
Chairman

Hari Krishna Dwivedi, IAS

Sreekumar Majumdar

Tapan Kumar Basu

COMPANY SECRETARY

Srikumar Chattopadhyay

STATUTORY AUDITOR

N.Sarkar & Company - Chartered Accountants,
21 Prafulla Sarkar Street,
Kolkata 700072.

COST AUDITOR

Datta, Ghosh, Bhattacharya & Associates- Cost Accountants,
37, Gobinda Bose Lane,
Kolkata 700 025

BANKERS

UCO Bank, State Bank of India & United Bank of India

Registered Office :

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

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WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)

Vidyut Bhavan, Bidhannagar, Kolkata - 700 091

NOTICE

NOTICE is hereby given that the **Sixth Annual General Meeting** of **West Bengal State Electricity Transmission Company Limited** will be held at its Registered Office at Vidyut Bhawan, 7th floor (Conference Room), Block-DJ, Sector-II, Bidhannagar, Kolkata- 700 091, on Thursday, the 29th August 2013, at 2.30 pm for transaction of the following businesses:

1. To receive, consider and adopt the audited Profit & Loss Accounts for the financial year ended 31st March 2013, the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.

2. To fix remuneration of the Statutory Auditors to be appointed by the Comptroller and Auditor General of India for auditing the Annual Accounts of the Company for the financial year 2013-2014.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 27th August, 2013
Registered Office :

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

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WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Government of West Bengal Enterprise)

Vidyut Bhavan, Bidhannagar, Kolkata - 700 091

NOTES

1) **A Member 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 not later than forty-eight hours before commencement of the Meeting.**

2) In pursuance of Section 619(2) of the Companies Act 1956 (the Act), Statutory Auditor of the Company for the financial year 2013-14 is to be appointed by the Comptroller and Auditor General of India.

In accordance with the provisions of Section 224(8) (aa) of the Companies Act, 1956, the remuneration of Statutory Auditor of a Government Company shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. The Members may authorise the Board of Directors to fix remuneration of the Statutory Auditor of the Company, for the year financial year 2013-2014.

By order of the Board

(Srikumar Chattopadhyay)
Company Secretary

Dated : 27th August, 2013
Registered Office :

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

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CHAIRMAN'S MESSAGE

Dear Shareholders,

Financial year 2012-13 proved to be a tough year for the Indian economy which slowed down considerably. The slowdown in the pace of growth is largely attributable to weakness in Industry which grew by only 3.1% during the year. The pace of growth in the Services sector – the key driver of economic growth over the last few years – also decelerated to 6.6%, well below the trend growth levels. It is against this backdrop, your Company's exemplary initiatives in the area of sustainable development have delivered another year of commendable performances in all parameters. WBSETCL's all round performances found national recognition since inception. This year too, the Company was bestowed with the IPPAI Power Awards 2013 for the "Best Performing SLDC Award (Eastern Region)".

During its sixth year of operation, the Company touched the highest ever turnover of Rs.1026.34 crore, registering a net profit of Rs.333.02 crore as against Rs.171.67 crore of the previous year. WBSETCL has consistently been a profit making organisation since its formation due to a stable tariff regime and timely revisions of tariffs allowed by the West Bengal Electricity Regulatory Commission. Taking into account the capital intensive nature of power industry, your Company makes every effort to tap appropriate source of funding to minimize weighted average cost of funds – its current debt-equity ratio is 1.18 and continues to enjoy assignment of "A" rating by credit rating agencies.

With addition of 366 ckm of EHV transmission lines, and 5 new sub-stations totalling 2463 MVA transformation capacity to the transmission network, the Company, as of 31st March 2013 maintains and operates a vast transmission network of about 11445 ckm of EHV transmission lines along with 108 sub-stations (400 kV to 66 kV) having total transformation capacity of 21670 MVA, spread over the entire stretch of the State and maintained at an availability of 99.94%. During the year, the Company handled energy flow of 37030 MU in the grid and transmission losses were around 3%, comparable with the best transmission utility in the country.

Based on present load projections, WBSETCL aims to take up for implementation of transmission schemes of 43 sub-stations and around 6,000 ckm of transmission lines during the Twelfth Plan period, entailing a capex of Rs. 5462 crores. In addition, the Company plans to connect upcoming renewable power projects to the grid.

With India accounting for over 17% of the world's population but only 2.4% of global land mass, like most transmission utilities, WBSETCL is also facing challenges related to right-of-way (ROW) and land availability for expanding its network. The utility is installing gas-insulated substations at 400 kV, 220 kV and 132 kV levels in order to minimise land requirement and resolve acquisition issues. To mitigate ROW problems, it plans to erect monopoles, multi-circuit and narrow base towers for transmission lines and lay underground cables at 400 kV, 220 kV and 132 kV levels, where essential.

Given its impressive performance in the past and its determination to overcome challenges, WBSETCL is poised to build a more stable and advanced transmission network going forward. I convey my thanks to all the stakeholders of the Company for extending their valuable support and co-operation, and reposing continued confidence in the Company's performance.

Yours sincerely,

(M. K. De)
Chairman

Dated : 27th August, 2013

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DIRECTORS' REPORT

Your Board of Directors has the pleasure of presenting the **Sixth Annual Report** together with the audited financial statements of the Company for the financial year ended 31st March 2013.

AWARDS

Your Company, in a span of six years of operation, has carved a niche for itself amongst the transmission utilities in the country. In the very first year of its operation (2007-08), the Company was conferred the '***Best Transmission System Availability Award'*** with ***Gold Shield*** by the Ministry of Power, Government of India. Based on overall performance, the Company was chosen as the winner of the 'Powerline Awards 2012' in the category of '***Best Performing Transmission Company'***. In continuation of this past performance, the Company, in 2013, was adjudged the proud winner of IPPAI (Independent Power Producers Association of India) 'POWER Awards 2013' for 'Best Performing SLDC Award (Eastern Region)'.

Change in Board of Directors

Shri Amaresh Chandra Sarkar, Managing Director, retired on 31st January 2013 on completion of his term of employment. Shri Dilip Kumar Dey, Director (Projects) has taken over additional charge of Managing Director from 1st February 2013.

Shri Subrata Nag, Director (Operations), retired on 31st July 2013 and Shri Manas Bandyopadhyay has been appointed as Director (Operations) from 1st August 2013.

The Board places on record its sincere appreciation for the valuable guidance provided and contributions made by Shri Sarkar and Shri Nag during their tenure in the Board.

Financial Performance

WBSETCL has consistently been a profit making organisation since its formation due to a stable tariff regime and timely revisions of tariffs allowed by the West Bengal Electricity Regulatory Commission (WBERC).

The year 2012-13 has been another year of impressive financial performance by your Company. In its sixth year of operation, the Company touched the highest ever turnover of ₹ 1026.34 crore. The operations of the Company, during the year under review, resulted in a Profit before Interest, Depreciation and Tax (PBIDT) of ₹ 741.67 crore as compared to ₹ 519.96 crore in the previous year, while the net profit for the year stood at ₹ 333.02 crore as against ₹171.67 crore in the previous year.

After appropriation of an amount of ₹ 17.58 crore towards Debenture Redemption Reserve, and ₹ 5.21 crore to Reserve for Unforeseen Exigencies, the balance profit for the year ended 31st March, 2013 of ₹ 310.24 crore was transferred to General Reserve.

During the FY 2012-13, your Company made an investment of ₹ 350.90 crore (as against ₹ 393.58 crore in 2011-12) in implementation of various projects. The requisite funds were mobilized from proceeds of ongoing and new loans from funding agencies, namely, Rural Electrification Corporation Ltd, Power Finance Corporation Ltd., NABARD, etc. besides internal resources of WBSETCL.

Taking into account the capital intensive nature of the power industry, 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 tap appropriate source of funding to minimize weighted average cost of funds, as also exploring cheaper options for refinancing high cost debt. The Company's current debt-equity ratio is 1.18 against a normative debt equity ratio of 2.33:1 permitted by WBERC for funding capital expenditure.

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

Operational Performance

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

During the year under review the Company added 366.4 circuit kilo meter (ckm) of extra high voltage transmission lines, commissioned five Extra High Voltage (EHV) sub-stations with 1280 Mega Voltage Ampere (MVA) transformation capacity and added 1183.2 MVA to the system by augmenting transformer capacities in its existing sub-stations. As of 31st March 2013, the Company owns and operates :

- Transmission Network of around 11445 ckm of EHV (400 kV to 66 kV) transmission lines;
- Transformation capacity of about 21670.4 MVA, maintaining availability at over 99% throughout the year;
- 108 sub-stations of various voltages.

The Company has been able to consistently maintain very high levels of transmission system availability - well over 99 per cent, which is at par with international standards.

Over the past six years, WBSETCL's transmission losses stood at around 3 per cent, one of the lowest in the country. The Transco has been undertaking various initiatives to further lower its losses. Apart from expansion and augmentation of its existing network, it has installed 182 MVAR capacitor banks in the 220 kV and 132 kV sub-stations.

During the Eleventh Plan period, the Transco's transformer capacity and line length witnessed a compound annual growth rate of 8.58 % per cent and 3.25 %, respectively.

Project Execution

Your Company puts best efforts to implement transmission projects within stipulated time frame to derive maximum economic benefits. For timely implementation of projects, your Company takes pre-emptive measures and proactive actions on various project linked activities such as land acquisition, survey and soil investigations, tender activities, funding tie-up, etc. in parallel with project investment approval process. Project appraisal and review meetings at regular intervals help to tone up the implementation process.

Details of Projects completed during the year and Projects under execution are given in the Management Discussion and Analysis Report, forming part of the Annual Report.

Perspective Plan for XII Plan (2012-13 to 2016-17)

In 2011, the Board of Directors of the Company approved a Perspective Plan for network expansion up to the end of 12th Plan (2016-17) involving establishment of 43 EHV sub-stations, construction of 6000 ckm of transmission lines, installation of 33 kV Capacitor Bank at EHV sub-stations and other capital works at an estimated investment of ₹ 6045 crore. Consequent to the subsequent exclusion of two nos. 400 kV D/C inter-state lines to be undertaken as Regional Schemes, the estimated cost of the Perspective Plan was revised to ₹ 5462 crore, which received approval of the Hon'ble West Bengal Electricity Regulatory Commission on 25th May 2012.

The Perspective Plan of the Company aims at

- Effective, reliable and quality power supply in the command area of WBSEDCL;
- Evacuation of power from State Sector and private Generators within the State;
- Export of surplus power outside the State; and,
- Strengthening of the existing transmission network for accommodating future load growth.

Technological initiatives

A well designed and integrated transmission system is a pre-requisite 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

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

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

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

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

e) hybrid transmission lines with combination of OH conductor and UG cable at 400 kV, 220 kV and 132 kV voltage level;

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

g) renewal of old line and sub-station structures on regular basis;

h) Application of OPGW for Digital Communication between the sub-stations;

i) Application of HTLS Conductor for up-rating the power flow on the existing Transmission Lines.

Besides, standardisation of inventories for all transmission lines, technical audit at all sub-stations have been undertaken. Further, as a step towards disaster management, WBSETCL has decided to procure an emergency restoration system (ERS) consisting of ten sets of single circuit towers of 400 kV class and other diagnostic tools to reduce the breakdown time and improve system availability in case of EHV tower failure.

In addition, the Transco plans to connect upcoming renewable power projects to the grid.

Further, in order to strengthen the existing transmission corridors, WBSETCL plans to use high temperature low-sag conductors that enable higher power flow and procure punctured insulator disc instruments.

However, like most transmission utilities, WBSETCL is also facing challenges related to right-of-way (ROW) and land availability for expanding its network. The utility is installing gas-insulated sub-stations at 400 kV, 220 kV and 132 kV levels in order to minimise land requirement and resolve acquisition issues. To mitigate ROW problems, it plans to erect monopoles, multi-circuit and narrow base towers for transmission lines and lay underground cables at 400 kV, 220 kV and 132 kV levels, where essential.

Communication & Information Technology

For development of communication system, the Company has taken up ULDC Expansion Project under which OPGW will be laid covering almost all sub-stations throughout West Bengal. Under this Project, 4200 km of OPGW will be laid and 126 Nos. of Multiplexors will be installed for high quality voice facility and high speed data transfer. Replacement of microwave system by Optical Fibre Network also is under progress.

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Towards implementation of SAP Enterprise Resource Planning (ERP) Solution, demonstration of the Simulated Systems developed for all functional Modules viz:

- Plant Maintenance
- Project Planning and Management
- Procurement and Materials Management
- Financial Management
- Human Resource Management and
- Document Management System

have been made to functional and technical group officers. After technical training to the IT Engineers and Site Level User Training to the employees, parallel run of the system has been initiated. Training on SAP and Oracle RDBMS & Oracle Developer 2000 has been imparted to engineers and officers of the Company. Arrangement of alternative Data Centre for WBSETCL SAP ERP ICT Infrastructure at Moni Bhandar (WBSDC) in collaboration with WBEIDC and Department of IT, GoWB has been finalized, along with computer and networking backbone for more than 160 establishments of the Company.

Corporate E-mailing Services (mail.wbsetcl.in) has been implemented and corporate Web hosting services of WBSETCL (www.wbsetcl.in) has been enhanced to facilitate transparency and work process re-engineering.

Further, technical interfacing and web based on-line recruitment process has been extended for all categories of employees of the Company.

Technical specifications for the implementation of Geo-referenced based power map of the State using GIS technology have been finalized.

Health & Safety Management

Your Company is committed to ensuring a safe and healthy workplace for all employees and contractors' workers by maintaining the highest levels of safety and occupational health standards. All units of your Company have 'best-in-class' infrastructure, competent resources and management systems as well as state-of-the-art fire and life safety measures whose efficacy are regularly monitored through rigorous audits. Since transmission of electricity at different voltages contains an inherent element of danger to life and property, your Company's approach entails inculcation of safety as a value-added concept to bring about a behaviour change and support the creation of safety culture. In line with this philosophy, during the year, Safety Awareness Programs were conducted over sixteen sub-stations along with Corporate Safety Team. 5000 safety posters on electrical safety were placed in conspicuous places of all EHV sub-stations and specifications prepared for PPEs

in reference to the Safety Manual. Further, Safety Committees keep constant vigil on adherence to safety standards and safety rules so as to raise safety profile of the Company. This has resulted in significant improvements in all areas of safety.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm to the best of their knowledge and belief that:

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

ii) 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 that period;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

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 31st March 2013.

Corporate Social Responsibility

Since its inception, Corporate Social Responsibility (CSR), has always been at the core of the way business is done in WBSETCL. Schemes for improvement of social infrastructure in the vicinity of company's installation / capital works are undertaken with due approval of the Board in case of receipt of specific proposals therefore from local authorities. Thus works under CSR are originally undertaken by the local authorities and amounts are released on the basis of physical progress of such works. A comprehensive Policy on Corporate Social Responsibility is under preparation for implementation.

Particulars of Employees under Sec. 217(2A) of the Companies Act, 1956

There were no employees engaged in the Company for the whole or part of the year to whom the provisions of Section 217(2A) of the Companies Act, 1956 were applicable.

Statutory Auditors' Report & Comments of Comptroller and Auditor General of India

i) Auditors' observations and Company's responses thereto are **annexed,** which form part of the Report.

ii) Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2013 is **annexed.**

Right to Information Act, 2005

All the prescribed information are hosted in Company's Website under the head 'RTI PORTAL'. An independent RTI Cell has been made functional to ensure compliance with the provisions of the Right to Information (RTI) Act 2005 and attending to the requests for information. The Company has designated 36 Assistant Public Information Officers (APIO) in each administrative unit and one Public Information Officer at Corporate Office. The Company Secretary has been designated as 'First level Appellate Authority'. The Company received 29 requests during 2012-13 and disposed off all. No appeal to Appellate Authority has so far been made by any member of public.

Corporate Governance

Your Company is committed to conform to the highest standards of Corporate Governance by ensuring transparency, adequate disclosures and timely reporting. A separate section on **Corporate Governance** forms part of the Annual Report.

Management Discussion and Analysis Report

A detailed analysis of the Company's performance is provided in the **Management Discussion and Analysis**, which forms part of this Annual Report.

Energy Conservation, Technology absorption and Foreign Exchange Earning and outgo

The Company is not categorized as Scheduled Industry, so the particulars in respect of Form 'A' pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 are not required to be furnished. However, the details in respect of Form 'B' pursuant to Rule 2 are furnished in the Annexure.

Auditors

The Comptroller and Auditor General of India appointed N. Sarkar & Co. - Chartered Accountants, as Statutory Auditor of the Company, for the financial year 2012-13.

The Board of Directors with the approval of the Ministry of Corporate Affairs, Government of India, appointed Datta, Ghosh, Bhattacharya & Associates - Cost Accountants, as Cost Auditor of the Company for the year 2012-13 under the provisions of the Companies Act, 1956. The Cost Auditor's Report, in XBRL format, for the previous year have been filed with the Ministry of Corporate Affairs on 7th January 2013.

Human Resource Development

In the course of the year under report, your Company has achieved its present level of excellence through the services of a dedicated and talented pool of manpower which is full of great zeal and enthusiasm. It is our constant endeavour to provide avenues and scope for continuous learning and development to every employee. The Company has developed a comprehensive 'in-house induction training module' to ensure that new employees understand the basic aspects of the Company in its all operations. With recruitment of 313 heads under different categories during the year, the total strength of human assets of the Company as on 31st March 2013 was 2738 of which 1683 employees were on deputation from West Bengal State Electricity Distribution Company Limited on provisional basis to provide services to the Company. The process of recruitment of 451 personnel for different posts is in progress to replace retiring employees as well as to meet the requirements of its increasing transmission infrastructure.

Your Company has a glorious tradition of conducive employee relations. There has been a healthy tradition of settling issues through discussions with trade unions / workers' representatives and this has helped in establishing a peaceful IR climate. The Company has an established system of workers' participation at different levels right from Corporate to Unit level through Joint Management Councils.

Your Company has taken various initiatives for socio-economic development of SCs/STs & OBCs. Government directives on Reservation for Scheduled Castes and Scheduled Tribes in Appointments in Government Enterprises are adhered to in totality.

Acknowledgement

Your Board places on record their deep sense of appreciation for the co-operation, support and guidance received from the Government of West Bengal, particularly the Department of Power and Non-conventional Energy Sources, the Ministry of Power in Government of India, the State and Central Electricity Regulatory Commissions, Central Electricity Authority, Central Transmission Utility

and Eastern Regional Power Committee in the effective management of the Company's affairs and resources.

The Board also acknowledges with thanks the constructive suggestions received from C&AG, Statutory Auditors and Cost Auditors. The Board also places on record their sincere appreciation for the continued support and confidence reposed by the Financial Institutions, Banks, Credit Rating Agencies and Bombay Stock Exchange.

Last but not the least, the Board wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors,

(M. K. De)

CHAIRMAN

Dated : 27th August, 2013

Place : Vidyut Bhavan,
Sector II,
Bidhannagar,
Kolkata - 700 091.

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Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

Any discussion on the power sector inevitably focuses on generation and distribution of electricity. However, transmission of electricity, though mostly ignored, plays no less a vital role in connecting the power generation sources to the load centres to keep the life blood of electricity flowing throughout the country for powering the economy.

Since its incorporation six years ago, your Company has been discharging this function in a commendable manner through its steadily growing transmission infrastructure to ensure the unimpeded flow of electricity throughout the State, irrespective of terrain and weather conditions.

