WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

WBSETCL

VOLUME – III

ANNUAL PERFORMANCE REVIEW

FINANCIAL YEAR 2020-21

SUBMITTED TO THE

HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

WBSETCL

VOLUME –III

Audited Annual Accounts of WBSETCL for 2020-21

SUBMITTED TO THE

HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION

ANNUAL ACCOUNTS 2020-21

WBSETCL

West Bengal State Electricity Transmission Company Limited

(A Government of West Bengal Enterprise)

VIDYUT BHAVAN, SALT LAKE CITY
SECTOR-II, KOLKATA - 700 091

span & associates
Chartered Accountants
(Formerly S. Ganguli & Associates)
since 1979

Independent Auditors' Report

To,

The Members of West Bengal State Electricity Transmission Company Limited

Opinion

We have audited the accompanying standalone Ind AS financial statements of West Bengal State Electricity Transmission Company Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to Financial Statement, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as 'standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013 ('the Act'), the Electricity Act 2003, and WBERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2021, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) and Indian Accounting Standards specified under section 143(10) and section 133 of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters in the Notes to the Ind AS financial statements:

a. Capital Wok in progress includes projects whose progress have been affected due to severe right of way issues and the matter is being pursued for early resolution. (Refer note no. 1.2)
b. The Company is in the process of segregating its freehold and leasehold land and is yet to adopt IND AS 116 "Leases" effective from 1st April, 2019, as notified by the Ministry of Corporates Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019. The impact of the same on the profit of the year ended 31st March 2021 and the consequential impact on the shareholders' fund is not ascertainable. (Refer note no. 1.3)
c. SCADA was fully capitalised under Plant and Machinery and depreciation was charged @6% p.a , subsequently an amount of Rs 186.83 lakhs was identified as Software Component and Rs 965.64 lakhs as Hardware component. Accordingly on the amount of software and hardware component depreciation @12.857% is charged with retrospective effect and necessary regrouping is made in accounts. (Refer note no. 1.5)

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d. As per practice of the company the amount of Employee Cost capitalised during the year is allocated among the Fixed Asset converted during the financial year on the basis of value of Fixed Asset. (Refer note no. 1.6)

e. The inventory has been physically verified by the independent agencies; however, the Company is in the process of reconciling the stock with its books as well as identification of slow-moving / non-moving / obsolete inventories. The adjustments, if any, in the accounts will be provided post completion of the aforesaid assessment. (Refer note no. 4.1)

f. Rs 2615.51 lakhs represents balance recoverable against APR order dated 28.06.2021 for the financial year 2014-15. The recovery order of the same is yet to be received from Hon'ble WBERC. However, the recovery order for the regulatory asset of previous is received from WBERC vide Tariff Order for 2018-19 and 2019-20 dated 16.12.2020. (Refer note no. 9.1)

g. The company has implemented SAP ERP from 01.04.2019 and is under process of identification and reconciliation of vendor wise Trade Payables. However, the process of such identification could not be completed. The management is of the view that impact of such reconciliation, if any, would not be material. (Refer note no. 15.1)

h. Amount withheld on account of Contractors are under review and confirmation. These shall be refunded/adjusted post evaluation. (Refer note no. 16.2)

i. Other Current Liabilities include Consumer Contribution to Capital Assets which represent advances received from customers for construction of transmission assets. The mapping of such advances with the completion status of the related project is being carried out. Pending completion of such process in entirety, no adjustment has been given in the books. However, the management is of the view that the consequential impact (if any) would not be material compared to the size and business volume of the company. (Refer note no. 17.2)

j. Balances in loans and advances, Material with Contractors, Trade Payables are subject to confirmation and consequential adjustments, if any. The company has sent letters requiring confirmation and reconciliation of balances to some of these parties but has not received any confirmation there against. (Refer note no. 34)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Fixed Assets** The carrying amount of Fixed Assets of the Company is Rs. 7,49,644.48 Lakh, which represents about 78.63% of the total assets of the Company.	**Principal Audit Procedures** We assessed the controls in place, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of assets and the derecognition criteria for assets retired from active use.

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	Due to the significance of the value of the Fixed Assets, we have considered the same to be significant to our overall audit strategy and planning.	We reviewed the judgments made by management including the nature of underlying costs capitalized; determination of realizable value of the assets retired from active use; the appropriateness of asset life applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management.
2.	**Evaluation of Uncertain Arbitration Cases, Court Cases and Litigations** The company has uncertain claims of Rs.10,449.83 lakhs containing matters under litigations and Arbitration Cases, which involves significant judgement to determine the possible outcome of these cases.	**Principal Audit Procedures** We have obtained details of Arbitration cases and cases of pending litigations for the year ended March 31, 2021 from management. We involved our team members to ascertain the management's underlying assumptions in estimating the litigation cases and the possible outcome of the disputes. Our team also considered the legal precedence and other rulings in evaluating management's position on these pending litigations and Arbitration cases. Additionally, we considered the effect of new information in respect of these cases to evaluate whether any change was required to management's decision on these uncertainties.

Our report is not modified in respect of these matters

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's Report including Director's Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during audit or otherwise appears to be materially misstated.

When we read the Other Information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

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Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, of financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under Section 133 of the Act, read with relevant rules issued thereunder and as per the Electricity Act, 2003and relevant West Bengal Electricity Regulatory Commission (WBERC) regulation in respect of Depreciation and other recognized accounting practices and policies.

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (11)of the Act, we have given in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2.We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure B on the directions and sub-directions issued by the Comptroller and Auditor General of India.