The financial year 2012-13 proved to be a tough year for the Indian economy with growth hit by a fragile global economic recovery and a multitude of domestic issues including low growth, sticky inflation, high interest costs, macro-economic imbalances, etc. continuing to weigh on corporate profitability. Despite the macro-economic headwinds, the Company continued its success story and delivered impressive results on all the parameters during the financial year 2012-13.

Constant focus is given to improving operational efficiency, asset utilization, reduction of transmission loss and prudent fund management. Our efforts bore gratifying results. During the year under review, WBSETCL handled energy flow of 34750.097 million units (MU) with transmission losses of around 3%, comparable with the best in the country.

FINANCIAL REVIEW

The summary of financial result of the Company for the year ended 31st March, 2013 is given below:

FINANCIAL HIGHLIGHT	(₹ in crore)	
Operating Income	**2011-12**	**2012-13**
Earned from Operations	724.11	1010.28
Other Income	27.76	16.06
Total (A)	**751.87**	**1026.34**
Paid and Provided for		
Transmission & ULDC charges	56.98	87.95
Repair & Maintenance	28.49	31.76
Employees Cost	119.77	132.73
Administration & General Expenses	26.67	32.21
Sub – Total (B)	**231.91**	**284.65**
Profit before Depreciation, Interest and Tax(A – B)	**519.96**	**741.69**
Depreciation	125.13	137.00
Interest & Finance Charges	180.22	188.36
Profit before Tax	**214.61**	**416.33**
Provision for Tax	42.94	83.30
Profit after Tax	**171.67**	**333.02**
Appropriations:		
Reserve for Unforeseen Exigencies	(14.19)	(5.21)
Debenture Redemption Reserve (DRR)	(15.49)	(17.58)
Balance Transferred to General Reserve	**141.99**	**310.24**

During the year under review, the West Bengal Electricity Regulatory Commission issued the multi-year tariff order for the period 2011-12 to 2013-14. In terms of such order, the Company was permitted retrospective increase in tariffs for the year 2011-12 as well as for 2012-13. In addition, WBERC also issued the Annual Performance Review (APR) Orders for the years 2009-10 and 2010-11, whereby some additional amounts on account of uncontrollable expenses incurred in those years were approved for recovery in subsequent years. In accordance with the accounting policy followed by the Company, the additional amounts recoverable on account of the tariff revision for 2011-12 and the APR Orders for 2009-10 and 2010-11 were recognised as income during the year under report, resulting in the Company registering the highest ever turnover of

₹ 1026.34 crore during 2012-13. The following amounts pertaining to previous years have been recognized as revenue in the period ending 31.03.2013, in line with the accounting policy of the Company:

Sl. No.	Tariff Order Reference	Amount (₹ in crore)
1	Order dated 30.08.2012 on APR for the F.Y. 2009-10	72.72
2	Order dated 19.10.2012 on APR for the F.Y. 2010-11	27.85
3	Arrear for the F.Y. 2011-12 as per Order dated 01.12.2012 on MYT for 2011-12 to 2013-14	53.07
4	Adjustment of Regulatory Asset for 2008-09 by Hon'ble WBERC in the APR order dated 19.10.2012	(40.49)
	Net Total Amount	**113.15**

Profit Before Tax (PBT) increased from ₹ 214.61 crore to nearly double the figure to ₹ 416.33 crore. After provision of tax of ₹ 83.30 crore, Profit After Tax (PAT) for the year amounted to ₹ 333.02 crore as against ₹ 171.67 crore in 2011-12.

After appropriation of an amount of ₹ 17.58 crore Debenture Redemption Reserve, and ₹ 5.21 crore being interest income received on Reserve for Unforeseen Exigencies investments to that Reserve, the balance of ₹ 310.24 crore was transferred to General Reserve.

Total term borrowings on a net basis decreased by ₹ 38.58 crore despite the Company having met additional capital expenditure of ₹ 350.90 crore during the year under review. Short term borrowings from banks increased from ₹ 80.08 crore to ₹ 155.00 crore due to increase in availment of Cash Credit following accumulation of dues on account of tariff revision for 2012-13 and the APR receivables for earlier years; recovery of which has been directed to be staggered over the financial years 2013-14 to 2015-16 by the WBERC.

Other current liabilities increased substantially from ₹ 374.67 crore to ₹ 419.92 crore (by ₹ 45.25 crore). This was primarily due to an increase in deposits received from Agencies for Deposit Work from ₹ 83.36 crore in 2011-12 to ₹ 163.60 crore in the current year. This increase of about ₹ 80 crore was offset by decrease in current maturities of long term borrowings by ₹ 43.12 crore;

With the addition of huge transmission network, Net Block of Fixed Assets increased from ₹ 3261.94 crore to ₹ 3572.46 crore (an increase of ₹ 310.52 crore) while CWIP decreased from ₹ 855.01 crore to ₹ 757.88 crore.

Trade receivables have increased from ₹ 62.22 crore to ₹ 288.88 crore. The increase is on account of APR adjustment permitted for earlier years of ₹ 100.57 crore realizable in 3 installments from 2013-14 to 2015-16 and ₹ 109.82 crore on account of tariff increase for the period April 2012 to November 2012 realizable in 2013-14.

Some indicative financial ratios are provided below:

Ratios	2011-2012	2012-13
Current Ratio (excl. current maturities of long term debt)	1.47	1.28
Debt to Equity Ratio	1.49	1.18
Debt Service Coverage Ratio (DSCR) (incl. current maturities of long term debt)	1.19	1.81
Interest Service Coverage Ratio (ISCR)	2.67	3.50
Earnings per Share (EPS) (Rs.)	1.55	3.01

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 2013, including for ₹ 240 crore additional bank facilities.

Project Execution

Power sector is at crucial juncture of its evolution in the country from a controlled environment to a competitive, market driven regime which endeavours to provide affordable, reliable and quality power to all sectors of the economy. In view of the steadily increasing demand for electricity throughout the State arising from both, existing and new consumers added under the rural electrification scheme and with the addition of generating capacities in new and existing generating stations in the State, WBSETCL has planned major network augmentation to ensure that the transmission system in the State – which forms the backbone of the power infrastructure, is able and ready to transmit energy from the generation/import points to the load centres. This entails construction of substations and transmission lines over diverse and often, difficult terrain spread all over the State. In order to ensure minimal disruption of power transmission, constant focus is given on the expansion, upgradation and augmentation of the transmission infrastructure, including replacement of ageing infrastructure.

During the year, your Company continued to implement its projects with economy and largely within stipulated time frames to derive maximum economic benefits. Project implementation activities involves total project review and monitoring including standardization of designs, Project Review Meetings at regular intervals, preemptive 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.

On project implementation front, your Company displayed excellent performance during the FY 2012-13. It commissioned 366.4 ckm of transmission lines, 5 new sub-stations including two gas-insulated sub-stations and added transformation capacity of 2463.2 MVA. These additions to the Company's network have helped in improving power supply situation in various parts of the State and reliability of the system.

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As of March 2013, WBSETCL's network comprised over 11,445 ckm of transmission lines and 108 sub-stations, with a total capacity of 21,670 MVA.

The projects completed during 2012-13 and made available to the transmission system of WBSETCL are detailed below:

Sub-stations

Five new sub-stations with capacity addition of 1280 MVA were commissioned during the year comprising of one 400 kV sub-station at Kharagpur (950 MVA); and four 132/33 kV sub-stations at

(i) Salt Lake (GIS) (100 MVA)
(ii) Bagnan (GIS) (100 MVA)
(iii) Kurseong (30 MVA)
(iv) Kakdwip (100 MVA)

Augmentation of Transformer Capacity

1183 MVA has been added to the system by augmenting transformer capacities in existing sub-stations:

	Sub-station	400/220 kV	220/132 kV	132/33 kV	66/11 kV	33/11 kV	Total
1	Arambag 400/220	315.0					315.00
2	Jeerat 400/220	315.0					315.00
3	Laxmikantapur 220/132		160.00	18.5		3.3	181.8
4	Kasba 220/132		160.00				160.00
5	Uluberia 132/33			50.0			50.0
6	NBU 132/33			31.5			31.5
7	Coochbehar 132/33			18.5			18.5
8	Debogram 132/33			11.5			11.5
9	Lilooah 132/33			31.5			31.5
10	Moinaguri 132/33			19.0			19.0
11	Falta 132/33			11.5			11.5
12	Haldia 132/33			11.5			11.5
13	Samsi 132/33			11.5			11.5
14	Kalimpong 66/11				4.0		4.0
15	Pingla 132/33					6.3	6.3
16	Uluberia 132/33					1.3	1.3
17	Dalkhola 220/132					3.3	3.3
	Total	**630.0**	**320.0**	**215.0**	**4.0**	**14.2**	**1183.2**

Transmission Lines

366.4 circuit kilometres (ckm) covering the following 9 numbers of transmission lines have been added to the system at an estimated cost of ₹ 253 crore.

- 400 kV S/C LILO of KTPS – Baripada line at Kharagpur sub-station.
- 132 kV D/C Gokarna – Lalgola line.
- TL 22 – Salt Lake GIS 132 kV D/C (partly overhead & partly underground) including LILO at New Town AA-I.
- Diversion of Kasba - Salt Lake 132 kV D/C line.
- LILO of one circuit of 132 kV D/C Siliguri – Rangit line (Powergrid) at Kurseong.
- S/C LILO of 132 kV D/C KTPS – Uluberia line at Bagnan sub-station.
- NJP – TLDP-III 220 kV S/C line.
- 132 kV D/C transmission line from Laxmikantapur to Kakdwip 132/33 kV sub-station.
- S/C LILO of l32 kV D/C Kolaghat-Howrah transmission line of DVC at Food Park sub-station.

Line Bays

132 kV – 8 numbers (2 numbers each at Laxmikantapur 220/132 kV, Halida NIZ 132/33 kV, Birsingha 132/33 kV and Chandrakona Road 132/33 kV sub-stations) have been commissioned and put into the system.

In addition to the above, following projects have also been undertaken during the year:

- For improvement of power factor and voltage, 106 MVAR Capacitor Banks have been added to system.
- The old and aged Circuit Breakers (51 Nos.) in system network have been replaced at an estimated cost of ₹ 8 crore to overcome instability of power flow.
- For improvement of system reliability, 13 Nos. 220 kV isolators have been replaced during 2012-13.
- For modernization and upgradation of existing protection system, 40 Nos. Numerical Relays have been replaced at different sub-stations during 2012-13.
- Face-lifting works have been completed at Titagarh, Satgachia, Katwa, Liluah and Barasat sub-stations.

Sub-stations and **Transmission Lines** of different voltage levels, as on 31.3.2013 –

Voltage Level	No. of Sub-Stations	Circuit Kilometers
400 kV	4	1554.1
220 kV	19	2588.0
132 kV	74	6881.9
66 kV	8	421.0
132 kV Switching sub-stations	3	-
Total	**108**	**11,445.0**

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Projects Under Execution

To cater to the need of improving transmission system and to meet the requirement of increasing demand of both industrial and rural load in the state of West Bengal, following projects are under execution whose completion will result in addition of 2276.5 MVA to the system.

- **Sub-stations**
  - Foundry Park 220/132 kV (420 MVA)
  - Hura 220/132 kV (420 MVA)
  - Vidyasagar Park (WBIDC) 220/132 kV (gas-insulated) (420 MVA)
  - Food Park 132/33 kV (100 MVA)
  - Serakol 132/33 kV (63 MVA)
  - Kuli 132/33 kV (gas-insulated) (100 MVA)
  - Khejuria 132/33 kV (gas-insulated) (63 MVA)
  - Mathabhanga 132/33 kV (gas-insulated) (63 MVA)
  - Nazirpur 132/33 kV (gas-insulated) (63 MVA)
- **Augmentation of Transformer Capacity**
  - Howrah (160 MVA)
  - New Town AA-III (50 MVA)
  - Domjur (50 MVA)
  - Behala (50 MVA)
  - Mankar (31.5 MVA)
  - Mahachanda (31.5 MVA)
  - Asansol (31.5 MVA)
  - New Bishnupur (160 MVA)
- **Line Bays**
  - 2 Nos. 220 kV line bays within Dalkhola 220/132 kV (PGCIL)
  - 1 No. 132 kV line bay at Laxmikantapur 220/132 kV
  - 2 Nos. 132 kV line bays at Coochbehar 132/33 kV
  - 2 Nos. l32 kV line bays at Moinaguri 132/33 kV
  - 2 Nos. 220 kV line bays at Kharagpur 400/220 kV sub-station

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- **Transmission Lines**

Following transmission lines at an estimated project cost of ₹ 670 crore are under execution whose completion will result in addition of a further 1263 ckm to the system.

- KTPS-Kharagpur 400 kV S/C Line
- Jeerat – Rishra 220 kV D/C Line
- Kharagpur – Midnapur 220 kV D/C Line
- Dalkhola (PG) – Dalkhola 220 kV D/C
- Subhasgram (PG) – Saitala Point 220 kV D/C Line
- NJP-TLDP-IV 220 kV D/C line
- TLDP-III-TLDP-IV 220 kV S/C line
- LILO of Howrah – Domjur 220 kV D/C at Foundry Park
- LILO of 1 ckt of STPS – N. Bishnupur 220 kV D/C at Hura
- Hura – Raghunathpur 22 kV D/C (charged at 132 kV)
- LILO of Arambag – Rishra 220 kV S/C at Singur
- Gokarna – Krishnanagar 220 kV D/C Line
- Kharagpur – Vidyasagar Park 220 D/C & M/C
- LILO of Jeerat – KLC 220 kV S/C at NT AA-III
- Amtala – Najirpur 132 kV D/C
- LILO of Gokarna – Sainthia 132 kV S/C at Kuli
- Birsingha – Ch. Kona Road 132 kV D/C Line
- Foundry Park – Bagnan (up to tapping point) 132 kV D/C
- Hura – Purulia 132 kV D/C
- Food Park – Ambuja 132 kV D/C
- Laxmikantapur – Sirakol 132 kV D/C & LILO at Sirakol
- Coochbehar – Pundibari TSS 132 kV S/C on D/C
- TCF-1 – Rangapani TSS 132 kV S/C on D/C
- Mathabhanga – Coochbehar 132 kV D/C
- Mathabhanga – Moinaguri 132 kV D/C
- TCF-III – Gunjaria TSS 132 kV S/C on D/C
- Rampurhat – Rampurhat TSS 132 kV S/C on D/C

In addition, following projects are under execution during 2013-14 in operational sub-stations and transmission lines :

1) 132 kV traction power supply from Laxmikantapur 220 kV sub-station to LKP TSS with construction of 132 kV D/C line, terminal arrangement and 132 kV line bay modification.
2) 132 kV traction power supply from Bolpur 132 kV sub-station to Prantik Traction sub-station by construction of 132 kV U/G Cable and O/H transmission line.
3) Laying of 132 kV U/G Cable in between Contai sub-station and Kanthi TSS.
4) Power supply arrangement at proposed TSS at Jhargram.
5) Construction of 132 kV D/C transmission line from Arambag sub-station to 132 kV Eastern Railway Traction sub-station including terminal arrangement at TSS Goghat.
6) Construction of 132 kV S/C line on D/C tower from Moinaguri 132 kV sub-station to Railway TSS at Moinaguri, including terminal arrangement at TSS and WBSETCL's end.
7) Construction of 132 kV S/C line on D/C tower from Dalkhola 220/132 kV sub-station to Railway TSS at Dalkhola, including terminal arrangement at TSS and WBSETCL's end and construction of 1 No. 132 kV line bay at Dalkhola 220/132 kV sub-station for Dalkhola TSS.
8) Construction of 132 kV D/C transmission line from Purulia 132 kV sub-station to Purulia traction sub-station.
9) To facilitate construction of Metro Railway in New Garia – Airport and Joka – BBD Bag routes, different O/H 220 kV and 132 kV transmission lines falling enroute shall be diverted via U/G XLPE Cable.
10) Diversion work
    i) 132 kV D/C Arambag – Tarakeswar transmission line to facilitate construction of proposed Tarakeswar – Bishnupur Broad Gauge Railway Track.
    ii) 132 kV D/C Midnapore – Hijlee transmission line at proposed Vidyasagar Park sub-station.
    iii) 132 kV D/C Arambag – Raina transmission line from T/L No.4 to 9 to facilitate construction of proposed Tarakeswar – Bishnupur Broad Gauge Railway Track.
    iv) 132 kV D/C Rishra – Liluah transmission line to accommodate TSS at Dankuni and termination arrangement at TSS.
    v) 220 kV Arambag – Bishnupur D/C transmission line from T/L No. 521 to T/L No. 529 to facilitate construction of proposed Tarakeswar – Bishnupur Broad Gauge Railway Track.
    vi) 132 kV, 220 kV and 400 kV circuits at 10 locations to facilitate construction of dedicated freight corridor parallel to existing Railway Track of ER from Dankuni to Asansol.
    vii) 220 kV Arambag – Midnapur D/C transmission line from T/L No.03 to T/L No.08 to facilitate construction of proposed Tarakeswar – Bishnupur Broad Gauge Railway Track.
    viii) 132 kV Dharampur – Ranaghat 220 kV Jeerat – Satgachia, 66 kV Bagula – Ranaghat and Gokarna – Debagram transmission lines, for widening of NH-34.

ix) 132 kV and 66 kV Dalkhola – Raiganj transmission lines to facilitate construction of Dalkhola bypass of NH-34 and that of 132 kV Malda – Raiganj and Dalkhola – Raiganj transmission lines for Raiganj bypass of NH-34.

x) 400 kV Arambag transmission line to facilitate widening of NH-34.

xi) 220 kV Domjur – Howrah and KTPP – Howrah lines to facilitate widening of NH-6.

xii) 132 kV Tamluk – Haldia NIZ transmission line to facilitate construction of Power Plant of Haldia Energy Ltd.

State Load Despatch Centre

The security of the electricity network in the State as well as the whole country is dependant on the real time balancing of demand and supply of electricity throughout the year from minute to minute. Grid Management ensures moment-to-moment power balance in the interconnected power system to take care of reliability, security, economy and efficiency of the power system. While the National Load Despatch Centre discharges this function at an inter-regional and national level, the Regional Load Despatch Centres and the State Load Despatch Centres are responsible for maintaining grid discipline and security at the regional and state levels, respectively. Grid Management in the State is carried out in accordance with the Grid Codes issued by West Bengal Electricity Regulatory Commission (WBERC). Transmission and Grid Management are essential functions for smooth evacuation of power from the generating stations to the DISCOM/consumers.

In November 2009, West Bengal's State Load Despatch Centre (SLDC) was ring-fenced, after which it has been reporting to WBSETCL. While the SLDC nominally reports to WBSETCL, the SLDC discharges its statutory functions independent of any interference from WBSETCL. The SLDC is assisted by four Area Load Despatch Centres for data acquisition and transfer to SLDC and supervisory control of 132 kV and 33 kV equipments.

It renders following services:

a) Scheduling of power for the State for 96 time blocks per day, based on availability and demand;

b) Concurrence of open access application;

c) Preparation of load generation balance;

d) Real time monitoring and management of state transmission network

West Bengal was an early adopter of the intra-state availability-based tariff (ABT) regime, which benefited the generation and distribution utilities in several ways. It increased grid discipline as electricity generation / drawals of intra-state constituents became consistent with their respective schedules, which, in turn, induced discipline within the power utilities, leading to a reduction in grid instability and disturbances. Another advantage has been the optimum utilization of State resources as all utilities within the State strictly adhere to their schedules owing to the inherent reward / penalty mechanism in the ABT system.

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During the year under review, the grid performance improved due to implementation of modernization of SLDC with state-of-the art technology and manning it by skilled and experienced personnel.

LOAD MANAGEMENT MONITORED BY SLDC			2011-12	2012-13
(A)	1	Energy consumption in WBSEDCL (Own System)	26302.708 MU	28745 MU
	2	Supplied to CESC	998.269 MU	1576 MU
	3	Energy consumption of West Bengal System(excluding valley area served by DVC)	41327.367 MU	44151.116 MU
(B)	No. of planned shut downs in WBSETCL under maintenance programme.		4183	4498

Availability of Transmission Lines 2012-13

Availability	99.94%

Risks and concerns

The power scenario in the country appears to be quite bleak at present. This is because of a combination of various factors, the principle one being of the non-availability or inadequate availability of fuel at reasonable cost. In spite of India having among the largest coal reserves in the world, supply of coal from indigenous sources have consistently fallen short of demand, and this is likely to persist in the immediate future. While new generation capacity coming up turned to imports of coal to meet the gap, legislation by several countries, volatility of global prices due to fluctuating demand and supply and depreciation of the Rupee against the Dollar has pushed up imported coal prices to such levels that the price at which generators are willing to sell electricity has few takers among the mostly cash strapped distribution utilities. So far as gas based generation is concerned, supply of gas is inadequate and, when available, is generally at such high prices that generation becomes unremunerative. Though efforts are being made to augment indigenous coal availability by exploiting existing coal reserves, much needs to be done to accelerate the environment clearance mechanism as well as to monitor and hasten development and commercial exploitation of new coal mines by the state and private sector allot tees of new coal blocks. In parallel, exploration and exploitation of hydrocarbon reserves needs to be pursued more vigorously. While the hydel potential of the country is huge and largely unexploited, especially in the Northern and North Eastern parts of the country, the long gestation period of such projects, coupled with environment and geological hazards of exploiting such resources in virgin forest areas makes it unrealistic to assume that hydel power will play a significant part in meeting the shortfall of power in the country over the next five to ten years.

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

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- Like most transmission utilities, WBSETCL is also facing challenges related to right-of-way (ROW) and land availability for expanding its network. The situation is more acute in the State due to the high population density and fertile nature of most of the land in the State, due to which, the percentage of population dependant on agriculture is comparatively high, leading to greater reluctance to provide land for establishment of electricity infrastructure. In order to mitigate this situation to the extent possible, the utility is installing gas-insulated sub-stations at 400 kV, 220 kV and 132 kV levels in order to minimise land requirement and resolve acquisition issues. To mitigate ROW problems with regard to installation of new transmission lines, it plans to erect monopoles, multi-circuit and narrow base towers for transmission lines and lay underground cables at 400 kV, 220 kV and 132 kV levels, where essential.
- Revenue from transmission charges is collected based on the tariff fixed by WBERC, which stipulates the Aggregate Revenue Requirement (ARR) to be recovered from the consumers by way of tariff during the year under consideration. Any radical change in the terms and conditions of tariff determination as well as disallowance of any of the ARR components may have a significant impact on the profitability of WBSETCL.
- Since transmission business is capital intensive in nature and renders a feeder service to generation and distribution utilities, major changes in the business plans of such entities will have a significant impact on the business plan of WBSETCL. Any delay in commissioning / abandoning of new generating unit or downstream power distribution networks might result in stranded investment in associated transmission infrastructure.
- The number of good and reliable turn-key contractors for execution of sub-stations and transmission line projects are limited. Since all states are accelerating their investments in transmission, availability of capital goods or capable turn-key contractors for timely execution of projects can pose a problem.

Internal Control Systems and their Adequacy

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

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

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

The Company has also formulated Technical Audit Guidelines and rolled out technical audit. Technical Audit of 98 EHV sub-stations have been conducted during the year. The technical audit findings and action arising out of technical audits are placed before the Audit Committee periodically.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The 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.

Forward – Looking Statements

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

Annexure-II

CORPORATE GOVERNANCE

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

In WBSETCL, freedom of management is exercised within a framework of checks and balances. To prevent misuse of power, facilitate timely management of change and ensure effective management of risks, various Policies & Procedures have been documented and are in practice. The powers of top executives and below are laid down in the "Delegation of Powers". "Procurement Policy and Procedures" for Pre-award and Post-award stages are strictly adhered with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.

Besides adhering to the provisions of Corporate Governance as per Listing Agreement with BSE (under wholesale debt market), as a Government Company - Guidelines on Corporate Governance issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India, are also followed by the Company.

A brief report on Corporate Governance is given below.

Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision. As trustees, the Board ensures that the Company has clear goals aligned to its growth plans and the broader objective of ensuring that the transmission network grows in an orderly and timely manner to meet the emerging needs for electricity in the State.

The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations.

WBSETCL is a Government Company within the meaning of Section 617 of the Companies Act, 1956 and its entire share capital is held by the Governor of West Bengal and his nominees. As per its Articles of Association, the power to appoint Directors rests with the Governor of West Bengal. The whole time Directors are appointed for a period of three years from the date of taking over of charge or till the date of superannuation of the incumbent or till further instruction from the Government of West Bengal, whichever event occurs earlier.

Government Nominee Directors representing Departments of Power & NES and Finance, Government of West Bengal, retire from the Board on ceasing to be officials of those Departments.

Independent Directors are appointed by the Governor of West Bengal, usually for tenure of three years.

During the year under review, due to induction / cessation, the composition of the Board has undergone changes. As on 31st March, 2013, the Board comprised of seven Directors

- Two Government Nominee Directors including the Chairman;
- Three Whole-time Directors including the Managing Director; and
- Two Independent Directors.

The following was the composition of the Board of Directors as on 31.03.2013.

Category	No. of Directors	Percentage to total number of Directors
Executive Director	3	40%
Non-Executive Director	4	60%
Total	7	100%

The details of the Directors and their attendance in the Board Meetings held during the year 2012-2013 are tabulated below :

Name of Directors	Category	DIN	Tenure		Number of Board Meeting attended during 2012-2013
			From	To	
Shri Malay Kumar De	Chairman (Non-executive)	00117655	01.04.07	Continuing	Six
Shri Amaresh Ch. Sarkar	Managing Director	02473276	14.12.10	Ceased on 31.01.2013	Five
Shri Dilip Kumar Dey	Director (Projects) and holding charge of Managing Director from 01.02.2013	02882249	08.12.09	Continuing	Six
Shri Anjan Chowdhuri	Director (F & A)	03144031	01.07.10	Continuing	Six
Shri Subrata Nag	Director (Operations)	03415795	17.01.11	Continuing	Six
Shri Hari krishana Dwivedi	Govt. Nominee Director	01952502	03.02.12	Continuing	Nil
Shri Sreekumar Majumdar	Independent Director	00004726	01.04.08	Continuing	Six
Prof. Tapan Kumar Basu	Independent Director	01849330	01.04.08	Continuing	Six

Other Directorship of Board Members as on 31.03.2013.

Director	Category	Other Directorship	
		Name of the Company	Position held
Shri M. K. De	Chairman	The Durgapur Projects Limited	Chairman
		West Bengal Green Energy Development Corporation Limited	Chairman
		Bengal EMTA Coal Mines Ltd.	Chairman
		West Bengal State Electricity Distribution Company Limited	Director
		West Bengal Power Development Corporation Limited	Director
		W.B. Infrastructure Development Corporation Limited	Director
		W.B. Housing Infrastructure Development Corporation Limited	Director
		W.B. Highway Development Corpn. Ltd.	Director
		Apollo Zippers Limited	Director
Shri D. K. Dey	Director(Projects) and holding charge of Managing Director from 01.02.2013	None	
Shri A. Chowdhuri	Director(F&A)	None	
Shri S. Nag	Director (Operations)	None	
Shri H. K. Dwivedi	Director (Govt. Nominee)	West Bengal Infrastructure Dev. Finance Corporation Ltd.	Director
		West Bengal Police Housing Corporation Ltd.	Director
		W.B. Industrial Dev. Corporation Ltd.	Director
		W. B. Electronics Industrial Dev. Corporation Ltd.	Director
		W.B.I.I.D.C. Ltd.	Director

Director	Category	Other Directorship	
		Name of the Company	Position held
		W.B. Power Dev. Corporation Ltd.	Director
		W.B. State Electricity Distribution Co. Ltd.	Director
		Kolkata Metro Rail Corporation Ltd.	Director
		West Bengal Financial Corporation	Director
		West Bengal Highway Corporation Ltd.	Director
		Kolkata Metropolitan Development Authority	Director
		Haldia Petrochemicals Ltd.	Director
		Asansol Durgapur Development Authority	Director
Shri Sreekumar Majumdar	Independent Director	None	
Prof. T. K. Basu	Independent Director	None	

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

Meetings and Attendance

The Company follows the Governance Policy that the Board meets at least four times in a year, once in every three months – the intervening period between two Board meetings not exceeding the maximum gap of 120 days.

Board Procedure

The meetings of the Board of Directors are normally held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. All statutory, significant and material information is placed before the Board. The members of the Board have complete access to all information of the Company. Senior Management Officials are also invited to the Board meetings to provide additional input on the items being discussed by the Board.

The information regularly placed to the Board, inter-alia, includes:

- Report on action taken on last Board Meeting decisions;
- Minutes of meeting of the Board and Board Committees, Resolutions passed by circulation;
- Periodical operational and financial results of the Company;
- Disclosures received from Directors;

- Regular business updates;
- Annual operating & capital expenditure budgets and any updates;
- Half-yearly and Annual Accounts, Auditors' 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;

During the financial year ended 31.3.2013, six Board meetings were held on 10th May, 20th July, 20th September, 14th November of the year 2012, and 28th January and 30th March of the year 2013. The interval between any two successive meetings was less than four months.

The details of attendance in Board meetings are tabulated below :

Sl. No.	Date of meeting	Board strength	No. of Directors present
1	10.05.2012	8	7
2	20.07.2012	8	7
3	20.09.2012	8	7
4	14.11.2012	8	7
5	28.01.2013	8	7
6	30.03.2013	7	6

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.

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General Body Meeting :

The details of General Meetings held during last five years :

Date	Venue	Type of Meeting	Resolutions adopted
11.08.08	Registered Office	First A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.** Power of Borrowing limit u/s 293(1)(d) of the Companies Act,1956 enhanced to Rs. 5000 crore. **Passed by Ordinary Resolution.** Board was empowered u/s 293(1)(a)of the Companies Act 1956 to create charge on company's assets. **Passed by Ordinary Resolution.**
27.03.09	Registered Office	First A.G.M. (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the first financial year ended 31/3/2008 adopted by **Ordinary Resolution**.
27.03.09	Registered Office	E.G.M.	Board was authorized, pursuant to Section 81(1A) of the Companies Act 1956, to issue equity shares of Rs. 294 crore in favour of Governor of West Bengal. **Passed by Special Resolution.**
17.12.09	Registered Office	Second A.G.M.	Board was authorized to fix remuneration of Statutory Auditors. **Passed by Ordinary Resolution.**
29.12.09	Registered Office	Second A.G.M. (Adjourned)	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2009 adopted by **Ordinary Resolution.**
16.09.10	Registered Office	Third A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2010, adopted by **Ordinary Resolution.**
26.09.11	Registered Office	Fourth A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2011, adopted by **Ordinary Resolution**
20.08.12	Registered Office	Fifth A.G.M.	Audited Annual Accounts along with Auditors' Report, Directors' Report for the financial year ended 31.03.2012, adopted by **Ordinary Resolution**

Committees of the Board

The following Committees constituted by the Board are functional:

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

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

Composition

The composition of Board Committees and details of attendance in Committee Meetings held during the financial year ended 31st March 2013 are shown below :-

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

Keeping in mind the best practices of corporate governance, ensuring transparency and speed 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.

Name of the Director	Meetings	
	Held	Attended
Shri M. K. De, Chairman	6	6
Shri A.C. Sarkar, Member	5	5
Shri A. Chowdhuri, Member	6	6
Shri S. Majumdar, Member	6	6
Shri Dilip Kumar Dey, Member	6	6
Shri Subrata Nag, Member	6	6

(b) Board Committee for Projects Appraisal and Monitoring

The Board Committee for Projects Appraisal and Monitoring exercise powers in relation to the investment decisions for new projects/schemes for modernization/renovation including according administrative and technical sanctions and monitoring status of various ongoing projects/schemes and budget utilization.

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Name of the Directors	Meetings	
	Held	Attended
Shri M. K. De, Chairman	4	4
Shri A. C. Sarkar, Member	3	3
Shri A. Chowdhuri, Member	4	4
Shri S. Majumdar, Member	4	4
Prof. T. K. Basu, Member	4	4
Shri D. K. Dey, Member	4	4
Shri S. Nag, Member	4	4

(c) Audit Committee

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

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

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 to 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 process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

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

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

- Any changes in accounting policies and practices
- The going concern assumption
- Major accounting entries based on exercise of judgment by management
- Significant adjustments, if any, arising out of audit
- Compliance with Accounting Standards

- Compliance with Stock Exchange and legal requirements concerning financial statements
- Related partly transactions
- Qualifications, if any, in draft audit report
- Report of the Directors & Management Discussion and Analysis;

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

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

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

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

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

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

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

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

(l) Reviewing the Company's Cost Audit reports and discussing the adequacy of records and scope for improvement in maintenance of such records;

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

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

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

Composition

The Audit Committee presently comprises two Independent Directors. The Chairman of the Company, Managing Director, Director (F&A), Chief of Internal Audit and the representative of the Statutory Auditors are invitees to the Audit Committee. The representative of the Cost Auditors is invited to the meetings of the Audit Committee whenever matters relating to cost audit are considered.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the financial year ended 31 March 2013, six meetings of the Audit Committee were held on 10th May, 20th July, 20th September and 14th November of the year 2012, and on 28th January and 30th March of the year 2013.

Attendance at Audit Committee Meetings is given below:

Name of the Director	Meetings	
	Held	Attended
Prof. Tapan Kumar Basu, Chairman	6	6
Shri Sreekumar Majumdar, Member	6	6

ISSUE OF BONDS

a) The Company, to retire high interest bearing loan, issued 9.75% - 10 year secured bonds of Rs. 183 crore, on 16th October 2009, on private placement basis.

b) Further, for part financing capital expenditure undertaken as well as to pre-pay high cost term loan availed, the Company issued 10.29% - 10 year secured bonds of Rs. 250 crore, on 26th July 2011, on private placement basis.

The aforesaid bonds are listed with Bombay Stock Exchange in Wholesale Debt Market (WDM). Apart from the applicable provisions of the Companies Act 1956, issue of Bond is governed by SEBI (Debenture Trustees) Regulations 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Debt Listing Agreement with Bombay Stock Exchange and Trustee Agreement. The Company has complied with all the statutory requirements.

Shri Srikumar Chattopadhyay, Company Secretary, has been designated as the 'Compliance Officer' for complying with the statutory requirements relating to issue of Bonds.

Compliance with Applicable Laws

Compliance Report with factual details of nature of statutory compliance, as applicable to the Company, was placed before the Board. The Board had reviewed the compliance with applicable laws and found there has been no case of non-compliance as on 31.3.2013.

Disclosures

Considering the size and nature of business, there was no

- materially significant related party transaction that may have a potential conflict with the interests of the Company at large; and
- material financial and commercial transactions of Members of the Board/Senior Management Personnel, where they may have had personal interest, and which had potential conflict with the interests of the Company at large.

The Company has complied with the requirements of the Listing Agreement with BSE (under wholesale debt market segment) as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter during the year. The half-yearly financial results of the Company are published in news papers on an all India basis and are also posted on the Company's website.

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Annexure-III

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1999 READ WITH SECTION 217(1) (e) OF THE COMPANIES ACT,1956

A. CONSERVATION OF ENERGY

Energy conservation measures taken and on hand :

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.

Following steps are being taken to conserve energy/reduce energy loss:

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

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

iii) Transmission Capacity Enhancement by installation of additional transformers.

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

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

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

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

B. RESEARCH & DEVELOPMENT

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

C. TECHNOLOGY ABSORPTION

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

i) Construction of 220 kV and 132 kV 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;

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iv) Adoption of SF6 gas filled current transformers on experimental basis;

v) Utilisation of high ampicity 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 uprating 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;

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.

D. FOREIGN EXCHANGE EARNING & OUTGO

i) **Foreign Exchange Earning** ..... **Nil**

ii) **Foreign Exchange Outgo** ..... **Nil**

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/2012-13/947
Date :- 27.08.2013

To
The Managing Director,
West Bengal State Electricity Transmission Company Limited,
Vidyut Bhavan, Salt Lake,
Kolkata - 700 091.

Sub: Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2013.

Sir,

The comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2013 are enclosed.

Yours faithfully,

27/8/13

(Debashis Chakraborty)
Deputy Accountant General (ESA-II)
West Bengal

Encl : As stated

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2013.

The preparation of financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accounts of India. This is stated to have been done by them vide their Audit Report date 29.06.2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of West Bengal State Electricity Transmission Company Limited for the year ended 31 March 2013. 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. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

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A. Comment on Financial Position

1. Balance Sheet

Current Liabilities

Other Current Liabilities (Note-9) : ₹ 419.92 crore.

The above does not include ₹ 1.04 crore being the total amount of quarterly property tax payable to Asansol Municipal Corporation (AMC), Asansol for the period from 01 July 2007 to 31 March 2013.

Non-provision for liability payable towards property tax resulted in understatement of other current liabilities and overstatement of profit by ₹ 1.04 crore.

2. Assets

Non-Current Assets : ₹ 4,368.02 crore

Fixed Assets

Capital Work-in-Progress (Note-10) : ₹ 757.88 crore.

The above includes ₹ 2.52 crore being the expenditure incurred on tower work for drawal of 132 kV DC line from New Town Action Area III to New Town Action Area I Sub-station which was abandoned due to severe Right of way problem. Thus a provision should have been made in the accounts for abandonment of works.

Non-provision of the same has resulted in overstatement of Capital Work-in-Progress, profit for the year and understatement of provisions by ₹ 2.52 crore each.

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

(M. Ray Bhattacharyya)
Accountant General (E & RSA)
West Bengal

Dated at Kolkata
The 27 August 2013

MANAGEMENT'S OBSERVATIONS ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT ON THE ACCOUNTS FOR THE YEAR ENDED 31.3.2013

CAG'S COMMENTS	MANAGEMENT OBSERVATIONS
1. Current Liabilities **Other Current Liabilities (Note-9) Rs. 419.92 crore.** The above does not include Rs. 1.04 crore being the total amount of quarterly property tax payable to Asansol Municipal Corporation (AMC), Asansol for the period from 01 July 2007 to 31 March 2013. Non-provision for liability payable towards property tax resulted in understatement of other current liabilities and overstatement of profit by Rs. 1.04 crore.	Based on legal advice obtained on the Balance Sheet date, as also on the date the accounts for the year were adopted by the Board of Directors of the Company on 29.6.2013, the Company was exploring the possibility of filing a review petition before the appropriate authorities against the assessment of municipal tax made by the Asansol Municipality. Since the Company was of the opinion that consequent to such appeal, the municipal tax payable might decrease, pending determination of such reduced amount, if any, it was decided to show the demand made for the period upto the financial year 2011-12 of Rs. 0.89 crore as a contingent liability in the accounts for the year ended 31.3.2013. Since no demand had been raised by the municipal authorities for the financial year 2012-13 and in view of the proposed appeal against the tax assessment for the earlier years, no liability was provided in the accounts for the year 2012-13. The Company was subsequently advised by legal counsel on re-examination of the matter in July, 2013; i.e., after adoption of the accounts for 2012-13 by the Board of Directors, that an appeal against the assessment of tax could only be filed before the High Court at Calcutta, which option, the Company decided not to pursue. Consequently, the arrear municipal tax as per the demand raised by the Asansol Municipal authorities has been charged to the accounts in the financial year 2013-14 and payment of the tax dues in instalments has commenced as per plan approved by the municipal authorities.