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

a. we have sought and obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purposes of our audit;

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 including the other comprehensive income, the statement of Cash Flow and the Statement in changes in equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C; and

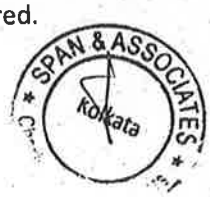
g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer to Note 29 to the Standalone Financial Statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and

iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

iv. A reconciliation in between the power evacuation and transmission was to be drawn up and submitted for audit verification to ascertain the variation if any and resultant impact on the performance of WBSETCL. In the absence of such reconciliation, no audit comment could be offered.



v. The company is yet to pay GST on some of the revenue earned during the Financial Year 2020-21 which tantamount to statutory violation in so far as statutory financial obligation with the government of India.

vi. The actuarial valuation of gratuity, compensated absence and LTA of employees transferred from DPL has been made on the basis of methods prescribed under AS 15 whereas the company has adopted IND AS and accordingly valuation is based on Ind AS 19. The actuarial assumptions are not uniform with respect to the employees of DPL. There has not been any assurance provided by the management as to when the uniformity with respect to actuarial valuation for the employees of DPL shall be considered and implemented as per Ind AS 19

vii. Outstanding amount of Trades Receivable as on 31st of March 2021 included Rs 626.67 crores as the amount receivable from the WBSEDCL with the result that there has been an adverse financial impact on the financial position of the company. Moreover, the Company has not recognised late payment surcharge @ 1.25% on the overdue recoverable beyond 2 months by which revenue of the company stands understated. Refer notes to accounts 5.1 (a) & (b)

viii. Stalled projects amounting to Rs 32.46 crores have been identified in course of our audit and no assurance has been given by the management as to the resuming the project activities for completion of the projects.

ix. Supporting Utilization Certificates with respect to expenditures towards Corporate Social Responsibility could not be provided to us as on the date of this report.

Place: Kolkata

Date: 09.09.2021

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

K. Chakrabarti

Partner

Membership No.:015363

UDIN- 21015363AAAAAV3128

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Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

We report that:

(i)

a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) the Company is having a regular programme of physical verification of its Property Plant & Equipment. However, the periodicity of physical verification is not adequate in commensurate with the nature and volume of business of the Company;

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

Particulars	Total Area (acres)	Deed Executed	Deed pending to be executed (acres)
Leasehold Land	143.145	57.5	85.645
Purchase / Gifted Land	31.895	15.875	16.02
Land transferred from other organization (except WBSEDCL)	353.6952	41.5512	312.144
Land transferred from WBSEDCL	72.4959	0	72.4959
Acquired Land (Under land Acquisition Act)	1064.86	0	1064.86
Land for which no documentation is available)	23.25	0	23.25

(ii) The Company has conducted physical verification of inventories only once during the current financial year. No material discrepancies were noticed on such verification.

(iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable;

(iv) in our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act, are not applicable to the Company;

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under;

(vi) As explained to us Cost Records prescribed by Central Government under section 148(1) of the Act are being prepared and maintained at Corporate Office.

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(vii) (a) According to the information and explanations given to us and on the basis of our examination on sample basis of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees State Insurance, income-tax, GST, cess and other statutory dues to the appropriate authority.

(b) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs 4687.98 lakhs have not been deposited on account of disputed matters pending before appropriate authorities :

Sl No.	Name of the Statute	Nature of the Due	Amount(Rs) In Lakh	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	41.30	(AY 2009-10)	Calcutta HIGH COURT
2			241.00	(AY 2008-09)	
3			464.91	(AY 2009-10)	C.I.T (Appeals)
4			187.11	(AY 2010-11)	
5			20.20	(AY 2012-13)	
6			4.74	(AY 2014-15)	
7			149.69	(AY 2010-11)	C.I.T (Appeals)
8	Finance Act,1994	Service Tax	562.19	2013-14 to 2016-17	Commissioner of CGST and Central Exercise-Kolkata North GST Commissionerate
9			3,016.84	2013-14 to 2016-17	Commissioner of CGST and Central Exercise-Howrah Commissionerate

(viii) According to information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, this clause is not applicable.

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

(xi) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V are not applicable to the company as it is a government Company.

(xii) In our opinions and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, this clause is not applicable.

(xiii). According to the information and explanations given to us and the records of the company examined by us, transaction with related parties are in compliance with section 177 and 188 of the Act, where

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applicable and details of such transaction have been disclosed in NOTE-27 of the financial statement as required by the applicable.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The company not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata

Date: 09.09.2021

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

K. Chakrabarti

Partner

Membership No.:015363

UDIN- 21015363AAAAAV3128

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Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

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

	Description	Auditor's Response
1	**Valuation of Assets & Liabilities**	
	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Till 31-03-2019, the Company was using non centralized Tally software to record the accounting transactions of its units and Head office. With effect from 1.4.2019, the Company has implemented SAP as centralized accounting software to process accounting transactions. As per the information and explanations provided to us, and on the basis. of records examined by us, all transactions are processed through the accounting system except a depreciation entry amounting to Rs 3,78,89,668.60/-, the effect of which was directly made in the Financial Statements without passing any journal entry.
2	**Waiver/write-off of debts/loan /interest**	
	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such cases have come to our notice during the course of our audit and no such case have been reported.
3	**Earmarked funds**	
	Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and condition? List the cases of deviation.	The company has received **Rs. 42,77,25,321.00** as grant from Power System Development Fund (PSDF) under various schemes. As per the explanations and information given to us and on the basis of the records examined by us, in our opinion the funds have been duly recorded and utilized for the purpose they have been granted.