CAG'S COMMENTS	MANAGEMENT OBSERVATIONS
2. Assets **Non-Current Assets :** **Rs.4,368.02 crore** **Fixed Assets** **Capital Work-in-Progress (Note-10)** **Rs.757.88 crore** The above includes Rs. 2.52 crore being the expenditure incurred on tower work for drawal of 132 kV DC line from New Town Action Area III to New Town Action Area I sub-station which was abandoned due to severe Right of way problem. Thus a provision should have been made in the accounts for abandonment of works. Non-provision of the same has resulted in overstatement of Capital Work-in-Progress, profit for the year and understatement of provisions by Rs. 2.52 crore each.	The inter-connecting transmission line between New Town Action Area III and New Town Action Area I sub-stations being essential for supply of the needed power to New Town Action Area III substation, the Company, in consultation with Housing Infrastructure Development Corporation (HIDCO), the nodal authority for New Town, has been exploring alternative methods for interconnecting the aforesaid two sub-stations. Subsequent to the decision taken by the Board of Directors in July 2012 to write off the expenditure incurred on the overhead 132 kV DC line, the Board approved in May 2013 an alternative route decided in consultation with HIDCO for the transmission link through underground cables. During detailed engineering for such alternate route, it will be possible to ascertain whether the whole of the works already undertaken on the overhead line would need to be written off or whether a part of the work, namely transmission structures supplied, can be diverted to other works. It being not possible to ascertain as on the date of adoption of the accounts in June 2013 the value of work that would need to be abandoned consequent to the implementation of the revised scheme, the full expenditure incurred on the 132 kV overhead line of Rs. 2.52 core was continued to be included in capital works in progress and disclosed as a contingent liability for write off in future years, pending ascertainment of the exact amount that would be required to be so written off, if any.

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COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
6(a)	**Basis For Qualified Opinion:** ***Non adjustment of Rs.669.97 lakhs credit(net) and Rs. 884.14 lakhs credit(net) respectively of Trade Payables and Other Current Liabilities, identified as unreconciled pertaining to the balances outstanding in nineteen units pending further scrutiny for identifying the amounts related to unreconciled Inter Unit balance pertaining to the period prior to 01.04.2007. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note No:23.1).***	Effort has been taken to identify the balances and the balances outstanding in nineteen units have been identified which is being further scrutinized. Consequential adjustment in the accounts would be given on completion of the process of identification/reconciliation.
6(b)	***Non adjustment of the net credit balance of Rs. 1072.10 lakhs found on physical verification of stores pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note Nos. : 23.2 and 26.1)***	The management has conducted physical verification of stocks by engaging external agencies at all Store Units under the jurisdiction of Area Offices. Such verification has revealed net surplus of Rs. 1072.10 lakhs which has been adjusted with the book value of stock as at 31.03.2013 and after such adjustment value of stock stands at Rs.9263.51 lakhs. The shortage/excess on physical verification of stores is also related to materials issued to or returned from Capital Works in Progress, which is being further scrutinised for necessary adjustments. Pending identification/reconciliation this net credit has been included under Other Current Liabilities. Necessary adjustments would be made on reconciliation thereof.
6(c)	***Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is not in compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer Note No. 24.1).***	Most of the leasehold land is on lease for a period of over 99 years which do not need to be amortized. The Company is of the opinion that value and volume of leasehold land with a lease of less than 99 years are not material. Process of identifying land with lease periods of shorter tenure is ongoing.

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
6(d)	***Non-reconciliation of persisting differences between CWIP Register and General Control Register in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification.(refer note no: 24.3)***	During the year the scope of the Internal Audit was enlarged to include identification of such differences. Such differences in certain items of some units are relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.
6(e)	***Non adjustment of net unreconciled credit balance of Rs.16.50 lakhs and debit balance of Rs. 3.30 lakhs under Loans & Advances and Other Current Assets respectively. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note no:25)***	Effort has been taken to identify the balances and the balances outstanding in twenty one units have been identified which is being further scrutinized. Consequential adjustment in the accounts would be given on completion of the process of identification/reconciliation.
6(f)	***Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification. (refer note no:26.2)***	The management has conducted physical verification of stocks by engaging external agencies **at all Store Units** under the jurisdiction of Area Offices during the year. The identification process of slow-moving/non-moving/obsolete is in progress. On completion of the process, provision for loss, if any, will be made. However, balance of the provision made in earlier years against the estimated value of obsolete items amounting to Rs. 760.96 lakhs, has been reduced from the value of stock.
8	**Emphasis Matter**	
(a)	Commissioned Capital Assets financed by the customers, deemed to be transferred to the company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission are in the process of identification. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy adopted by the company during the year.(Note no:24.2).	Informative, hence no comments

COMMENTS OF STATUTORY AUDITORS' & MANAGEMENT COMMENTS/REPLIES THEREON

Para Ref.	Auditors Comment	Management Replies
(b)	The formalities of registration of transfer of land and buildings re-vested in favour of the Company are pending since adequate information is not yet available. (refer note no. 24.4).	Informative, hence no comments
(c)	Due to non-receipt of confirmations of certain balances of Loans and Advances, Material with Contractors, Trade Payables and Advance from Customers, the consequential adjustments, if any, are to be made on receipt thereof.(refer note no. 27)	Informative, hence no comments
(d)	Pending agreement between WBSEDCL and the Company, no counter claim/ reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies.(refer note no. 30.1)	Informative, hence no comments
(e)	Due to change in Accounting Policy, Profit for the year has decreased by Rs. 984.38 lakhs.	As stated in Note 18.1 due to change in the Accounting Policy, Profit for the year has decreased by Rs. 984.38 lakhs.

Para Ref.	CARO - Auditors Comment	Management Replies
(i)	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31st March, 2012. The situationwise updation of the register for the additions pertaining to the year 2012-13 is in progress.	The Asset Register is being updated for the additions pertaining to the year 2012-13.
	(b) ***As informed to us, physical verification of the fixed assets has not been carried out during the year.***	The Company had done the physical verification of Fixed Assets as on 31.03.2010 by an outside agency. Considering the size of the company and nature of its assets spread across the geographical locations of West Bengal, management is of the opinion that majority of its assets are transmission lines and commissioned sub-stations, and its existence only ensures continuous flow of Power. However, the company would consider for periodical verification of its Fixed Assets.
	(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.	Informative, hence No Comments.
(ii)	(a) As explained to us, during the year inventories (other than material lying with third parties) of the Company have been physically verified by outside agencies at all locations. However, a policy should be framed for physical verification at regular interval.	The management has conducted physical verification of stocks at its entire store units.
	(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management during the year were reasonable and adequate in relation to the size of the Company and the nature of its business. ***However, in our opinion, the procedures of physical verification of inventories needs to be further strengthened since the identification of slow moving/non-moving and obsolete inventories is still under progress.***	Identification of slow/non moving, obsolete inventories are in progress.

Para Ref.	CARO - Auditors Comment	Management Replies
	(c) ***Proper records of inventory are not being maintained at some of the Units of the Company.*** As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were material and the same have been properly dealt with in the books of account. ***However, the adjustment of the net credit balance of Rs.1072.10 lakhs is pending for further scrutiny. Book records of other Units are under progress.***	The management has conducted physical verification of stocks by engaging external agencies at all Store Units under the jurisdiction of Area Offices. Such verification has revealed net surplus of Rs. 1072.10 lakhs which has been adjusted with the book value of stock as at 31.03.2013 and after such adjustment value of stock stands at Rs. 9263.51 lakhs. The shortage/ excess on physical verification of stores is also related to materials issued to or returned from Capital Works in Progress, which is being further scrutinised for necessary adjustments. Pending identification/reconciliation this net credit has been included under Other Current Liabilities (Note:9)
(iii)	The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii)(b), (c) & (d) of the Order, are not applicable to the Company.	Informative, hence No Comments.
(iv)	In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. The Company did not undertake any activity of sale of goods. Further, on the basis of our examination of books/records and the information and explanations given to us, we have not observed any major weaknesses in the internal control system.	Informative, hence No Comments.
(v)	According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act and therefore, clause 4(v)(b) of the Order is not applicable.	Informative, hence No Comments.

Para Ref.	CARO - Auditors Comment	Management Replies
(vi)	In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.	Informative, hence No Comments.
(vii)	The Company has a system of internal audit done departmentally and through outside agencies. ***In our opinion, the same needs to be further strengthened and the scope needs to be enlarged.***	During the year the scope of the Internal Audit was enlarged. Besides this, Special Audit by Firm of Chartered Accountants was also conducted for this purpose. Audit of 80 nos. of Units out of a total of 104 Units have been carried out in F.Y. 2012-13. The coverage for 2013-14 has been targeted for 91 nos. and the scope has also been enlarged.
(viii)	We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.	Informative, hence No Comments.
(ix)	(a) According to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.	Informative, hence No Comments.
	(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, cess and other material statutory dues which have not been	Informative, hence No Comments.

<table>
<tr><th>Para Ref.</th><th>CARO - Auditors Comment</th><th>Management Replies</th></tr>
<tr><td></td><td>deposited on account of any dispute except:
<table>
<tr><th>Sl No.</th><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount (Rs. In lakh)</th><th>Period</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Finance Act 1994</td><td>Service Tax</td><td>11,869.79</td><td>2007-08 & 2008-09</td><td>CESTAT, Kolkata</td></tr>
<tr><td>2</td><td>Municipal Act</td><td>Property Tax</td><td>88.63</td><td>January'07 to March'12</td><td>Appeal under process</td></tr>
</table></td><td></td></tr>
<tr><td>(x)</td><td>The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xi)</td><td>In our opinion and according to the information and explanations given to us, the Company has not generally defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xii)</td><td>According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xiii)</td><td>The provision of any special statute applicable to chit fund or a nidhi/mutual benefit fund/society are not applicable to the Company.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xiv)</td><td>In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xv)</td><td>According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.</td><td>Informative, hence No Comments.</td></tr>
<tr><td>(xvi)</td><td>In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.</td><td>Informative, hence No Comments.</td></tr>
</table>

Para Ref.	CARO - Auditors Comment	Management Replies
(xvii)	In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.	Informative, hence No Comments.
(xviii)	The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.	Informative, hence No Comments.
(xix)	The Company has created securities/charges in respect of secured bonds issued.	Informative, hence No Comments.
(xx)	The Company has not raised any money by public issue during the year.	Informative, hence No Comments.
(xxi)	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.	Informative, hence No Comments.

INDEPENDENT AUDITORS' REPORT

To the Members of

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis For Qualified Opinion

6(a) Non adjustment of Rs.669.97 lakhs credit(net) and Rs. 884.14 lakhs credit(net) respectively of Trade Payables and Other Current Liabilities, identified as unreconciled pertaining to the balances outstanding in nineteen units pending further scrutiny for identifying the amounts related to unreconciled Inter Unit balance pertaining to the period prior to 01.04.2007. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note no:23.1).

6(b) Non adjustment of the net credit balance of Rs. 1072.10 lakhs found on physical verification of stores pending identification and reconciliation. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note no:23.2 and 26.1)

6(c) Non-amortization of cost of leasehold land over the lease period (amount unascertainable), is not in compliance with Accounting Standard ('AS') 10, 'Accounting for Fixed Assets', issued by the Institute of Chartered Accountants of India ('ICAI') (refer Note No. 24.1).

6(d) Non-reconciliation of persisting differences between CWIP Register and General Control Register in the Fixed Assets at certain locations in the items relating to periods prior to 01.04.2007 and its consequential impact on the accounts being unascertainable pending such reconciliation and identification.(refer note no: 24.3)

6(e) Non adjustment of net unreconciled credit balance of Rs.16.50 lakhs and debit balance of Rs. 3.30 lakhs under Loans & Advances and Other Current Assets respectively. Consequential effect on the income, expenses, assets and liabilities is unascertainable.(refer Note no:25)

6(f) Non-ascertainment / non-determination of slow-moving / non-moving / obsolete inventories and its impact on the accounts is unascertainable in absence of relevant identification and classification. (refer note no:26.2)

Effects of the above qualified opinion on the profitability of the company are not ascertainable at this stage.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matter described in the Basis for Qualified Opinion paragraph***, the 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:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis Matter

8. Without qualifying our opinion, we draw attention to the following notes on the financial statements:

   (a) Commissioned Capital Assets financed by the customers, deemed to be transferred to the company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission are in the process of identification. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy adopted by the company during the year. (refer note no:24.2).

   (b) The formalities of registration of transfer of land and buildings re-vested in favour of the Company are pending since adequate information is not yet available. (refer note no. 24.4).

   (c) Due to non-receipt of confirmations of certain balances of Loans and Advances, Material with Contractors, Trade Payables and Advance from Customers, the consequential adjustments, if any, are to be made on receipt thereof.(refer note no. 27)

(d) Pending agreement between WBSEDCL and the Company, no counter claim/reimbursement of expenses have been recognized towards common use of infrastructural facilities presently being enjoyed by both the companies.(refer note no. 30.1)

(e) Due to change in Accounting Policy, Profit for the year has decreased by Rs. 984.38 lakhs.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

10. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ***except for the matters described in the basis for qualified opinion paragraph;***

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

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) ***Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph,*** in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

(e) The Company being a Government Company, the provisions of Section 274(1)(g) of the Act is not applicable in pursuance to the Notification No. GSR 829(E) dated 21.10.2003 issued by the Department of Company Affairs.

(f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

M. RAY
Partner
Membership No. 12940

Kolkata
29th June, 2013

ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 9 OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto 31st March, 2012. The situationwise updation of the register for the additions pertaining to the year 2012-13 is in progress.

(b) ***As informed to us, physical verification of the fixed assets has not been carried out during the year.***

(c) As per the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year.

(ii) (a) As explained to us, during the year inventories (Other than material lying with third parties) of the Company have been physically verified by outside agencies at all locations. However, a policy should be framed for physical verification at regular interval.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management during the year were reasonable and adequate in relation to the size of the Company and the nature of its business.

However, in our opinion, the procedures of physical verification of inventories needs to be further strengthened since the identification of slow moving/non-moving and obsolete inventories is still under progress.

(c) ***Proper records of inventory are not being maintained at some of the Units of the Company.*** As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were material and the same have been properly dealt with in the books of account. ***However, the adjustment of the net credit balance of Rs.1072.10 lakhs is pending for further scrutiny.***

(iii) The Company has not granted/taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(iii)(b), (c) & (d) of the Order, are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. The Company did not undertake any activity of sale of goods. Further, on the basis of our examination of books/records and the information and explanations given to us, we have not observed any major weaknesses in the internal control system.

(v) According to information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained in pursuance of Section 301 of the Act and therefore, clause 4(v)(b) of the Order is not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.

(vii) The Company has a system of internal audit done departmentally and through outside agencies. ***In our opinion, the same needs to be further strengthened and the scope needs to be enlarged.***

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) 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.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.

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

Sl No.	Name of the Statute	Nature of Dues	Amount (Rs. In lakh)	Period	Forum where dispute is pending
1	Finance Act 1994	Service Tax	11869.79	2007-08 & 2008-09	CESTAT, Kolkata
2	Municipal Act	Property Tax	88.63	January'07 to March'12	Appeal under process

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not generally defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provision of any special statute applicable to chit fund or a nidhi/mutual benefit fund/society are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

(xix) The Company has created securities/charges in respect of secured bonds issued.

(xx) The Company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

M. RAY
Partner
Membership No. 12940

Kolkata
29th June, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31st March, 2013		As at 31st March, 2012	
		₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh
EQUITY & LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	1,10,552.00		1,10,552.00	
(b) Reserves and Surplus	3	96,308.74	2,06,860.74	63,006.42	1,73,558.42
Non-Current Liabilities					
(a) Long-Term Borrowings	4	2,13,449.06		2,24,794.18	
(b) Other Long-Term Liabilities	5	10,760.21		11,902.84	
(c) Long-Term Provisions	6	459.08	2,24,668.35	253.40	2,36,950.42
Current Liabilities					
(a) Short-Term Borrowings	7	15,500.49		8,008.26	
(b) Trade Payables	8	4,962.37		4,750.53	
(c) Other Current Liabilities	9	41,991.87		37,467.48	
(d) Short-Term Provisions	6	112.94	62,567.67	2.85	50,229.12
TOTAL			**4,94,096.76**		**4,60,737.96**
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	3,57,246.31		3,26,193.86	
(ii) Capital Work-In-Progress		75,787.93		85,501.28	
(b) Long-Term Loans and Advances	11	3,767.95		3,389.43	
(c) Other Non-Current Assets	12	–	4,36,802.19	4,049.34	4,19,133.91
Current Assets					
(a) Inventories	13	8,502.55		8,773.48	
(b) Trade Receivables	14	28,887.97		6,221.54	
(c) Cash and Bank Balances	15	12,974.41		21,907.89	
(d) Short-Term Loans and Advances	11	4,307.42		2,609.45	
(e) Other Current Assets	16	2,622.22	57,294.57	2,091.69	41,604.05
TOTAL			**4,94,096.76**		**4,60,737.96**

Significant Accounting Policies 1

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

As per our report of even date

For N. Sarkar & Co.

Firm Registration No. 301075E

Chartered Accountants

For and on behalf of the Board of Directors

(M. Ray)
Partner
M. No.12940
Kolkata
Date : June 29, 2013

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(D.K.Dey)
Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note	Year ended 31st March, 2013 ₹ in lakh	Year ended 31st March, 2012 ₹ in lakh
I. **Revenue from operations**			
Income from Services	17	1,01,028.31	72,411.37
II. Other Income	18	1,605.69	2,775.83
III. **Total Revenue (I + II)**		**1,02,634.00**	**75,187.20**
IV. **Expenses:**			
(a) Employee Benefits Expense	19	13,273.37	11,976.98
(b) Finance costs	20	18,833.89	18,021.93
(c) Depreciation and amortization expense		13,699.58	12,512.90
(d) Other expenses	21	15,194.41	11,214.23
Total expenses		**61,001.25**	**53,726.04**
V. **Profit before Exceptional and Extraordinary Items and Tax (III - IV)**		**41,632.75**	**21,461.16**
VI. **Exceptional Items**		–	–
VII. **Profit before Extraordinary Items and Tax (V - VI)**		**41,632.75**	**21,461.16**
VIII. **Extraordinary Items**		–	–
IX. **Profit before Tax (VII - VIII)**		**41,632.75**	**21,461.16**
X. **Tax Expenses**			
(a) Current Tax (Note 35)		**8,330.43**	**4,293.89**
(b) Deferred Tax		–	–
XI. **Profit/(Loss) for the Period from Continuing Operations (IX - X)**		**33,302.32**	**17,167.27**
XII. **Profit/(Loss) from Discontinuing Operations**		–	–
XIII. **Tax Expenses of Discontinuing Operations**		–	–
XIV. **Profit/(Loss) from Discontinuing Operations (after Tax) (XII - XIII)**		–	–
XV. **Profit/(Loss) for the Period (XI + XIV)**		**33,302.32**	**17,167.27**
XVI. **Earning per Equity Share (nominal value of share Rs.10)**			
(a) Basic		3.01	1.55
(b) Diluted		3.01	1.55

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements
As per our report of even date

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

For and on behalf of the Board of Directors

(M. Ray)
Partner
M. No.12940
Kolkata
Date : June 29, 2013

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(D.K.Dey)
Managing Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

₹ in lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) Before Taxation	41,632.75	21,461.16
	Adjustment For:		
	Depreciation	13,750.19	12,597.53
	Interest & Financial Charges	18,833.89	18,025.90
	Interest Income	(1,006.19)	(804.28)
	Sub Total	**31,577.89**	**29,819.15**
	Operating Profit Before Working Capital Change	**73,210.64**	**51,280.31**
	Adjustment for:		
	Stores & Spares	270.93	1,637.58
	Sundry Debtors	(22,666.43)	(614.51)
	Other Current Assets	3,518.82	183.35
	Loans & Advances	17.05	(11.28)
	Current Liabilities & Provision, etc.	8,818.82	(3,120.53)
	Sub Total	**(10,040.81)**	**(19,25.39)**
	CASH GENERATED FROM OPERATING ACTIVITIES	**63,169.83**	**49,354.92**
	Less: Income Tax Paid	**(10,045.46)**	**(7,050.58)**
	NET CASH FROM OPERATING ACTIVITIES (A)	**53,124.37**	**42,304.34**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Decrease (Increase) in Fixed Assets	(45,400.13)	(23,699.57)
	Decrease (Increase) in Work in Progress	9,334.83	(14,729.92)
	Interest Incomes, etc.	1,006.19	804.28
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	**(35,059.11)**	**(37,625.21)**
C	**CASH FLOW FROM FINANCING ACITIVITIES**		
	Proceeds from Borrowing (Net)	(8,164.85)	27,231.42
	Interest & Financial Charges, etc.	(18,833.89)	(18,025.90)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(26,998.74)**	**9,205.52**
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(8,933.48)**	**13,884.65**
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	21,907.89	8,023.24
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**12,974.41**	**21,907.89**

Cash & Cash Equivalents at the end of the year includes an amount of Rs.5837.42 invested in FD with Banks related to Reserve for Unforeseen Exigencies and Rs. 81.03 lakh under lien with a bank.