Place: Kolkata

Date: 09.09.2021

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

K. Chakrabarti

Partner

Membership No.:015363

UDIN- 21015363AAAAAV3128

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

Sl No	Description	Auditor's Response
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached/ under litigation/ not put to use/ declared surplus, details may be provided.	As reported to us no land of the Company has been encroached.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	As reported to us, in case of Land Acquisition the respective District Authority acquires the land for the project of WBSETCL and hands over possession of the land. The payment of Land Acquisition Cost by WBSETCL is made to the District Authority as per demand made by them. Payment to the land owners is made by District Authority.
3.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	No case of Abandoned Project is reported during the course of our audit.
4.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As reported to us, the system of evacuation of power is commensurate with power available for transmission with the generating company.
5.	How much transmission loss in excess of prescribed norms has been incurred during the	As reported to us, the transmission loss of WBSETCL at the transmission

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	year and whether the same been properly accounted for in the books of accounts?	boundary during the financial year 2020-21 remained within the prescribed norms of Hon'ble West Bengal State Electricity Regulatory Commission which is 3.40% (as reported to us actual transmission loss during 2020-21 is 2.30%). Since the business of the Transmission Company is that of a Carrier/Facilitator for arranging infrastructure to enable transmission of power from the Evacuation point of the Generating Stations to the Voltage level of the Distribution Company, any transmission loss is accounted for by Generation/Distribution Company only .

Place: Kolkata

Date: 09.09.2021

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

K. Chakrabarti

Partner

Membership No.:015363

UDIN- 21015363AAAAAV3128

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Annexure C to the Independent Auditors' Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

Report on the Internal Financial Controls under of Section 143 (3)(i) of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of West Bengal State Electricity Transmission Company Limited ('the Company') as of 31st March 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2021:

i) There is lack of control over the General Ledgers related to taxes due to which the liability does not reconcile with the payment.

ii) We Observed a number of Bank Guarantees, validity period of which have been expired. No control is exercised with respect to the renewal of the expired bank guarantee or bank guarantee nearing expiry wherever required.

iii) We observed few General Ledgers having negative balances. Necessary review must be carried out with respect to such cases for suitable financial / accounting activities.

We have been informed by the management that necessary review and reconciliation is being carried out to regularise the same.

iv) No insurance coverage has been under taken with respect to the fixed assets held by the company.

Above mention paras could potentially result into weakness in the internal financial controls over financial reporting of the company.

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

SPAN & ASSOCIATES * Kolkata * Chartered Accountants

In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2021 Standalone Financial Statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Place: Kolkata

Date: 09.09.2021

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

K. Chakrabarti

Partner

Membership No.:015363

UDIN- 21015363AAAAAV3128

SPAN & ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited

Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	749,644.48	704,881.49
(b) Capital work-in-progress	1	193,971.36	180,516.27
(c) Other Intranglble Asset	1	424.37	418.55
(d) Intangible assets under development	1	-	-
(e) Other non-current assets	2	5,289.99	5,746.83
(f) Tax assets	3	4,076.55	8,148.62
Total Non-current assets		**953,406.75**	**899,711.76**
Current assets			
(a) Inventories	4	22,293.28	20,215.52
(b) Financial assets			
(i) Trade Receivable	5	63,965.83	23,170.26
(ii) Cash and cash equivalents	6	30,125.19	15,402.08
(iii) Other bank balances	6(I)	26,417.37	29,022.13
(iv) Other financial assets	7	2,505.98	2,565.91
(c) Other current assets	8	12,403.15	13,144.43
Total Current assets		**157,710.80**	**103,520.33**
Total Assets		**1,111,117.55**	**1,003,232.09**
Regulatory deferral account debit balance	9	2,615.51	775.11
Total Assets and Regulatory deferral account debit balance		**1,113,733.06**	**1,004,007.20**
Equity			
(a) Equity share capital	10	110,552.00	110,552.00
(b) Other Equity		437,607.83	371,423.81
Total Equity		**548,159.83**	**481,975.81**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	301,421.30	294,271.51
(b) Provisions	12	9,050.86	9,131.47
(c) Other non-current liabilities	13	36,789.63	29,929.10
Total Non-current liabilities		**347,261.79**	**333,332.08**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	17,689.75	10,745.37
(ii) Trade payables	15		
-Micro Enterprises and Small Enterprises		-	-
-Other than Micro Enterprises and Small Enterprises		15,058.02	11,858.71
(iii) Other financial liabilities	16	126,207.81	100,604.55
(b) Provisions	12(I)	839.78	1,145.24
(c) Other current liabilities	17	58,516.08	64,345.44
Total Current liabilities		**218,311.44**	**188,699.31**
Total Equity and Liabilities		**1,113,733.06**	**1,004,007.20**

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

In terms of our report of even date attached herewith.