In terms of our report of even date attached herewith

For N.Sarkar & Co
Firm Registration No.: 301075E
Chartered Accountant

For and on behalf of the Board of Directors

(M. Ray)
Partner
Membership No.12940
Place : Kolkata
Date : June 29, 2013

(S.Chattopadhyay)
Company Secretary

(A.Chowdhuri)
Director(F&A)

(D.K.Dey)
Managing Director

NOTES TO ACCOUNTS

1. Significant Accounting Policies

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards, as specified in Companies (Accounting Standards) Rules, 2006. The financial statements are drawn up in accordance with the Companies Act, 1956 except where required otherwise under the Electricity Act, 2003. The preparation of financial statements may require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

II. FIXED ASSETS AND CAPITAL WORK IN PROGRESS

(a) Fixed Assets are shown at historical cost less accumulated depreciation. Cost comprises of its purchase price including duties, taxes and levies, borrowing cost, freight, and incidental expenses and any directly attributable cost of bringing the asset to its working condition.

(b) Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in-Progress ('CWIP'). The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters.

(c) Insurance Spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition.

(d) Assets Created out of Deposits received from customers (Consumers' Contribution) are taken at the Gross Value and depreciated as per the norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('WBERC'), a Statutory Authority constituted under the Electricity Act, 2003. Such Fixed Assets are shown at net of Consumers' Contribution in the Fixed Asset Schedule in the Balance Sheet.

(e) Commissioned capital assets financed by the customers, deemed to be transferred to the company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission are included in the Fixed Assets Register of the Company at a notional value of Rupee one per asset and in the Fixed Asset Schedule at the end of the year.

III. DEPRECIATION

Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the West Bengal Electricity Regulatory Commission ('WBERC'), a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. The rates specified therein, however, are different from the rates specified in the Companies Act, 1956.

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No depreciation is charged on freehold land as well as no amortization of the land acquired on perpetual lease is made since the same does not have a limited useful life. The leasehold land with a tenure upto 30 years is being amortized over the period of lease.

IV. IMPAIRMENT OF ASSETS

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

V. BORROWING COSTS

(a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

(b) The borrowed funds are earmarked to specified projects under implementation and the borrowing costs thereof are allocated to 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.

VI. INVENTORIES

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

VII. REVENUE RECOGNITION

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

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

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

Supervision Charges received for diversion/relocation of existing assets and/or against deposit work to be undertaken by the customer is treated as Advance against Supervision Charges and shown under Other Current Liabilities till the related works is completed. On completion of the works, the Supervision Charges received there against is treated as Other Income in the year in which the related work is completed.

VIII. **EMPLOYEE BENEFITS**

(a) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.

(b) Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

(c) Employer's contribution towards Provident Fund/Pension Fund in respect of the employees of the Company is accounted for on accrual basis payable to a duly constituted Trust Fund/Pension Fund. In respect of the employees on deputation, the Company's share along with the incumbent's share of contribution is paid to the deputing company for onward deposit to the Provident Fund Authority/Fund.

IX. **TAXES ON INCOME**

Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises Current Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/loss for the reporting period. Deferred tax is not recognized and therefore not shown in the Balance Sheet in accordance with Accounting Standard Interpretation ('ASI')-3 issued by ICAI, since the deferred tax in respect of timing differences originate and reverse during the tax holiday period (keeping in view of the applicable provisions of Section 80-IA of the Income Tax Act, 1961).

X. **RESEARCH AND DEVELOPMENT**

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

XI. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

XII. **GOVERNMENT GRANTS**

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

2 a) Share Capital

Sl. No.	Particulars	CURRENT YEAR ₹ in lakh	PREVIOUS YEAR ₹ in lakh
A	**Authorised:** 200,00,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,00,000 Equity Shares of Rs. 10 each)	2,00,000.00	2,00,000.00
B	**Issued Subscribed and Paid Up:** 110,55,20,000 Equity Share of Rs.10 each fully paid (Previous Year 110,55,20,000 Equity Share of Rs.10 each fully paid up)	1,10,552.00	1,10,552.00
	Total	**1,10,552.00**	**1,10,552.00**

b) Share Capital Reconciliation

Equity Shares	31 March 2013		31 March 2012	
	Nos.	Amount ₹ in lakh	Nos.	Amount ₹ in lakh
Opening balance	1,10,55,20,000	1,10,552.00	1,10,55,20,000	1,10,552.00
Issued during the period	–	–	–	–
Closing Balance	**1,10,55,20,000**	**1,10,552.00**	**1,10,55,20,000**	**1,10,552.00**

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

Equity Shares	31 March 2013		31 March 2012	
	Nos.	% holding	Nos.	% holding
Governor of West Bengal	1,10,55,20,000	100.00%	1,10,55,20,000	100.00%

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3 Reserves & Surplus

			31 March, 2013 ₹ in lakh		31 March, 2012 ₹ in lakh
(a)	**General Reserve**				
	Opening balance		54,640.49		40,441.72
	Add: Transferred from Statement of Profit & Loss		31,023.66		14,198.77
	Less: Adjustments during the year		–		–
	Closing Balance		85,664.15		54,640.49
(b)	**Debenture Redemption Reserve**				
	Opening balance		2,464.20		915.00
	Add: Transferred from Statement of Profit & Loss		1,757.50		1,549.20
	Less: Adjustments during the year		–		–
	Closing Balance		4,221.70		2,464.20
(c)	**Reserve for Unforeseen Exigencies Fund ***				
	Opening balance		5,387.73		3,968.43
	Add: Appropriation for the year transferred from Statement of Profit & Loss	–		1108.52	
	Add: Interest earned on Reserve for Unforeseen Exigencies investment	521.16	521.16	310.78	1,419.30
	Less: Adjustments during the year		–		–
	Closing Balance		5,908.89		5,387.73
(d)	**Government Grants**				
	Opening balance		514.00		514.00
	Add: Received during the year		–		–
	Less: Adjustments during the year		–		–
	Closing Balance		514.00		514.00
(e)	**Surplus/(Deficit) in the statement of profit or loss**				
	Opening balance		–		–
	Profit for the year		33,302.32		17,167.27
	Transfer to Reserve for Unforeseen Exigencies, including interest		(521.16)		(1,419.30)
	Transfer to Debenture Redemption Reserve		(1,757.50)		(1,549.20)
	Transfer to General Reserve		(31,023.66)		(14,198.77)
	Net Surplus/(Deficit)		–	–	–
	Total Reserves & Surplus [(a)+(b)+(c)+ (d)+ (e)]		**96,308.74**		**63,006.42**

* The Reserve for Unforeseen Exigencies of Rs. 5387.73 lakhs and the addition of Rs. 521.16 lakhs in the current year is made in compliance of Notification No. 48/WBERC dated 25-04-2011 of West Bengal Electricity Regulatory Commission ('WBERC'). No further amount has been appropriated for the F.Y 2012-13 as per the directives of WBERC given vide clause 3.16.1 of the Order dated 01.12.2012. The opening balance of the Reserve, along with interest accrued and received thereon aggregating Rs. 5837.42 lakhs is invested in Fixed Deposits with Nationalised Banks.



4 A) Long-term borrowings

Particulars	Non-Current Portion		Current Maturities	
	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
I **Bonds:**				
Secured				
9.75% Market Bonds	10,980.00	12,810.00	1,830.00	1,830.00
10.29% Market Bonds	25,000.00	25,000.00	–	–
Unsecured				
8.50% Pension Trust Bonds	27,000.00	27,000.00	–	–
12.00% Public Bonds (Against Govt. Guarantee)	–	–	0.25	0.25
II **Term Loans:**				
Secured				
From Banks				
ICICI Bank Ltd (formerly Bank of Rajasthan)	4,245.07	5,245.07	1,250.00	1,000.00
Allahabad Bank	13,186.76	13,040.45	1,668.00	566.98
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	23.50	47.00	23.50	23.50
Rural Electrification Corporation (RECL)	28,893.98	33,896.30	5,002.33	4,885.39
Life Insurance Corporation of India (LIC)	12,319.73	10,598.78	1,119.98	–
National Bank for Agricultural and Rural Development (NABARD)	1,739.64	355.63		
Unsecured				
From Financial Institutions				
Power Finance Corporation Ltd. (PFCL)	994.04	1,391.65	397.61	397.61
State Government Loan	89,066.34	93,909.30	4,842.95	4,741.74
From Banks				
Working Capital Loan from United Bank of India (UBI)	–	1,500.00	1,498.89	8,500.00
Sub-total	2,13,449.06	2,24,794.18	17,633.51	21,945.47
Amount disclosed under the head Other Current Liabilities (Note 9)	–	–	17,633.51	21,945.47
Total	**2,13,449.06**	**2,24,794.18**	-	-

B) Security:

(a) 9.75% Market Bonds are secured by hypothecation of entire assets of 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).

(b) 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, Subashgram 220/132 kV substation and their asociated transmission lines.

(c) Term Loans from banks are secured by:

(i) Term Loan from ICICI Bank Ltd. 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, Kasarpara, Kaipukuria.

(ii) Term Loan from Allahabad Bank is secured by hypothecation of entire present and future fixed assets of the132/33 kV sub-stations at Khatra, Nazirpur, Kalna, Lalgola and their asociated transmission lines and 132 kV Line Bays at Birshingha, Chandrakona Road, Gokarno to Lalgola.

(d) Term Loan from PFCL is secured by hypothecation of various movable assets and transmission lines of Sub-stations towards which loans have been granted.

(e) Term Loan from RECL is secured by hypothecation of all future movable assets towards which loans have been granted.

(f) Term Loan from LIC is secured by hypothecation of all future movable assets of Kharagpur 400 kV Sub-Station and associated lines towards which loan has been granted.

(g) Term Loan from NABARD is secured by hypothecation of present, proposed and future assets of Hura, Kuli, Khejuria and Serakol sub-stations and connected installations elsewhere.

C) Repayment Terms

(a) 9.75% Market Bonds balance are repayable in seven equal yearly installments of Rs 1,830 lakhs each maturing in 2019-20.

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

(c) 8.50% Pension Trust Bonds are repayable in 5 equal yearly installments of Rs 5,400 lakhs beginning from 2016-17 and maturing in 2020-21.

(d) Term Loan from ICICI Bank (@12.25%) balance is repayable in further 22 quarterly installments of Rs. 250 lakhs upto June 2018.

(e) Term Loan from Allahabad Bank (@Base Rate + 1.50% or 11.70% on reporting date) balance is repayable in further 46 quarterly installments of Rs 417.00 lakhs upto September 2024.

(f) Loan from PFC (@ 9.00%) is repayable in further 8 quarterly installments of Rs 5.88 lakhs upto March 2015.

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

₹ in lakh

Loan No.	Loan Amount	No. of balance instalments	Installment Amt.	Maturity year	Interest Rate(%)
210919	2,214.02	5	442.80	2017-2018	8% to 14%
210928	3,171.48	5	634.30	2017-2018	8% to 14%
210929	618.49	1	618.49	2013-2014	10.5% to 14%
210931	842.62	7	120.37	2019-2020	10.5% to 12%
210001	6,507.90	8	813.49	2020-2021	10.75% to 12.25%
210002	2,989.41	8	373.68	2020-2021	10.75% to 12.25%
210003	2,253.03	8	281.63	2020-2021	10.75% to 12%
210004	2,206.25	8	275.78	2020-2021	10.60% to 12.25%
210005	1,169.39	10	116.94	2022-2023	10.60%
210007	9,888.34	9	1,098.70	2021-2022	10.60% to 12.25%
210942	2,035.38	9	226.15	2021-2022	10.60% to 12.25%

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) Loan from LIC (@ 10.10%) (partially disbursed) is repayable in 24 equal half-yearly installments beginning from 2013-14 and maturing in 2024-25.

(i) Loans from NABARD of Rs 1,361.06 lacs @ 10.25% & Rs 378.58 lacs @ 10.75 % (both partially disbursed) is repayable in 48 equal quarterly installments beginning from 2015-16 & 2016-17 and maturity on 2026-27 & 2027-28 respectively.

(j) Unsecured loan from PFC (@ 9.00% to 12.50%) is repayable in further 16 equal quarterly instalments of Rs 99.40 lacs upto 2016-17. Tranche-wise disbursement of each loan bear interest rate prevailing at the time of disbursement and are subject to reset after 10 years from such date.

(k) Balance of Unsecured Working Capital Loan from UBI is repayable in 2 monthly instalments on April & May 2013 and bears an interest rate of UBI Base rate+1.5% or 11.75% on reporting date.

(l) Unsecured Loans from State Government (@8.50%) are repayable as follows:

₹ in lakh

Particulars	Loan Amount	Instalment Amt.	Maturity year	No. of balance instalments
Opening Loan transferred from WBSEB	82,911.57	4,145.69	2032-33	20
05(sanction)-PO/P/C/II/1B-10/2004	642.57	42.84	2027-28	15
19(sanction)-PO/P/C/II/1B-10/2004	631.55	42.10	2027-28	15
30(sanction)-PO/P/C/II/1B-10/2004	837.37	55.82	2027-28	15
62(sanction)-PO/P/C/II/1B-10/2004	1,214.77	80.98	2027-28	15
17(sanction)-PO/P/II/1B-24/2006	61.99	4.13	2027-28	15
56(sanction)-PO/P/C/II/1B-24/2006(pt)	1,456.17	97.08	2027-28	15
04(sanction)-PO/P/C/II/1B-10/2004	1,547.06	96.69	2028-29	16
12(sanction)-PO/P/C/II/1B-10/2004	956.12	59.76	2028-29	16
28(sanction)-PO/P/C/II/1B-10/2004	2,663.34	166.46	2028-29	16
67(sanction)-PO/P/C/II/1B-24/2006(Pt)	113.16	7.54	2028-29	15
62(sanction)-PO/P/C/II/1B-10/2004	873.63	51.39	2029-30	17

(m) There were no defaults during the year and no continuing default at the year end in repayment of principal or payment of interest on any of the long term borrowings referred to hereinabove except for an amount of Rs. 250 lakhs being the principal repayment of loan from ICICI Bank Ltd. which was subsequently paid on 16.04.2013.

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5. Other Long-term Liabilities

	31 March, 2013 ₹ in lakh	31 March, 2012 ₹ in lakh
Deposits & Retention Money deducted from Contractor/Suppliers	10,760.21	11,902.84
	10,760.21	**11,902.84**

6. Provisions

	Long-term		Short-term	
	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Provision for employee benefits	459.08	253.40	112.94	2.85
	459.08	**253.40**	**112.94**	**2.85**

7. Short-term Borrowings

	31 March, 2013 ₹ in lakh	31 March, 2012 ₹ in lakh
Loans repayable on demand from Banks :		
Cash Credit from United Bank of India (Secured)	15,500.49	8,008.26
	15,500.49	**8,008.26**

Cash Credit facility from UBI is secured by way of exclusive charge on current assets (debtors and stock) and bears an interest rate of UBI Base Rate+1.5% i.e 11.75% on reporting date.

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

8. Trade Payables

	31 March, 2013 ₹. in lakh	31 March, 2012 ₹. in lakh
Trade Payables	4,962.37	4,750.53
	4,962.37	**4,750.53**

Please also refer to Note 23.1

9. Other Current Liabilities

	31 March, 2013 ₹ in lakh	31 March, 2012 ₹ in lakh
Current maturities of long-term borrowings (refer note 4 above)	17,633.51	21,945.47
Interest accrued but not due on borrowings	2,400.55	2,078.30
Deposits from Agencies	16,359.65	8,335.85
Payable to WBSEDCL Gratuity,Pension & PF Trusts	137.99	265.09
Payable to WBSETCL Gratuity,Pension & GPF Trusts	100.18	221.82
Payable to WBSEDCL	14.55	21.03
Others (Including Stock Adjustment Rs. 1,072.10 Lakhs - Note no: 23.2 and 26.1)	5,329.52	4,560.07
Statutory Dues Payables	15.92	39.85
	41,991.87	**37,467.48**

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10 : FIXED ASSETS

₹ in lakh

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.12	Additions	Deductions / Adjustments	As at 31.03.2013	As at 01.04.12	Additions	Deductions / Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.12
	(1)	(2)	(3)	(4)	(5)=(2+3-4)	(6)	(7)	(8)	(9)=(6+7-8)	(10)=(5-9)	(11)=(2-6)
A	**Tangible Assets:**										
	Land & Land Development										
1	Land & Land Rights	5,877.11	13.84	–	5,890.95	–	–	–	–	5,890.95	5,877.11
2	Buildings	31,387.29	507.10	–	31,894.39	8,564.88	593.72	–	9,158.60	22,735.79	22,822.41
3	Plant & Equipment	4,28,773.60	44,801.73	–	4,73,575.33	1,30,548.00	13,122.40	–	1,43,670.40	3,29,904.93	2,98,225.60
4	Vehicles	60.20	–	–	60.20	54.18	–	–	54.18	6.02	6.02
5	Furniture and Fixtures	305.80	46.21	–	352.01	170.50	13.61	–	184.11	167.90	135.30
6	Office Equipment	597.39	31.25	–	628.64	352.93	18.54	–	371.47	257.17	244.46
7	Spare Units / Service Units	107.10		–	107.10	8.33	1.93	–	10.26	96.84	98.77
	Sub - Total	4,67,108.49	45,400.13	–	5,12,508.62	1,39,698.82	13,750.20	0.00	1,53,449.02	3,59,059.60	3,27,409.67
Less :	**Consumer Contribution towards cost of capital asset**	1,215.81	597.48		1,813.29	0.00	0.00	0.00	0.00	1,813.29	1,215.81
	Total Tangible Asset	4,65,892.68	44,802.65	0.00	5,10,695.33	1,39,698.82	13,750.20	0.00	1,53,449.02	3,57,246.31	3,26,193.86
B	**Intangible Assets**	–	–	–	–	–	–	–	–	–	–
	TOTAL	**4,65,892.68**	**44,802.65**	**0.00**	**5,10,695.33**	**1,39,698.82**	**13,750.20**	**0.00**	**1,53,449.02**	**3,57,246.31**	**3,26,193.86**
	Previous Year Total										
	Gross	**4,43,408.92**	**23,699.57**		**4,67,108.49**	**1,27,101.29**	**12,597.53**	**-**	**1,39,698.82**	**3,27,409.67**	**-**
Less :	**Consumer Contribution towards cost of capital asset**				**1,215.81**				**-**	**1,215.81**	
	TOTAL				**4,65,892.68**				**1,39,698.82**	**3,26,193.86**	

Depreciation for the year includes Prior Period Depreciation of Rs. 50.61 Lakhs (Previous Year Rs. 84.63 Lakhs).