For SPAN & Associates
Chartered Accountants
Firm Registration No :- 302192E

For and on behalf of the Board of Directors

(K.Chakrabarti)	(Virendra Singh)	(S. Sengupta)	(Sabyasachi Roy)	(Santanu Basu)
Partner	Company Secretary	General Manager(F&A)& CFO	Director (F&A)	Managing Director
M.No :- 015363	M.No :- 9872	M.No :- 11209		

Kolkata
Date September 09,2021

SPAN ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited

Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in lakhs)

	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I	Revenue from operations	18	182,898.46	140,817.17
II	Other Income	19	5,695.34	6,474.86
III	**Total Income (I + II)**		**188,593.80**	**147,292.03**
IV	**EXPENSES**			
	(a) Employee benefits expense	20	32,698.10	28,428.11
	(b) Finance costs	21	29,713.08	27,535.58
	(c) Depreciation expense	22	30,251.60	28,690.57
	(d) Other expenses	23	18,939.57	15,819.98
	Total Expenses (IV)		**111,602.35**	**100,474.24**
V	**Profit before tax (III - IV)**		**76,991.45**	**46,817.79**
VI	**Tax Expense**			
	(1) Current tax		13,451.95	8,180.00
	(2) Deferred tax		-	
	Total tax expense		**13,451.95**	**8,180.00**
VII	**Profit for the year (V - VI)**		**63,539.50**	**38,637.79**
VIII	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	-Remeasurement of defined Benefit plan		3,204.39	(3,156.28)
	(ii)Income tax relating to items that will not be reclassified to profit or loss		559.87	(551.47)
	(B) (i) Items that may be reclassified to profit or loss		-	
	(ii)Income tax relating to items that will be reclassified to profit or loss		-	
IX	**Total Other Comprehensive Income for the year (A+B)**		**2,644.52**	**(2,604.81)**
X	**Total Comprehensive Income for the year (VII + IX)**		**66,184.02**	**36,032.98**
XI	**Earnings per equity share (Face value Rs. 10 each):**			
	(1) Basic (in Rs)		5.75	3.49
	(2) Diluted (in Rs)		5.75	3.49

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

In terms of our report of even date attached herewith.
For SPAN & Associates
Chartered Accountants
Firm Registration No :- 302192E

For and on behalf of the Board of Directors

(K.Chakrabarti)	**(Virendra Singh)**	**(S. Sengupta)**	**(Sabyasachi Roy)**	**(Santanu Basu)**
Partner	**Company Secretary**	**General Manager(F&A) & CFO**	**Director (F&A)**	**Managing Director**
M. No :-015363	**M. No :-9872**	**M. No :-11209**		

Kolkata
Date September 09,2021

SPAN & ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited
Statement of Cash Flow for the year ended March 31, 2021

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Cash flows from operating activities		
Profit before tax	**76,991.45**	**46,817.79**
Adjustment for :-		
Depreciation and amortisation	30,251.60	28,690.57
Finance cost	33,877.36	31,902.77
Interest Income	(3,130.97)	(3,417.79)
Amortisation in respect to depreciation of consumer asset	(947.71)	(839.95)
	137,041.73	**103,153.39**
Movement in working capital:-		
Increase in Inventories	(2,077.76)	(5,263.98)
(Increase)/ Decrease in Trade Receivable & Regulatory Asset	(42,635.97)	3,419.58
Decrease in Other Financial Asset		-
(Increase)/Decrease in Other Current Asset	741.28	(5,439.27)
(Increase)/ Decrease in Regulatory Asset		-
Increase/ (Decrease) in Trade payable	3,199.30	4,220.70
Increase in other Financial liability	--	(8,462.88)
Increase in Other Current Liability	(5,829.37)	18,534.20
Increase in provision	2,818.32	(1,066.79)
Increase in Deposit and Retention Money	3,360.70	6,419.19
Cash generated from operation:-	**96,618.23**	**115,514.14**
Income taxes paid	(9,939.77)	(10,374.45)
Net cash generated by operating activities	**86,678.46**	**105,139.69**
Cash flow from investing activities		
Payment for property, plant and equipment	(75,020.41)	(77,086.76)
Payment for capital work in progress	(12,998.25)	(9,400.75)
Increase in other bank balances	2,604.76	9,510.77
Interest received	3,190.91	3,441.39
Grant received	7,808.25	5,781.09
Net cash (used) in investing activities	**(74,414.74)**	**(67,754.26)**
Cash flow from Financing Activity		
Proceeds from borrowings	29,610.19	260.30
Interest paid	(34,095.18)	(32,031.14)
Net cash (used in) /generated by Financing activities	**(4,484.99)**	**(31,770.84)**
Net (decrease)/ Increase in cash and cash Equivalent	**7,778.73**	**5,614.59**
Cash and cash equivalents at the beginning of the year	**4,656.71**	**(957.88)**
Cash and cash equivalents at the end of the year	**12,435.44**	**4,656.71**

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

Cash and Cash Equivalent	(Note 6)	30,125.19	15,402.08
Cash Credit Facility	(Note 14)	17,689.75	10,745.37
Total		12,435.44	4,656.71

In terms of our report of even date attached herewith.
For SPAN & Associates
Chartered Accountants
Firm Registration No :- 302192E

For and on behalf of the Board of

(K.Chakrabarti) **(Virendra Singh)** **(S. Sengupta)** **(Sabyasachi Roy)** **(Saikanu Basu)**
Partner **Company Secretary** **General Manager(F&A) & CFO** **Director (F&A)** **Managing Director**
M.No :- 015363 **M.No :-9872** **M.No :-11209**
Kolkata
Date September 09,2021

SPAN & ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited

Statement of changes in equity as at March 31, 2021

a. Equity share capital

(Rs. In Lakhs)

Particulars	Amount
Balance as at March 31, 2019	**110,552.00**
Changes in equity share capital during the year	
Balance as at March 31, 2020	**110,552.00**
Changes in equity share capital during the year	
Balance as at March 31, 2021	**110,552.00**

Particulars	Reserves and Surplus				Total
	General reserve	Debenture Redemption Reserve	Reserve for Unforeseen Exigencies Fund	Retained earnings	
Balance as at March 31, 2019	**312,573.87**	**14,766.70**	**8,050.26**	**-**	**335,390.83**
Profit for the year				**38,637.79**	**38,637.79**
Other comprehensive income for the year net of tax				(2,604.81)	**(2,604.81)**
Transfer to Debenture Redemption Reserve		1,300.00		(1,300.00)	
Transfer to Unforeseen Exigencies fund			638.74	(638.74)	
Transfer to General Reserve	34,094.24			(34,094.24)	
Balance as at March 31, 2020	**346,668.11**	**16,066.70**	**8,689.00**		**371,423.81**
Profit for the year				**63,539.50**	**63,539.50**
Other comprehensive income for the year net of tax				**2,644.52**	**2,644.52**
Transfer to Debenture Redemption Reserve		**625.00**		**(625.00)**	
Transfer to Unforeseen Exigencies fund			**593.21**	**(593.21)**	
Transfer to General Reserve	**64,965.81**			**(64,965.81)**	
Balance as at March 31, 2021	**411,633.92**	**16,691.70**	**9,282.21**		**437,607.83**

1 The company maintains reserve for unforeseen exigency to the extent of amount allowed under tariff.

2 The company is required to create a Debenture Redemption Reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures as per the provision of Companies Act 2013. During the year an amount of Rs 625.00 Lakhs (Previous Year Rs 1300.00 Lakhs) was transferred to Debenture Redemption Reserve.

3 Other Comprehensive Income arises due to re- measurement of post employment benefit obligation and the same is recognized directly to retained earnings.

In terms of our report of even date attached herewith.

For SPAN & Associates
Chartered Accountants
Firm Registration No :- 302192E

For and on behalf of the Board of Directors

(K.Chakrabarti)
Partner
M.No :- 015363
Kolkata
Date September 09,2021

(Virendra Singh)
Company Secretary
M.No :- 9872

(S. Sengupta)
General Manager(F&A) & CFO
M.No :- 11209

(Sabyasachi Roy)
Director (F&A)

(Santanu Basu)
Managing Director

SPAN & ASSOCIATES Chartered Accountants Kolkata

Notes forming part of the Financial Statements

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

(Rs in Lakhs)

	As at March 31,2021	As at March 31,2020
(A)Carrying amounts of Trangible Asset:		
Freehold land	8,160.20	8,160.20
Lease hold Land	4,147.93	4,100.93
Building	43,095.47	41,885.22
Plant and Machinery	692,744.45	649,175.48
Furniture and Fixtures	785.80	778.22
Vehicle	6.01	6.01
Office Equipment's	614.19	682.90
Spare units and Service units	90.43	92.53
(B)Capital Work in progress	**749,644.48**	**704,881.49**
(C)Other Intrangible Asset	**193,971.36**	**180,516.27**
(D)Intangible Assets under development	**424.37**	**418.55**
	-	-
Cost or deemed cost	**944,040.21**	**885,816.31**

(Rs in Lakhs)

Description	Freehold land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicle	Office Equipment's	Spare units and Service units	Total
Cost or Deemed Cost									
Balance as at March 31, 2019	8,155.58	4,169.52	40,871.08	686,015.80	948.68	6.01	817.22	93.00	741,076.89
Addition	4.62		5,210.27	71,080.26	88.28	-	226.05	9.31	76,618.79
Disposals									
Adjustments									
Balance as at March 31, 2020	8,160.20	4,169.52	46,081.35	757,096.06	1,036.96	6.01	1,043.27	102.31	817,695.68
Addition		47.00	2,298.62	72,560.19	72.60		40.87		75,019.28
Disposals									-
Adjustments				(186.83)					(186.83)
Balance as at March 31, 2021	8,160.20	4,216.52	48,379.97	829,469.42	1,109.56	6.01	1,084.14	102.31	892,528.13
Accumulated Depreciation and Impairment									
Balance as at March 31, 2019	-	68.59	3,165.37	80,482.89	196.30	0.00	252.18	7.71	84,173.04
Depreciation			1,030.76	27,437.69	62.44	-	108.19	2.07	28,641.15
Disposals									
Adjustments									
Balance as at March 31, 2020	-	68.59	4,196.13	107,920.58	258.74	0.00	360.37	9.78	112,814.19
Depreciation			1,088.37	28,919.56	65.02		109.58	2.10	30,184.63
Disposals									-
Adjustments				(115.17)					(115.17)
Balance as at March 31, 2021	-	68.59	5,284.50	136,724.97	323.76	0.00	469.95	11.88	142,883.65
Carrying amounts									
Balance as at March 31, 2019	8,155.58	4,100.93	37,705.71	605,532.91	752.38	6.01	565.04	85.29	656,903.85
Additions	4.62	-	5,210.27	71,080.26	88.28	-	226.05	9.31	76,618.79
Disposals									
Depreciation expense	-	-	(1,030.76)	(27,437.69)	(62.44)	-	(108.19)	(2.07)	(28,641.15)
Adjustments									
Balance as at March 31, 2020	8,160.20	4,100.93	41,885.22	649,175.48	778.22	6.01	682.90	92.53	704,881.49
Addition	-	47.00	2,298.62	72,560.19	72.60	-	40.87	-	75,019.28
Disposals									
Depreciation expense	-	-	(1,088.37)	(28,919.56)	(65.02)	-	(109.58)	(2.10)	(30,184.63)
Adjustments				(71.66)					(71.66)
Balance as at March 31, 2021	8,160.20	4,147.93	43,095.47	692,744.45	785.80	6.01	614.19	90.43	749,644.48