Please also refer to Notes 24.1 to 24.5

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11. Loans & Advances (Unsecured, Considered good)

	Long-term		Short-term	
	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Capital Advances	3,767.95	3,389.43	–	–
Other loans and advances				
Income Tax Advances (Net of provisions)			3,924.00	2,208.97
Advances recoverable in cash or kind or for value to be received			383.42	400.48
	3,767.95	**3,389.43**	**4,307.42**	**2,609.45**

Please also refer to Note 25

12. Other Non-Current Assets

	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Regulatory Assets recoverable	–	4,049.34
		4,049.34

13. Inventories

	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Stock of Materials (net of Provision for obsolete inventories Rs.760.96 lakhs; previous year Rs. 684.51 lakhs)	8,502.55	8,773.48
	8,502.55	**8,773.48**

Please also refer to Notes 26.1 and 26.2

14. Trade Receivables

	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Unsecured, considered good (Due for less than six months)	28,887.97	6,221.54
	28,887.97	**6,221.54**

This includes the following amounts allowed by WBERC:

	₹ in lakh
(a) APR order dated 30/08/2012 for 2009-10	7,271.73
(b) APR order dated 19/10/2012 for 2010-11	2,785.17
(c) Arrear recoverable for April 2012 to November 2012 vide order dated 01/12/2012	10,982.02
	21,038.92

(i) 1/3rd of the amounts under (a) & (b) are recoverable by monthly instalments during 2013-14 and balance in subsequent years on receipt of requisite order from WBERC.

(ii) Amount under (c) is recoverable in 4 equal instalments from December 2013.

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15. Cash and Bank balances

	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Cash and Cash equivalents		
Balances with Banks		
Balance with Scheduled Banks in Current Account including		
Remittance in Transit and balances in Auto Fixed Deposit Account	**2,131.93**	3,842.73
Cash on hand	**0.67**	1.48
Imprest Cash including imprest with Staff	**8.49**	8.31
Balance with Banks in Deposit Accounts *	**4,995.90**	13,717.95
FD against Reserve for U/F Exigencies	**5,837.42**	**4,337.42**
	12,974.41	**21,907.89**

* Out of the balance in Deposit Account Rs. 3,197.29 Lakh has been matured within 31/03/2013 but proceeds realised after 31/03/2013 and Rs. 81.03 Lakh is under lien with a bank against issuance of Letter of Credit.

16. Other Current Assets

	31 March 2013 ₹ in lakh	31 March 2012 ₹ in lakh
Interest accrued on fixed deposits	**484.37**	**221.60**
Receivable from WBSEDCL	**1,913.19**	**1,782.51**
Receivable from CPF Trust - DCL	**103.51**	41.93
Receivable from GPF Trust - DCL	**76.72**	–
Receivable from EPF Trust - TCL	–	20.82
Others	44.43	24.83
	2,622.22	**2,091.69**

Please also refer to Note 25

17.1 REVENUE FROM OPERATIONS (Transmission Charges)

Sl. No.	Particulars	CURRENT YEAR ₹ in lakh	PREVIOUS YEAR ₹ in lakh
1	Transmission Charges	95,072.10	67,284.35
	Less : Rebate allowed to L.T.O.A. consumers	1,673.79	1,345.69
	Net Revenue from Transmission Charges	93,398.31	65,938.66
2	Short Term Open Access Charges	6,121.26	4,468.52
3	Scheduling Charges and SLDC Charges	1,508.74	2,004.19
	Total	**1,01,028.31**	**72,411.37**

17.2 Consequent to issuance of Tariff Order for the period 2011-12 to 2013-14 and Annual Performance Review (APR) Orders for 2009-10 and 2010-11 by the Hon'ble West Bengal Electricity Regulatory Commission during the financial year, income from Operations for the year ended 31.03.2013 includes Rs. 11,314.72 lakhs on account of revenue receivable for previous years accounted for during the current year.

18. OTHER INCOME

Sl. No.	Particulars	CURRENT YEAR ₹ in lakh	PREVIOUS YEAR ₹ in lakh
1	Interest from Bank on Fixed Deposits	485.03	493.50
2	Interest Income from FD investment against Reserve for Unforeseen Exigencies Fund	521.16	310.78
3	Recoveries from Transport Facilities	1.86	1.54
4	Sale of Tender Papers	20.95	14.63
5	Income from Sale of Scrap (net of Direct Commn on Sale of Scrap)	91.40	844.43
6	Supervision Charges-Bulk Connection	281.43	363.76
7	Miscellaneous Income	212.90	195.15
	Sub-Total	1,614.73	2,223.79
8	Prior Period Income/(Expenditure) (Net)	(9.04)	**552.04**
Total		**1,605.69**	**2,775.83**

18.1 Supervision Charge:

Supervision Charges received for diversion/relocation of existing assets and/or against deposit work to be undertaken by the customer, on being received was recognised as revenue in the year 2011-12. From 2012-13 it is now treated as Advance against Supervision Charges and shown under Other Current Liabilities till the related works is completed. On completion of the works, the Supervision Charges received there against is treated as Other Income in the year in which the related work is completed. Consequent to such change in the accounting policy an amount of Rs. 984.38 lakh has been treated as Current Liability and Rs. 281.43 lakh has been recognised as Revenue. Due to the change in Accounting Policy Profit for the year decreased by Rs. 984.38 Lakh.

19 EMPLOYEE COSTS

Sl. No.	Particulars	CURRENT YEAR ₹ in lakh	PREVIOUS YEAR ₹ in lakh
1	**Salaries, wages and bonus ***	14,112.47	12,667.43
2	**Contribution to Provident and Other Funds**	1,497.35	1,661.70
3	**Staff welfare expenses**	197.96	26.02
	Total	**15,807.78**	**14,355.15**
4	**Less:** Employees Cost Capitalised	2,534.41	2,378.17
	Net	**13,273.37**	**11,976.98**

*** Includes remuneration to Wholetime Directors amounting to Rs. 64.49 Lakh (P.Y. - Rs. 50.73 lakh)**

19.1 The provision for pension, gratuity and leave encashment for the year in respect of the absorbed and directly recruited employees of the Company has been made based on the actuarial valuation. For the employees on deputation, the contribution towards Pension and Gratuity as claimed by their Parent organization has been charged to the statement of Profit & Loss and recognized as Liability. Provision towards leave encashment of deputed employees of WBSEDCL has been considered based on the Actuarial Valuation of such Liability as on 31.03.2013 as got made and confirmed by WBSEDCL. The amounts paid by the Company and claimed from WBSEDCL are duly accounted for.

19.2 Terminal Benefits (Disclosure under AS-15)

The Pension and Gratuity of the absorbed and directly recruited employees of the Company are funded as Defined Benefit Plans. Leave encashment obligations for such employees are unfunded and are recognized on the basis of valuation by the Actuary. The Actuarial Valuation of Pension, Gratuity and Leave Encashment as on 31.03.2013 are detailed as under:

Actuarial Assumptions	
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 per thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8
Inflation Rate	6
Return on Asset	0
Remaining Working Life	32
Formula Used	PROJECTED UNIT CREDIT METHOD

TABLE 1

Table showing changes in present value of obligations as at 31.03.2013

₹ in lakh

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation at the beginning of the year	1,820.17	124.16	256.25
Interest Cost	145.61	9.93	20.50
Past Service Cost	0	0	0
Current Service Cost	264.47	63.30	139.42
Actuarial gain/loss on obligations	-263.71	35.73	55.68
Present value of obligation at end of Year	1,966.55	233.12	471.84

TABLE 2

Table showing changes in Fair Value of Plan Assets:

₹ in lakh

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair Value of Plan Asset at the beginning of the year	1,673.35	61.48	0
Acquisition Adjustment	0	0	0
Expected Return on Plan Asset	133.87	4.92	0
Contributions	146.82	63.52	0
Benefits Paid	0	0	0
Actuarial gain/loss on Plan Asset	14.36	3.86	0
Fair Value of Plan Asset at the end of the year	1,968.40	133.78	0

TABLE 3

Table Showing Funded Status

₹ in lakh

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Obligation at the end of the year	1,966.55	233.12	0
Fair Value of Plan Asset at the end of the year	1,968.40	133.78	0
Funded Status	1.85	-99.34	0
Unrecognised Actuarial gain/loss at the end of the year	0	0	0
Net Asset (Liability) recognized in Balance Sheet	1.85	-99.34	0

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TABLE 4

Table showing expenses Recognised in the statement of Profit and Loss ₹ in lakh

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	264.47	63.30	139.42
Past Service Cost	0	0	0
Interest Cost	145.61	9.93	20.50
Expected Return on Plan Asset	133.87	4.92	0
Curtailment Cost	0	0	0
Settlement Cost	0	0	0
Actuarial gain/loss recognized in the year	-278.07	31.86	55.68
Expense Recognized in the Statement of Profit / Loss	-1.85	100.18	215.59

20 Finance Costs

₹ in lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Interest Expense	23,247.95	22,641.09
2	Less: Interest Capitalised	4,445.89	4,821.27
3	Net Interest Expense (A)	18,802.06	17,819.82
	Other Borrowing Costs		
4	Stamp Duty / Registration Fees	0.00	25.00
5	Service Fee/Commitment Charges	16.27	138.88
6	Guarantee Charges	15.56	38.23
7	Total (Other Borrowing Costs) (B)	31.83	202.11
8	Total Finance Cost (A + B)	18,833.89	18,021.93

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21 OTHER EXPENSES

₹ in lakh

Sl. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Transmission Charges (WBPDCL)	7,770.06	5,015.59
2	ULDC Charges	1,010.06	667.60
3	Various Charges ERPC	15.00	15.00
4	**Repairs & Maintenance**		
	Plant & Machinery	2,512.20	2,126.96
	Buildings	499.92	526.12
	Others	163.46	196.31
5	Rent	80.42	68.19
6	Rates & Taxes	109.54	130.04
7	Security Expenses (Outsourced)	1,394.45	1,002.47
8	Consultancy Charges	49.84	59.85
9	Conveyance & Travel	87.52	121.18
10	Vehicle Running Expenses	573.42	570.38
11	Advertisements	240.86	184.14
12	Contribution towards Social Responsibility	0.00	22.16
13	Cleaning Charges	115.31	98.55
14	Licence Fees to SERC	167.50	152.62
15	Fees for Filing Petition/Application to SERC	16.87	124.00
16	Other Expenses	517.01	274.02
	Total	**15,323.44**	**11,355.18**
	Less: Administration and General Expenses Capitalised	129.03	140.95
	Total	**15,194.41**	**11,214.23**

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

23. **Trade Payables (Note:8) & Other Current Liabilities [Note:9]**

23.1 These include Rs.669.97 lakhs credit (net) and Rs. 884.14 lakhs credit (net), respectively, identified as old, unreconciled balances outstanding in nineteen units, which are being further scrutinised for identifying the amounts adjustable against unreconciled Inter Unit balance relating to the period prior to 01.04.2007. Consequential adjustment in the accounts would be given on completion of the process of identification/reconciliation.

23.2 Other Current Liabilities also include Rs. 1072.10 lakhs being the net surplus found on physical verification of stores (Refer Note: 26.1), effect of which would be given on completion of process of identification/reconciliation.

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

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

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

24.2 Location wise identification and value assessment of the individual assets with detailed specification has been completed by an independent agency up to 31.03.2012 and have been incorporated in the Asset Register. Location wise details in the Asset Register is being updated for the additions pertaining to the year 2012-13.

Commissioned Capital Assets financed by the customers, deemed to be transferred to the Company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission are in the process of identification. On completion of the exercise the same would be reflected at a notional value of rupee one in the Fixed Asset Register as per the Accounting Policy adopted by the Company during the year.

24.3 In some Units, the amounts appearing in the CWIP Register and General Control ledger do not tally for certain items relating to periods prior to 01-04-2007 and necessary adjustments would be made on reconciliation thereof.

24.4 The formalities for registration of transfer of the land & buildings re-vested in favour of the Company are still under process since adequate information is yet not available.

24.5 In the view of the management, the carrying cost of the fixed assets does not exceed its recoverable value and as such there is no impairment.

25. **Loans & Advances [Note:11]/ Other Current Assets [Note:12].**

Loans & Advances and Other Current Assets includes amounts of Rs.16.50 lakhs credit (net) and Rs. 3.30 lakhs debit, respectively, identified as unreconciled balances outstanding pertaining to 21 units, which is being further scrutinised. Consequential adjustment in the accounts would be given on completion of the process of identification/reconciliation.

26. **Inventories [Note:13]**

26.1 The management has conducted physical verification of stocks by engaging external agencies at all Store Units under the jurisdiction of Area Offices. Such verification has revealed net surplus of Rs. 1072.10 lakhs which has been adjusted with the book value of stock as at 31.03.2013 and after such adjustment value of stock stands at Rs.9263.51 lakhs. The shortage/excess on physical verification of stores is also related to materials issued to or returned from Capital Work in Progress, which is being further scrutinised for necessary adjustments. Pending identification/reconciliation this net credit has been included under Other Current Liabilities (Note:9).

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

27. Balances in Loans and Advances, Material with Contractors, Trade payables and Advance from Customers 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.

28. In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

29. The resultant impact of such differences between control accounts and subsidiary ledgers, as stated in Note 23 to 28 above, on income, expenditure, assets and liabilities shall be accounted for only on the same being ascertained.

30. **Others**

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

30.2 The Hon'ble WBERC vide its Multi Year Tariff Order dated 1.12.2012, decided not to allow any appropriation to Reserve for Unforeseen Exigencies from the year 2011-12 onwards. However, pending issuance of the Tariff Order for 2011-12 and in the absence of any specific directions from the Hon'ble Commission prohibiting making of such appropriation, the Company had, in accordance with the provisions of the Tariff Regulations, 2011, duly appropriated a sum of Rs1108.52 lakhs to the Reserve. The said sum of Rs.1108.52 lakhs, along with interest earned and received on Reserve for Unforeseen Exigencies

investments have also been reinvested within 30.9.2012, as required under Regulation 5.11 of the Tariff Regulations, 2011. The Company had submitted a Petition before the Hon'ble WBERC to permit the appropriation of Rs. 1108.52 lakhs to Reserve for Unforeseen Exigencies already made in the year 2011-12 prior to the issuance of the Tariff Order for that year. The Company had also prayed for a direction from the Hon'ble WBERC as to whether the interest income on the Reserve for Unforeseen Exigencies investments earned during 2012-13 and in subsequent years are to be reinvested in the Reserve or the same are to be treated as revenue income for set off against Gross Revenue Requirement in those years. Pending any directions from the Hon'ble WBERC, an amount of Rs. 521.16 lakhs being the interest earned during 2012-13 on the related investments has been appropriated to Reserve for Unforeseen Exigencies [Note:3(c)].

30.3 The Hon'ble WBERC vide its Order dated 19.10.2012 on the Annual Performance Review Petition of the Company for the year 2010-11 had inadvertently deducted the amount of Rs. 4,049.34 lakhs previously admitted and allowed in the APR Petition for the year 2008-09 in arriving at the allowable APR adjustment for the year 2010-11. The Company has, however, filed a review Petition before the Hon'ble WBERC for necessary adjustment of the said amount in its order for any subsequent year. The said amount, having already been recognized as Revenue in the F.Y. 2010-11, has now been reduced from the income for the current year in line with the Accounting Policy of the Company, pending further order by the Commission.

31. **Segmental Information**

Primary Segment: There is no business carried on by the Company other than the Electricity Transmission Activity. As such there are no reportable primary segments as required under AS-17 "Segment Reporting".

Secondary Segment: The Company caters only to West Bengal market representing a singular economic environment with similar risks and returns and hence there are no reportable geographical segments.

32. **Related Party Disclosures**

32.1 Key Management Personnel

Malay Kumar De	Chairman
A.C.Sarkar	Managing Director (upto 31.01.2013)
Dilip Kumar Dey	Managing Director (w.e.f 01.02.2013)
Dilip Kumar Dey	Director
Anjan Chowdhuri	Director
Subrata Nag	Director
H.K.Dwivedi	Director (Government Nominee)

32.2 Disclosure of transactions between the Company and related parties.

Name of the party	Description of transactions	2012-13 (Amount ₹ in lakh)	2011-12 (Amount ₹ in lakh)
Key management Personnel	Payment of salary & allowances	64.49	50.73
	Sitting Fees	3.10	1.65

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

33. **Earning Per Share**

Description	2012-13	2011-12
Profit After Tax(Rs in Lakhs)	33,302.32	17,167.27
No. of Equity Shares	1,10,55,20,000	1,10,55,20,000
Face Value of Shares (in Rs.)	10.00	10.00
Basic/Diluted Earnings per Equity share(Rs.)	3.01	1.55

34. **Deferred Tax**

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

35. **Taxes & Duties**

During the year the Company is eligible to claim 100% deductions on Business Income under Section 80-IA of the Income Tax Act, 1961. Hence, the Company has made Current Tax Provisions on Book Profit in accordance with the provisions of Section 115-JB of the Income Tax Act, 1961.

Current Tax Provisions includes an amount of Rs. 0.65 lakhs being the Provision for FBT for earlier years.

36. **Auditors' Remuneration::**

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

(₹ in Lakh)

Particulars	2012-13	2011-2012
Statutory Audit Fee	4.00	4.00
Tax Audit Fee	0.70	0.70
Other Services	2.25	2.25
	6.95	**6.95**

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

37. As per available information there are no outstanding dues as at 31.03.2013 for over 30 days to any enterprise as defined under Micro, Small and Medium Enterprises Development Act, 2006.

38. In the absence of the notification in the Official Gazette of the Central Government, the Company has not made any provision for cess payable under section 441A of the Companies Act, 1956.The required provision for cess payable shall be made in accordance with the notification, as and when the same will be issued by the Central Government in its Official Gazette.

39. **Contingent Liabilities not provided for:**

(i) State of West Bengal vs. Md. Jamaluddin & Ors. - FAT No. 343 to 356 of 2003

The matter relates to land acquisition for construction of Purba Ichapur 132 kV sub-station (land ad measuring 2.46 acre) at Barasat,. The land losers were not satisfied with the amount of compensation fixed by the Collector and they obtained a favorable order from the District Court at Barasat for higher valuation. The State 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 15.2.2005 directing the Collector to deposit 50% of the total decretal dues to the Registrar of the Hon'ble High Court. To comply with this order the L&LR Department requested the WBSEB to place the fund of Rs.18 lakhs being 50% of decretal dues at the disposal of Collector, 24 Parganas(North). The Company deposited Rs.18 lakhs being 50% of the decretal dues. The balance amount of Rs.18 lakhs is considered as contingent liability till final decision.