SPAN & ASSOCIATES Kolkata Chartered Accountants

Intrangible Asset

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	Deemed Cost as at 01.04.2020	Addition	Deduction	Deemed Cost as at 31.03.2021	As at 01.04.2020	Addition	Deduction	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Software	467.97	187.96	-	655.93	49.42	182.14		231.56	424.37	418.55
Total	**467.97**	**187.96**	**-**	**655.93**	**49.42**	**182.14**	**-**	**231.56**	**424.37**	**418.55**

Note 1.1

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

(b) Except for the acquired land where there is no requirement of execution of deed, the formalities for registration of transfer of balance land measuring 467.55 acres & buildings re-vested in favour of the Company are still under process since adequate information is not yet available.

Note 1.2

Capital Wok in progress includes projects whose progress have been affected due to severe right of way issues and the matter is being persued for early resolution.

Note 1.3

The Company is in the process of segregating its freehold and leasehold land and is yet to adopt IND AS 116 "Leases" effective from 1st April, 2019, as notified by the Ministry of Corporates Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019. The impact of the same on the profit of the year ended 31st March 2021 and the consequential impact on the shareholders' fund is not ascertainable.

Note 1.4

Capital work in progress includes an amount of Rs 193.04 lakhs incurred for 132 kv D/C Transmission Line from Food Park Sub-station to Ambuja Cement Factory , the progress of work in respect of this line is stalled. Management is exploring the alternative use of this project . On finalisation of the same necessary effect (if any) will be provided in accounts.

Capital work in progress includes an amount of Rs 1127.60 lakhs incurred for 132 kv D/C Transmission Line from KTPS- Uluberia tapping point near bagnan to proposed foundry park sub-station , the progress of work in respect of this line is affected due to severe Right of Way problems. Management is exploring the alternative use of this project. On finalisation the necessary effect (if any) will be provided in accounts.

Note 1.5

SCADA was fully capitalised under Plant and Machinery and depreciation was charged @6% p.a , subsequently an amount of Rs 186.83 lakhs was identified as Software Component and Rs 965.64 lakhs as Hardware compont. Accordingly on the amount of software and hardware component depreciation @12.857% is charged with retrospective effect and necessary regrouping is made in accounts.

Note 1.6

As per practice of the company the amount of Employee Cost capitalised during the year is allocated among the Fixed Asset converted during the financial year on the basis of value of Fixed Asset.

SPAN & ASSOCIATES
Kolkata
Chartered Accountants

West Bengal State Electricity Transmission Company Limited
Notes forming part of the Financial Statements

Note 2- Other Non Current Asset

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital Advances	5,289.99	5,746.83
	5,289.99	**5,746.83**

Note 3- Tax assets

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets		
Income tax paid in Advance net of provision	4,076.55	8,148.62
Total	**4,076.55**	**8,148.62**

Note 4- Inventories

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Inventories (At Lower of cost and net realisable value)		
Stores and Spares	22,293.28	20,215.52
	22,293.28	**20,215.52**

Note 4.1

(a) The inventory has been physically verified by the independent agencies, however, the Company is in the process of reconciling the stock with its books as well as identification of slow-moving / non-moving / obsolete inventories . The adjustments, if any, in the accounts will be provided post completion of the aforesaid assessment.

SPAN & ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited
Notes forming part of the Financial Statements
Note 5-Trade Receivable

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	63,965.83	23,170.26
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
Less: Allowance for doubtful receivable	-	-
Total	**63,965.83**	**23,170.26**

5.1 Trade Receivable

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

(b) Trade receivables comprises of Rs 62,667.95 lakhs as at March 31,2021 receivable from West Bengal State Electricity Distribution Company Limited.

(c)Age of receivables	As at March 31, 2021	As at March 31, 2020
Within credit period days	52037.35	20943.37
1-30 days past dues	11041.90	8.25
31-60 days past dues	-6.39	8.25
61-90 days past due		
More than 90 days past dues	892.97	2210.40

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

SPAN & ASSOCIATES Kolkata Chartered Accountants

West Bengal State Electricity Transmission Company Limited
Notes forming part of the Financial Statements

Note 6- Cash and cash Equivalents

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balance with banks	30,108.05	15,385.66
(b) Cash in hand	17.14	16.42
Total	**30,125.19**	**15,402.08**

Note 6(i) Other bank balances

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Earmarked Balances with banks		
(i) In deposit accounts		
a. Term deposits held against redemption of debentures	9,591.57	12548.92
b. Term deposits held against Unforeseen exigencies	8,996.21	8448.41
(b) Other Fixed Deposit	7,829.59	8024.80
Total	**26,417.37**	**29,022.13**

Note 7- Other Financial Assets

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Interest accrued on term deposits	2,505.98	2,565.91
TOTAL	**2,505.98**	**2,565.91**

SPAN & ASSOCIATES
Kolkata
Chartered Accountants

West Bengal State Electricity Transmission Company Limited
Notes forming part of the Financial Statements

Note 8- Other Current Asset

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
(a) Advances to employees	284.41	235.33
(b) Advances to contractors and suppliers	4,666.35	5,765.32
(c) Receivable from WBSEDCL	5,935.02	5,935.02
(d) Advance to CPF Trust-WBSEDCL	79.15	79.15
(e) Advance to GPF Trust-WBSEDCL	0.29	0.29
(f) Advance to Gratuity Trust-WBSEDCL	0.09	0.09
(g) Advance to Pension Trust-WBSETCL	-	-
(h) Other Assets	1,437.84	1,129.23
Total	**12,403.15**	**13,144.43**

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

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

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



West Bengal State Electricity Transmission Company Limited
Notes forming part of the Financial Statements

Note 9- Regulatory deferral account debit balance

(Rs. in lakhs)

Particulars	March 31, 2019	Balances arising during the period	Recovery / Reversal	March 31, 2020
Electricity Transmission				
Regulatory assets	-	775.11	-	775.11
Total	**-**	**775.11**	**-**	**775.11**

Particulars	March 31, 2020	Balances arising during the period	Recovery / Reversal	March 31, 2021
Electricity Transmission				
Regulatory assets	775.11	2,616	775.11	2,615.51
Total	**775.11**	**2,615.51**	**775.11**	**2,615.51**

9.1 The above amount represents balance recoverable against APR order dated 28.06.2021 for the financial year 2014-15. The recovery order of the same is yet to be received from Hon'ble WBERC . However the recovery order for the regulatory asset of previous is received from WBERC vide Tariff Order for 2018-19 and 2019-20 dated 16.12.2020 .



West Bengal State Electricity Transmission Company Limited
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Note 10-Equity Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
200,00,00,000 fully paid equity shares of Rs. 10 each (As at March 31, 2021: 200,00,00,000) (As at March 31, 2020: 200,00,00,000)	200,000.00	200,000.00
Total	**200,000.00**	**200,000.00**
Issued Subscribed and Paid Up:-		
110,55,20,000 Equity shares of Rs 10 each fully paid (As at March 31, 2021: 200,00,00,000) (As at March 31, 2020: 200,00,00,000)	110,552.00	110,552.00
Total	**110,552.00**	**110,552.00**

Note 10.1 Fully paid equity shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Balance as April 1, 2019	1,105,520,000	110,552.00	1,105,520,000	110,552.00
Issue of shares during the year	-	-	-	-
Balance as at March 31, 2020	**1,105,520,000**	**110,552.00**	**1,105,520,000**	**110,552.00**
Issue of shares during the year	-	-	-	-
Balance as at March 31, 2021	**1,105,520,000**	**110,552.00**	**1,105,520,000**	**110,552.00**

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	%age of holding of equity shares	No. of shares held	%age of holding of equity shares
Government of West Bengal	1,10,54,70,000	99.99%	1,10,54,70,000	99.99%
	1,10,54,70,000	**99.99%**	**1,10,54,70,000**	**99.99%**

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West Bengal State Electricity Transmission Company Limited
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Note 11- Borrowings- Non current

(Rs in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Long Term	Current Maturities	Long Term	Current Maturities
A Secured Borrowings - at amortised Cost				
(1) Bonds / Debentures				
Non-convertible				
(i) 9.75 % Market Bonds	-	-	-	-
(ii) 10.29% Market Bonds	-	25,000.00	25,000.00	-
(2) Term Loans				
(a) From Banks				
(i) Allahabad Bank/HUDCO	2,868.10	1,274.72	4,142.82	1,274.71
(ii) State Bank of India	49,591.16	-	5,388.24	-
(b) From Financial Institutions & Others				
(i) Power Finance Corporation Ltd (PFCL)	6,942.34	1,068.04	8,010.38	1,068.05
(ii) Rural Electrification Corporation (RECL)	147,203.51	17,814.61	158,624.25	14,954.23
(iii) Life Insurance Corporation of India (LIC)	3,693.67	1,231.22	4,924.89	1,231.22
(iv) National Bank for Agricultural and Rural Developments	40,911.54	3,405.04	33,068.07	3,405.02
B Unsecured Borrowings - at amortised Cost				
(1) Bonds / Debenture				
(i) 8.5% Pension Trust Bonds	-	-	-	5,400.00
(2) From Financial Institution				
(i) State Government Loan	50,210.98	4,850.50	55,112.86	4,850.50
Total	**301,421.30**	**54,644.13**	**294,271.51**	**32,183.73**

11.1 Security:-

(a) The 10.29 % Market Bonds, 2011 are secured by hypothecation of the existing moveable assets comprising of buildings, plant and machinery of the 132/33 kV substations at Bishnupur, Jhargram, New Town AA- I, Contai, Mahispota, Raghunathpur, 220/132 kV substations at Subhasgram, Dalkhola and their asociated transmission lines.

(b) Loans from banks are secured by:

(i) Term Loan I from STATE BANK OF INDIA is secured by hypothecation of entire present and future fixed assets of the 220/33 kV GIS substations at Mongalpur, 132/33 kV GIS at Lalbhpur, Harischandrapur, Kona and their associated transmission lines.

(ii) Term Loan II from STATE BANK OF INDIA is secured by hypothecation of entire present and future fixed assets of the 220/132/33 kV GIS substations at Baruipur, 220/132/33 kV GIS at Jangalpur, 132/33 KV GIS at Salt Lake Stadium and Establishment of new connectivity between two substations,viz., Pingla-Keshiary 132 KV D/C Line,Basirhat NT AA-III 132 KV D/C, Indus-Raina 132 KV D/C Line,Rampurhat-Bhadrapur 132 KV D/C Line, Tarakeswar-Jangipara 132 KV D/C Line and their associated transmission lines.