(ii) Crompton Greaves Ltd. vs. WBSEB & Ors. - C.S. No. 9 of 1996

WBSEB, between 1987 and 1992 placed orders on Crompton Greaves Ltd. for purchase of diverse transformers, switchgears, circuit breakers and lightening arrestors. The then WBSEB decided "Promissory Notes" would be mode of payment under IDBI Bill Re-discounting Scheme. But due to financial crunch, remittance against Promissory Notes were made well after maturity date. For this delayed recovery of dues, concerned Bank deducted interest from account of Crompton Greaves. Out of a total sum of Rs.1.12 crore claimed by Crompton Greaves on account of interest and penal interest, WBSETCL's share comes to Rs.1.03 crore. The Money Suit is under contest by WBSETCL in Calcutta High Court.

(iii) 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.4.17 lakhs. The suit was dismissed by the Ld. Court and the party again moved to the Hon'ble High Court appealing against the order.

(iv) Property Tax claimed by Asansol Municipal Corporation for Asansol 220 kV Sub-station and allied campus

Property Tax of Asansol 220 kV sub-station and allied campus for the period January 2007 to March 2012 has been assessed at Rs. 143.54 lakhs by Asansol Municipal Corporation. After a review meeting in March 2013, a reduction of 35% was allowed by the Municipal Corporation reducing the claim to Rs. 88.63 lakhs. The Corporation also permitted the Company to make the payment in 12 (twelve) equated monthly installments of Rs. 7.38 lakhs. It was thereafter decided to file an appeal before the Valuation Board for further reduction as the WBSETCL is a Govt. Company and runs the establishment of Asansol 220 kV Sub-station in the interest of public. Pending final outcome of the appeal, the Property Tax of Rs. 88.63 lakhs, as claimed by Asansol Municipal Corporation, is considered as contingent liability as on 31.03.2013.

(v) The Company had received a demand notice dated 31.07.2009 from Service Tax/Central Excise Department interpreting "Transmission of Power" as taxable Service under the head "Business Support Services" raising a liability of Rs. 11,869.79 lakhs plus interest and penalty for the period from 01.04.2007

to 31.03.2009. The Company has contested the claim in the Central Excise and Service Tax Appellate Tribunal (CESTAT). Pending disposal of the matter, the said amount is shown as Contingent Liability.

40. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in relation to execution of works and purchase of equipment, to the extent available, is Rs. 36,483.30 lakhs (Previous year Rs. 34,786. lakhs).

41. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.

In terms of our report of even date

For N.Sarkar & Co.

Firm Registration No.: 301075E

Chartered Accountants

(M.RAY)
Partner
Membership No: 12940

Place: Kolkata

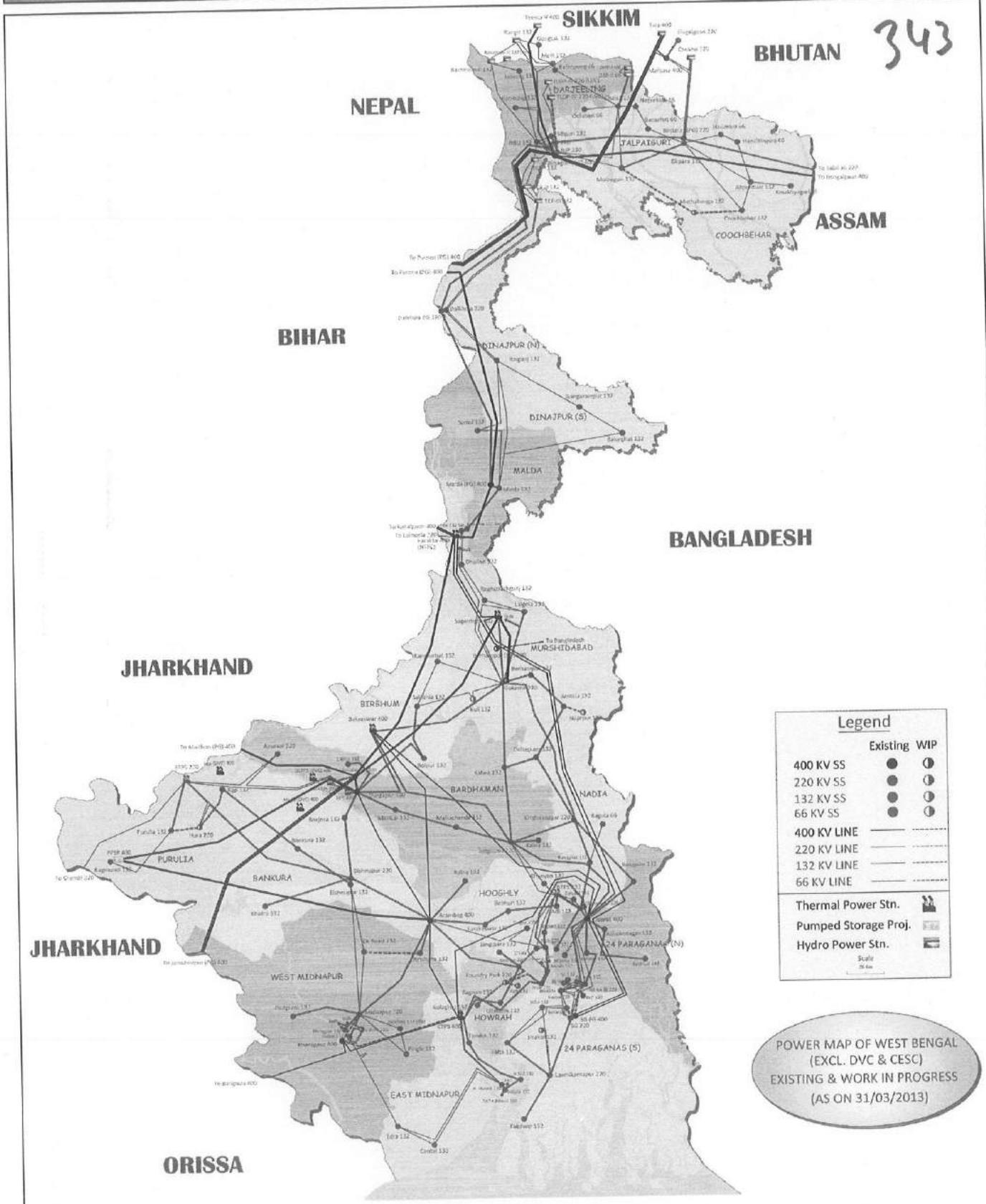
Dated: June 29, 2013

For and on behalf of Board of Directors

(S.Chattopadhyay)	(A.Chowdhuri)	(D.K.Dey)
Company Secretary	**Director(Finance & Accounts)**	**Managing Director**

POWER MAP OF WEST BENGAL

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POWER MAP OF WEST BENGAL
(EXCL. DVC & CESC)
EXISTING & WORK IN PROGRESS
(AS ON 31/03/2013)

West Bengal State Electricity Transmission Co. Ltd.

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WBSETCL

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A Govt. of West Bengal Enterprise)
Vidyut Bhavan, Bidhan Nagar, Kolkata-700 091
Phone : 91-33-23591930 - 40 (11 Lines) • Website : www.wbsetcl.in

Published by : Corporate Communication Department

Enclosure : 11

Copies of relevant loan Agreements

4

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- 5 FEB 1993

Government of West Bengal
Department of Power
New Secretariat Buildings
7th floor, Block 'A'
Calcutta-1.

No. 42-Power/II. Dated, Calcutta the 2nd Feb. 1993.

From: Shri T.K.Ghosh,
Deputy Secretary to the Govt. of West Bengal.

To : Shri [illegible], [illegible] of the Principal Accountant General (A.&E), West Bengal, Book II Section, Treasury Buildings, Calcutta - 700001.

Subject : Centrally sponsored schemes - Inter-State Transmission Line Schemes Central Assistance for 1992-93-Provisional payment sanctioned for the construction of Rengali-Kolaghat 400 KV S/C Inter-State-Transmission Line.

.....

Sir,

I am directed to say that the Government of India, Ministry of Power in their letter No. 12/15/92-Trans. dated 15.12.92, conveyed their sanction for payment of loan assistance of Rs.71.407 lakhs (Rupees seventy one lakhs forty thousand and seven hundred) only to the Government of West Bengal for the construction of Rengali - Kolaghat 400 KV S/C Inter - State transmission during 1992-93 towards reimbursement.

2. I am now to request you kindly to make arrangement for crediting the amount of Rs.71.407 lakhs (Rupees seventy one lakhs forty thousand and seven hundred) only as loan receipts under the head "6004-Loans and Advances from the Central Government - 04-Loans for Centrally Sponsored Schemes - 800 -Other Loans - 9. Loan for Power Projects - Transmission and Distribution Schemes - (i) - Inter State - Transmission Schemes " in the budget for 1992-93 .

3. The Governor has been pleased to direct that an amount of Rs.71.407 lakhs (Rupees seventy one lakhs forty thousand and seven hundred)only is hereby sanctioned as loan assistance to the West Bengal State Electricity Board and the charge thereof will be debited to the head "6801 - Loans for Power Projects - 00 - 205-Transmission and Distribution - Centrally Sponsored (New Schemes)- 1. Loans to WBSEB for construction of inter -state transmission line" in the budget for 1992-93. The amount may immediately be credited to the West Bengal State Electricity Board Fund Account No. 1 with the Reserve Bank of India, Calcutta.

4. The loan is sanctioned on the following terms and conditions :

i) the loan will carry interest @ 13.50% per annum subject to a rebate of 2.75% for prompt repayment of principal and payment of interest.

ii) the loan will be repayable in 15 (fifteen) annual equal instalments together with interest on the outstanding balance commencing from the first anniversary of the date of drawal of the loan.

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- 2 -

5. This order issues with the concurrence of the Finance (Budget) Department of this Government vide their U.O. No. Budget Genl.17 dated 15.1.93.

Yours faithfully,
Sd/- T.K.Ghosh,
Deputy Secretary

km/.2.2.93/

No. 42/1(4)-Power/II dt. 2.2.93.

Copy forwarded for information and necessary action to :-

1) the Pay & Accounts Officer,
Pay & Accounts Office,
91/2/2, Phears Lane, Calcutta-12.

2) the Finance (Budget) Department
of this Government.

3) the Secretary, WBSEB, Bidyut Bhaban,
Salt Lake City, Sector II, Block DJ, Calcutta-91.
He is requested kindly to furnish the necessary utilisation certificate/s in respect of the said loan, in triplicate, duly authenticated.
He is also requested kindly to confirm the correctness of the amounts indicated at Sl.No.8 of the Annexure to the Government of India's letter dated 15.12.92.

4) the Secretary, Government of India, Ministry of Power, Department of Power, SHRAM SAKTI BHAWAN, RAFI MARG, New Delhi 110001.

Deputy Secretary

No. FMC/ADA/24(5) dt. 06 02 93

Copy forwarded for information & necessary action to:

1. The CE, P&ED, WBSEB, Cal-91
2. The CE (Comm), WBSEB, Cal-91.
3. The DyFA & AO (R&A), WBSEB, Cal-91
4. The AO (FMC)/(Try.), WBSEB, Cal-91

Finance Manager (Corporate)
WEST BENGAL STATE ELECTRICITY BOARD

23

Government of West Bengal
Department of Power
New Secretariat Buildings
Calcutta-1.

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No. 119-Power/II. Dated, Calcutta the 24th February, 1995.

From: A. Ghosh,
Deputy Secretary to the Govt. of West Bengal.

To : Shri S. Prabhu,
Senior Deputy Accountant,
General (Accounts),
Office of the Principal
Accountant General (A&E), West Bengal,
Book II Section,
Treasury Buildings, Calcutta - 700001.

Subject : Centrally sponsored Schemes-Inter-State-Transmission Line Schemes-Central Assistance for 1994-95-provisional payment sanctioned for the construction of Rengali-Kolaghat 400 KV S/C Inter-State-Transmission Line.

-.-.-.-.-.-.-

Sir,

I am directed to say that the Government of India, Ministry of Power in their letter No. 12/15/85-Trans. dated 11.1.95 conveyed their sanction for payment of loan assistance of Rs.278.65 lakhs (Rupees Two hundred and seventy eight lakhs and sixty five thousand) only to the Government of West Bengal for the construction of Rengali - Kolaghat 400 KV S/C Inter-State transmission line during 1994-95 towards reimbursement.

2. I am now to request you kindly to make arrangement for crediting the amount of Rs.278.65 lakhs (Rupees two hundred and seventy eight lakhs and sixty five thousand) only as loan receipts under the head "6004-Loans and Advances from the Central Government - 04 - Loans for Centrally Sponsored Schemes - 800 - Other Loans - 9. Loan for Power Projects - Transmission and Distribution Schemes - (i) Inter - State - Transmission Schemes" in the budget for 1994-95.

3. The Governor has been pleased to direct that an amount of Rs.278.65 lakhs (Rupees two hundred and seventy eight lakhs and sixty five thousand) only is hereby sanctioned as loan assistance to the West Bengal State Electricity Board and the charge thereof will be debited to the head "6801-Loans for Power Projects-00 - 205 - Transmission and Distribution - Centrally Sponsored (New Schemes) - 1. Loans to WBSEB for construction of inter-State transmission lines" in the budget for 1994-95. Whereunder additional fund will be xxxxx provided during the current financial year by reappropriation or otherwise in due course. The amount may immediately be credited to the West Bengal State Electricity Board Fund Account No. 1 with the Reserve Bank of India, Calcutta.

4. The loan is sanctioned on the following terms and conditions :

i) the loan will carry interest @ 14.75% per annum subject to a rebate of 2.75% for prompt repayment of principal and payment of interest.

Contd.....2

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ii) the loan will be repayable in 20(twenty) annual equal instalments together with interest on the outstanding balance commencing from the first anniversary of the date of drawal of the loan.

5. This order issues with the concurrence of the Finance (Budget) Department of this Government vide their U/O. No. Budget Genl. Group 'M' 1124 dated 17.2.95.

Yours faithfully,

Sd/-A.Ghosh

Deputy Secretary

km/27.2.95/

No. 119/14)-Power/II dated 24.2.95.

Copy forwarded for information and necessary action to :

1. the Pay & Accounts Officer, Pay & Accounts Office, 31/2/2, Phears Lane, Calcutta - 12.
2. the Finance (Budget) Deptt. of this Government.
3. the Secretary, WBSEB, Bidyut Bhaban, Salt Lake, City, Section II, Block DJ, Calcutta-91 .He is requested kindly to furnish the necessary utilisation certificate/s in respect of the said loan , in triplicate , duly authenticated . He is also requested kindly to confirm the correctness of the amounts indicated at Serial No. 8 to the Government of India's dated 11.1.95.
4. the Secretary, Government of India, Ministry of Power, Department of Power, SHRAM SAKTI BHAWAN, RAFI MARG, New Delhi 110001.

Deputy Secretary 1/3/95

Tclex/FAX no 071-253 6756

Manager,
RBI.
Central A/cs Sec.,
Nagpur - 440001

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No. 286-E xxx/[illegible] Dated, Calcutta the 10th May, 1995

From : Shri S. Bhaduri,
Joint Secretary to the Govt. of West Bengal.

To : Shri S. Prabhu,
Senior Deputy Accountant General (Accounts),
Office of the Principal Accountant General (A&E),
West Bengal,
Block HF, Salt Lake,
Sector-III,
Kolkata - 700091.

Subject : Centrally sponsored Scheme - Inter - State Transmission Line [illegible]

Sir,

I am directed to say that the Government of India, Ministry of Power in their Letter No. 12/12/95-Trans. dated 31.3.95 have sanctioned a grant for payment of Rs.306,94 lakhs (Rupees Three hundred and six lakhs and ninety four thousand) only to the Govt. of West Bengal for construction of Rangali-Bongaigaon 400 K.V. Single Circuit Transmission line during 1995-96 towards reimbursement [illegible]

2. I am also to request you kindly to make arrangement for drawing the amount of Rs.306.94 lakhs (Rupees Three hundred and six lakhs and ninety four thousand) only as per receipts under the Head of Account "Grants from the Central Government - 01 - Social Services - 02 - Education, Sports, Art and Culture - (i) Primary Education - 101 - Grants-in-aid - Non-Plan - 31 - Grants for Primary Education".

3. The Demands has been allocated to Directorate of [illegible] for Rs.306.94 lakhs (Rupees Three hundred and six and ninety four only) is hereby sanctioned as loan & advance to the West Bengal Electricity Board and by charge head will be debited to [illegible] Loans for Power Projects - 31 - Transmission - Inter-State Transmission - Centrally Sponsored Schemes (Non-Plan) - Loans to West Bengal for construction of Inter-State Transmission Lines" in the Budget for 1995-96 whereas additional [illegible] provided during the current financial year by reappropriation [illegible] the Scheme. The amount should immediately be credited to the head for [illegible] Electricity Account No. 1 with the [illegible] of [illegible] Calcutta.

Yours faithfully,

4. The loan is sanctioned on the following terms and conditions :

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i) the loan will carry interst @ 14.75% per annum subject to a rebate of 2.75% for prompt repayment of principal and payment of interest.

ii) the loan will be repayable in 20 (twenty) annual equal instalments together with interest on the outstanding balance commencing from the first anniversary of the date of drawal of the loan.

5. This order issues with the concurrence of the Finance (Budget) Department of this Government vide their U.O. No. Budget Genl. Group (P N) 4007 dated 3.5.95.

Yours faithfully,
Sd/- A. Ghosh
Joint Secretary

km:12.5.95/

No. 286/1(4)-Power/II dt. 10.5.95.

Copy forwarded for information and necessary action to :-

1. the Pay & Accounts Officer,
   Calcutta Pay & Accounts Office,
   81/2/2, Phears Lane, Calcutta-12.
2. the Finance (Budget) Deptt. of this Govt.
3. the Secretary, WBSEB, Bidyut Bhaban, Salt Lake City, Calcutta-91
   He is requested kindly to furnish the necessary utilisation Certificate/s in respect of the said loan, in triplicate duly authenticated. He is also requested kindly to confirm the correctness of the amounts indicated at serial No. 8 in the Government of India's letter dated 31.3.95.
4. the Secretary, Govt. of India, Ministry of Power,
   Department of Power,
   SHRAM SAKTI BHAWAN, RAFI MARG, New Delhi 110001.

Joint Secretary 15/5/95

Received
Private 16/5/95
Steno to DMG(Mcn)

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Government of West Bengal

DEPARTMENT OF POWER
New Secretariat Buildings, 7th Floor, Block 'A'
1, K. S. Roy Road, Calcutta 700 001

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(22)

All Communications to Government should give the Number, Date and Subject of any previous Correspondence and be addressed to the Secretary of the Department concerned.

16 JUN

From P. K. Chakraborty, Deputy Secretary.

To The Principal A. G. (A&E), West Bengal
Book II Section, Treasury Building, Calcutta-1.

No. 310-Power/II dated, Calcutta, the 12-6-98/19

Sir,

I am directed to say that Ministry of Power, Govt. of India vide their Order No.12/15/85-Trans. dated 27.3.98 have sanctioned a loan of of Rs.170.00 lakhs in favour of the Govt. of West Bengal towards reimbursement of the expenditure incurred in connection with the construction of 400-KV-Rangli-Kolaghat transmission lines (West Bengal Portion).

The said amount has been duly credited in the State Account.

2. Now, the Governor has been pleased to accord sanction to the payment of the entire amount of Rs.170.00 lakhs in favour of the WBSEB as plan loan during 1998-99 for construction of the Kolaghat-Rangali inter-state transmission lines (West Bengal portion).

3. The charge involved may be debited in the on account budget for 1998-99 under the head of A/c. '6801-Loans for power projects-00-205-Transmission and Distribution schemes-centrally sponsored (New schemes)-55-Loans and Advances '-Loans to WBSEB for construction of inter-state-transmission lines' funds under which will be provided by way of re-appropriation or otherwise in due course.

4. The amount may immediately be credited to the WBSEB Fund Account No.1 with the Reserve Bank of India.

5. The terms and conditions for repayment of the loan and payment of interest will be the same as laid down in Finance (Budget) Deptt. Order No.2346-FB dated 26.12.97.

6. This order issues with the concurrence of the Finance (Budget) Deptt. Gr.'N', vide their U.O. No.2962 dt. 12.5.98.

Yours faithfully,
sd/-
Deputy Secretary

Dkr.

No. 310/1(1)-Power/II dated 12.6.98.

Copy forwarded for information and taking necessary action to :-

1) The Secretary, WBSEB. He is requested to furnish utilisation certificate in respect of the said loan in triplicate to this Deptt. for taking up with the MOP, Govt. of India & A.G. West Bengal. He is also requested to confirm the correctness of the amount indicated at Sl.No.8 of the annexure to the Govt. of India's order.

Deputy Secretary

Sr. A.O (Comp.) Pl.

17/6/98

All Communications to Government should give the Number, Date and Subject of any Previous correspondence and be addressed to the Secretary of the Department concerned.

Government of West Bengal

DEPARTMENT OF POWER
New Secretariat Buildings, 7th Floor, Block 'A'
1, K. S. Roy Road, Calcutta-700 001

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(1)

24 MAY 1999

West Bengal

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W.B.E.R.C.
RECEIPT NO. 5/9/454
DATE 7-5-99
Bidyut Bhavan, Sec. Lake

FROM: The Deputy Secretary to the Govt. of West Bengal

To, The Principal Accountant General, West Bengal,
Book-II Section, Treasury Buildings., Calcutta.

No. 202-Power/II

Dated, Calcutta, the 30th April, 1999

S i r,

I am directed to say that Ministry of Power, Government of India vide their Order No.12/15/85-Trans. dt.31st March,1999 have sanctioned a loan of Rs.170.00 lakhs in favour of the Government of West Bengal towards reimbursement of the expenditure incurred in connection with the construction of 400 KV Rangali-Kolaghat Transmission lines (West Bengal Portion). The said amount has been duly credited in the State Account.

2. Now, the Governor has been pleased to accord sanction to the payment of the entire amount of Rs.170.00 lakhs in favour of the West Bengal State Electricity Board as plan loan during 1998-99 for construction of the Kolaghat-Rangali inter-state transmission lines (West Bengal Portion).

3. The charge involved may be debited in the "On Account Budget" for the year 1999-2000 under the head of Account, "6801-Loans for power projects-00-205-Transmission and Distribution Schemes-CS-Centrally Sponsored (New Schemes)-001-loans to WBSEB for construction of inter-state lines-55-Loans and Advances" funds under which will be provided by way of re-appropriation or otherwise in due course.

4. The amount may immediately be credited to the WBSEB Fund Account No.1 with the Reserve Bank of India.

5. The terms and conditions for re-payment of the loan and payment of interest will be the same as laid down in Finance(Budget) Department's Order No. 180-F.B dt.24.01.99.

6. This order issues with the concurrence of the Finance (Budget) Department, Gr.'N', vide their U.O.No.2598 dt.28.04.99.

Yours faithfully,

Sd/-
Deputy Secretary

Contd...2.

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No.202/1-Power/II dt.30.04.99.

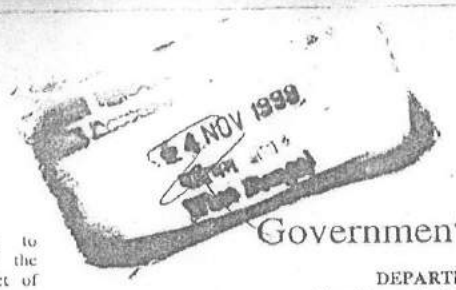
Copy forwarded for information and taking necessary action to -

The Secretary, West Bengal State Electricity Board.

- He is requested to furnish utilisation certificate in respect of the said loan in triplicate to this Department for taking up with the Ministry of Power, Government of India and Accountant General, West Bengal. He is also requested to confirm the correctness of the amount indicated at Sl.No.8 of the annexure to the Govt. of India's order.

30.4.99

Deputy Secretary



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All Communications to Government should give the Number, Date and Subject of any previous Correspondence and be addressed to the Secretary of the Department concerned.

Government of West Bengal

DEPARTMENT OF POWER
New Secretariat Buildings, 7th Floor, Block 'A'
1, K. S. Roy Road, Calcutta 700 001

From P. K. Chakrabarti, Deputy Secretary

To The Principal Accountant General (A&E), West Bengal, Book-II Section, Treasury Buildings, Calcutta-700 001.

No. 459-Power/II dated, Calcutta, the 3rd November, '99

Sir,

In continuation of this Department G.O.No.202-Power/II dated 30-04-99, I am directed to say that Ministry of Power, Govt. of India vide their Order No.12/15/85-Trans/142 dt.07-10-99 have sanctioned further a loan of Rs.180.00 lakhs (Rupees one hundred and eighty lakhs) only in favour of the Government of West Bengal for placement of the same at the disposal of theW.B.S.E.B. towards reimbursement of the expenditure incurred in connection with the construction of 400 KV - Rengali-Kolaghat Transmission Lines (West Bengal portion).

2. Accordingly, the Governor has been pleased to accord sanction to the payment of the entire amount of Rs.180.00 lakhs (Rupees one hundred and eighty lakhs) only in favour of the W.B.S.E.B. as plan loan during 1999-2000 for construction of the Kolaghat-Rengali Inter-State Transmission Lines (W.B.portion).

3. The charge involved is debitable in the budget for the year 1999-2000 under the head of account "6801 - Loans for Power Projects - 00 - 205 - Transmission and Distribution Schemes - CS - Centrally Sponsored (New Schemes) - 001 - Loans to WBSEB for construction of Inter-State Transmission Lines - 55 - Loans and Advances - V - (Voted)" and funds under which will be provided by way of re-appropriation or otherwise in due course.

4. The amount may immediately be credited to the W.B.S.E.B. Fund Account No.1 with the Reserve Bank of India.

5. The terms and conditions for repayment of the loan and payment of interest will be as follows:

i) The loan will carry interest @ 14.50% per annum with a rebate of 2.50% per annum for timely payment of principal and interest.

Contd.....p.2.

A.O. (comp)
4/11/99

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ii) The repayment period of the loan will be 20 (twenty) years. The repayments are to be made in 20 (twenty) equal annual instalments together with interest on outstanding balance commencing from the first anniversary date of drawal of the loan.

6. This order issues with the concurrence of the Finance Department, Group 'N' vide their U.O.No.4787 dt.29-10-99.

Yours faithfully,

Sd/- P.K.Chakrabarti

Deputy Secretary

Saha/031199

No.459/1-Power/II dt.03-11-99

Copy forwarded for information and taking necessary action to the Secretary, W.B.S.E.B., Bidyut Bhawan, Calcutta-91.

He is requested to furnish utilisation certificate in respect of the said loan in triplicate to this Department for taking up with the Ministry of Power, Government of India, Pr. Accountant General (A&E), West Bengal and Finance (Budget) Deptt.

He is also requested to confirm the correctness of the amount indicated at Sl. No.8 of the annexure to the Government of India's order.

Deputy Secretary 3/11/99

towards adjustment of dues of Central Public Sector Undertakings-(b)-Other CPSUS" by per contra credit of Rs.17.262 crores to the head, "6004-Loans and Advances from Central Govt.-02-Loans for State Plan Schemes-101-Block Loans-001-Loans for State Plan Schemes" and the balance of Rs.5.548 crores to the head,"1601-Grants from Central Govt.-02-Grant for State Plan Schemes-101-Block Grants-002-Grants for normal assistance for State Plan Scheme" in the current years budget(i.e. 1999-2000). Excess under the expenditure head shown above will be met by suitable re-adjustment with the overall plan allocation of the Power Department for the current year.

5. This issues with the concurrence of the Finance(Budget) Department,Group 'N' vide their U.O.No.3830 dt.23.08.99.

Yours faithfully,

Sd/-

Deputy Secretary

No.385/1(9)-Power/II dt.27.08.99.

Copy forwarded for information and necessary action to :-

1) The Secretary,West Bengal State Electricity Board.
2) Finance(Budget) Department of this Government.
3) The Audit Officer,Power Department.
4) Loan Guard File of Cell-II of this Department.
5) The Director(Finance),N.T.P.C., N.T.P.C.Bhawan,Scope Complex, 7,Institutional Area, Lodi Road,New Delhi.
6) The Senior Manager(Commercial),N.H.P.C., Sector-33,Faridabad,Near PEPS,Haryana.
7) The Chairman,Damodar Valley Corporation Ltd., D.V.C.Tower,V.I.P.Road,Calcutta-54.
8) The Manager(Budget), Power Grid Corporation of India Limited, Hemkant Chambers, 14th floor, 89,Nehru Place, New Delhi.
9) The General Manager, Rural Electrification Corporation Limited, Core-4 Scope Complex, 7,Lodi Road,New Delhi-06.

Deputy Secretary

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OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL(A&E), WEST BENGAL,
TREASURY BUILDINGS, CALCUTTA - 700 001.

No. Books-II/L(SEB)/50(IV)/ Dated:

To
The Manager,
Reserve Bank of India,
Public Accounts Department,
Calcutta- 700 001.

1625
08/6/93

Sir,

I am to request that necessary arrangements may please be made immediately to credit a sum of Rs. 46,00,000 (Rupees [illegible]) only on account of a loan sanctioned in the Government of West Bengal Power Deptt's letter No. [illegible] dated [illegible] to the West Bengal State Electricity Board Fund Account No. 1 by contra debit to the head 6801- Loans for power project-I 00-102 Thermal Power Generation - State Plan(_____)/Non-Plan/6801-Loans for Power Project 00-105 Transmission and distribution Schemes centrally sponsored(New Scheme)-1 State Plan (_____)/ Non-Plan-Loans to to West Bengal State Electricity Board.

Yours faithfully,

Accounts Officer.

No. Books-II/L-(SEB)/50(IV)/ Dated:

Copy forwarded to the Secretary to the Govt.of West Bengal, Power Department, New Secretariate Bldg. (8th floor), 1,Kiron Sankar Roy Rd., Cal.-1 for information. Authorisation certificate to the effect that the amount has been spent for the purpose for which it has been granted may please be forwarded to this office in due course and terms and condition of the loan may please be furnished at an early date.

Accounts Officer.

No. Books-II/L-(SEB)/50(iv)/ Dated:

Copy forwarded to the Secretary to the Govt.of West Bengal, Finance Department, Writers' Buildings, Calcutta-700001 for information. This bears a reference to their U.O.No. Budget Genl./Or/ Dated_____.

Accounts Officer.

No. Books-II/L-(SEB)/50(iv)/ 164 Dated: 31 MAY 1993

Copy forwarded to the Secretary,West Bengal,State Electricity Board, Bidyut Bhavan, Salt Lake,Block-DJ, Sector-II, Calcutta-91 for information. A stamped receipt and a utilisation certificate in respect of the loan may please be furnished.

Accounts Officer.

SEB/

Finance Manager (Comp) Rly

9/6/93

5/6/93

Enclosure : 12

Letter of SREI Infrastructure Ltd.
Dated 17.09.2013

SREI

360

Ref. No. SIFL/ADV/ER/0913/ 237

17 September 2013

The Director Finance
West Bengal State Electricity Transmission Co. Ltd.
Vidyut Bhawan
Bidhannagar
Block D3, Sector II
Kolkata – 700091

Dear Sir,

Sub: Methodology of Valuation of Fixed Assets

Apropos of the discussions we had in regard to the above and as desired, we detail below the Methodology adopted by us for purpose of Preparation of the Fixed Asset Register:

1. Collection of Account Code wise Value of Fixed Assets as per the Financial Accounts Statement as 1.04.2007.
2. Reconciliation between Circle wise Value and Corporate Level value of each Group of Fixed Assets.
3. In cases where Substation value was not available, reconciliation with Physical Verification details were conducted and Acquisition/ Disposal during 2007 to date of physical verification carried out
4. Value Allocation of Gross Block was thereafter carried out considering Division or Circle wise Gross Block of each Block of Fixed Assets by Physical Quantity.
5. Regarding value allocation of Accumulated Depreciation, Depreciation was computed for Fixed Assets individually from Date of Acquisition Adjustments confirming to Life/ Salvage Value was also carried out
6. Collation of the above procedure was carried out for purpose of determination of Net Block as on 1.04.2007 and Value Allocated Fixed Asset Register Developed.

However, Kolaghat Baripada Line of WBSETCL was fully funded through Central Assistance. The value of line represents and aggregates to the total loan amount received thereagainst.

Thanking you,

Yours faithfully,

A.K. Mahapatra
Head-Infrastructure Advisory (ER)
Cell: +91 9830018159
E-mail: ak.mahapatra@srei.com

Enclosure : 13

Details of remittance of payment of Fees

FORM-I

As per Regulation 12(2) of CERC (Payment of Fees) Regulations, 2012.

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Sl no	Particulars	
1.	**Name of the Petitioner / Applicant**	West Bengal State Electricity Transmission Co. Ltd.
2.	**Address of the Petitioner / Applicant**	Vidyut Bhavan, Block-DJ, Sector-II, Bidhannagar, Kolkata- 700 091.
3.	**Subject matter**	Fees for Filing Tariff Petition for 400 KV Kolaghat-Baripada and 220 KV Santaldih-Chandil Tr. Lines (portion owned by WBSETCL) for the year 2011-14.
4	**Petition No., if any**	
5.	Details of generation assets (a) Generating station / units (b) Capacity in MW (c) Date of commercial operation (d) Period for which fee paid (e) Amount of fee paid (f) Surcharge, if any	
6.	**Details of Transmission assets** **(a) Transmission Lines and sub-stations:**	i) 400 KV Kolaghat-Baripada Tr. Line (WBSETCL portion). ii) 220 KV Santaldih-Chandil Tr. Line (WBSETCL portion).
	(b) Date of commercial operation	i) 16/03/1992 (for Kolaghat-Baripada Tr. Line) ii) 01/04/1987 (for Santaldih-Chandil Tr. Line)
	(c) Period for which fee paid	For the year 2011-2012, 2012-13 & 2013-14
	(d) Amount of fee paid	Rs. 2,40,000/- (Two Lakh Forty Thousand only)
	(e) Surcharge, if any	Nil
7.	Fees paid for adoption of tariff for (a) Generation asset (b) Transmission asset	
8.	Application fees for Licence (a) Trading Licence (b) Transmission Licence (c) Period for which paid (d) Amount of fee paid	
9.	Fees paid for Miscellaneous Application	
10.	Fees paid for Interlocutory Application	
11.	Fee paid for Regulatory Compliance petition	
12.	Fees paid for Review Application	
13.	Licence fee for Inter-State Trading (a) Category (b) Period (c) Amount of fee paid (d) Surcharge, if any	
14.	Licence fee for Inter-State Transmission (a) Expected /Annual transmission charge (b) Period (c) Amount of fee calculated as a percentage of transmission charge. (d) Surcharge, if any	
15.	Annual Registration Charge for Power Exchange (a) Period (b) Amount of turnover (c) Fee paid (d) Surcharge, if any	
16.	**Details of fee remitted** **(a) UTR No.** **(b) Date of remittance** **(c) Amount remitted**	UCBAH13257099816 14/09/2013 Rs. 2,40,000/- (Two Lakh Forty Thousand only)

Note: While Sl. Nos. 1 to 3 and 16 are compulsory, the rest may be filled up as applicable.

Signature of the authorized Signatory with date

19/9/13
General Manager (F&A)
W.B.S.E.T.C.Ltd.

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VAKALATNAMA

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION,
3RD & 4TH Floor, CHANDERLOK BUILDING,
36, JANPATH, NEW DELHI- 110001

File No.

Petition No.

In the matter of :

Approval under Regulation 86 of CERC (Conduct of Business) Regulation 1999 for transmission tariff as per CERC (Terms & Conditions of Tariff) Regulations 2009 for 400 kV Single Circuit Kolaghat – Baripada transmission line (portion owned by WBSETCL) and 220 kV Single Circuit Santaldih – Chandil Transmission line (portion owned by WBSETCL) for the period from 01.04.2011 to 31.03.2014 as directed by Hon'ble Commission vide its order dated 14/03/2012 and order dated 25.4.2013 against the Petition no: 15/Suo-Motu/2012.

And
In the matter of:

West Bengal State Electricity Transmission Company Limited.
Registered Office: Vidyut Bhavan,
Block- DJ, Sector-II
Bidhannagar, Kolkata-700 091.

-------- **Petitioner.**

KNOW All to whom these present shall come that I, Srikumar Chattopadhyay , Company Secretary of the Petitioner in the above matter hereby appoint Trilegal including Mr. Sakya Singha Chauduri, Advocate. and Sitesh Mukherjee, Anand Kumar Srivastva, Madakini Ghosh Shantanu Singh, Anusha Nagarajan, Prerna Priyadarshini Advocates.

Office at:
Trilegal
A-38, Kailash Colony,
New Delhi- 110048
TEL: 01141639393
FAX: 01141639292

(hereinafter called the advocate), to be the Advocate for the petitioner in the above mentioned cause, to do all the following acts, deeds and things or any of them, that is to say:

Srikumar Chattopadhyay.
Company Secretary
W.B.S.E. Transmission Co. Ltd.
Bidyut Bhavan, Salt Lake
Kolkata-700 091

1. To act, appear and plead in the above mentioned cause in this Commission or any other court in which the same may be tried or heard in the first instance or in appeal of letters, or review or revision or execution or in any other stage of its progress until its final decision.

2. To present pleadings, appeals, letters, petition of appeal to Supreme Court, cross-objections or petitions or execution, review, revision, withdrawal compromise or other petitions or affidavits or other documents, as shall be deemed necessary or advisable for the prosecution of the said cause in all its stages.

3. To withdraw or compromise the said cause or submit to arbitration any differences or dispute that shall arise touching or in any manner relating to the said cause.

4. To receive moneys and grant receipts there for and to do all other acts and things which may be necessary to be done for the progress and in the course of the prosecution of the said cause.

5. To employ any other Legal Practitioner authorizing him to exercise the power and authority hereby conferred on the Advocate whenever he may think fit to do so.

AND we hereby agree to ratify whatever the Advocate(s) or their substitute shall do in the premises.

AND We hereby agree that in the event of the whole or any part of the fee agreed by me/us to be paid to the Advocate(s) remaining unpaid, they shall be entitled to withdraw from the prosecution of the said cause until the same is paid.

IN WITNESS WHEREOF I/We hereunto set my/our hands to these presents the contents of which have been explained to and understood by me, this 19th day of September 2013.

Advocate (ARYA SINGHA CHAUDHURI)

(MANDAKINI GHOSH)

(SHANTANU SINGH)

(ANUSHA NARAYAN)

Srikumar Chattopadhyay,
Company Secretary
W.B.S.E. Transmission Co. Ltd.
Bidyut Bhavan, Salt Lake
Kolkata-700 091