(c) Term Loan from HUDCO is secured by hypothecation of entire present and future fixed assets of the 132/33 kV substations at Khatra, Kalna, Lalgola and their associated transmission lines, 132 kV Line Bays at Birshingha, Chandrakona Road and 132 kV DC Transmission Line from Gokarno to Lalgola.

(d) Term Loans from PFCL are secured by hypothecation of various present and future movable assets of sub-stations and transmission lines for which loans have been granted.

(e) Term Loans from RECL are secured by hypothecation of all present and future movable assets of sub-stations and transmission lines for which loans have been granted.

(f) Term Loan from LIC is secured by hypothecation of all present and future movable assets of Kharagpur 400 KV Sub-Station and associated lines for which loan have been granted.

(g) Term Loans from NABARD are secured by hypothecation of present and proposed future assets of sub-stations and transmission lines for which loans have been granted.



West Bengal State Electricity Transmission Company Limited
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Note 11.2- Non Current Borrowings

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

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

(b) Repayment Schedule of Banks are stated below-

i Term Loan I from STATE BANK OF INDIA (@ 7.65 % on reporting date) balance amounting Rs.10821.39 lakh is repayable in 48 quarterly installments of Rs 225.45 lakhs starting from 2022-23.

ii Term Loan II from STATE BANK OF INDIA (@ 7.75 % on reporting date) balance amounting Rs.38769.77 lakh is repayable in 48 quarterly installments of Rs 807.70 lakhs starting from 2023-24.

(c) Balance of Term Loan from HUDCO (@ 9.25 % on reporting date) balance is repayable in 17 quarterly installments of Rs 318.68 lakhs ending in 2024-25.

(d) Secured Loan from PFCL of Rs 8010.38 lakhs (partially disbursed) @ 9.75% is repayable in 30 quarterly installments of Rs 267.01 lakhs ending in 2028-29.

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

Loan No.	Loan Amount	No. of balance instalments (Yearly)	Installment Amt.	Maturity year	Average Interest Rate(%)
210005	233.88	2	116.94	2022-2023	11.25%
210007	2,109.08	1	2,109.08	2021-2022	10.18%
210942	226.15	1	226.15	2021-2022	11.13%
1397137	13,612.64	12	1,134.39	2032-2033	10.08%
1397723	4,440.04	7	634.29	2027-2028	10.25%
1398197	15,186.19	7	2,169.46	2027-2028	10.25%
1398244	3,729.64	7	532.80	2027-2028	10.20%
1398242	2,162.88	7	308.98	2027-2028	10.25%
1397724	691.38	7	98.77	2027-2028	10.25%
1397725	5,587.48	8	698.43	2028-2029	10.04%
1397698	7,909.19	8	988.65	2028-2029	10.00%
1398198	8,038.36	8	1,004.80	2028-2029	10.04%
1399143	2,855.58	9	317.29	2029-2030	9.75%
1398241	1,188.05	9	132.01	2029-2030	9.75%
1399635	5,880.48	11	534.59	2031-2032	9.70%
1399649	7,166.10	11	651.46	2031-2032	9.70%
1399650	6,052.82	11	550.26	2031-2032	9.68%
13910640	2,320.54	11	210.96	2031-2032	9.68%
13910643	2,828.60	11	257.15	2031-2032	9.68%
13910644	8,277.97	11	752.54	2031-2032	9.68%
13910645	3,482.66	11	316.61	2031-2032	9.63%
13910646	1,764.43	12	147.04	2032-2033	9.63%
1399653	1,740.90	12	145.07	2032-2033	9.80%
13911673 (partially disbursed)	4,459.94	12	371.66	2032-2033	9.38%
13911614 (partially disbursed)	7,534.92	12	627.91	2032-2033	9.50%
13911721 (partially disbursed)	5,923.76	12	493.65	2032-2033	9.50%
13911711 (partially disbursed)	3,368.54	12	280.71	2032-2033	9.42%
13911649 (partially disbursed)	8,313.02	12	692.75	2032-2033	9.42%
13911714 (partially disbursed)	5,323.87	12	443.66	2032-2033	9.38%
13911713 (partially disbursed)	4,708.88	12	392.41	2032-2033	9.42%
13911722 (partially disbursed)	5,689.96	12	474.16	2032-2033	9.38%
13911641 (partially disbursed)	9,072.82	12	756.07	2033-2034	9.50%
13911710 (partially disbursed)	3,137.37	12	261.45	2033-2034	9.63%

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.

(g) LIC loan balance (@ 10.10%) is repayable in 8 equal half-yearly installments, ending in 2024-25.

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

Loan No.	Loan Amount	No. of balance instalments (Quarterly)	Installment Amt.	Maturity year	Interest Rate(%)
NABARD (NIDA) I	3,197.61	23	139.03	2026-27	10.25%
NABARD (NIDA) II	4,921.45	27	182.29	2027-28	10.40%
NABARD (NIDA) III	6,116.13	31	197.31	2028-29	10.40%
NABARD (NIDA) IV (partially drawn)	12,972.63	39	332.63	2030-31	9.25%
NABARD (NIDA) V (partially drawn)	6,718.68	48	139.97	2033-34	9.15%
NABARD (NIDA) VI (partially drawn)	10,390.08	48	216.46	2035-36	8.50%

Repayments of NABARD (NIDA) I, NABARD (NIDA) II, NABARD (NIDA) III , NABARD (NIDA) IV ,NABARD (NIDA) V and NABARD (NIDA) VI loans starting from 2014-15, 2015-16, 2016-17, 2018-19, 2021-22 and 2023-24 respectively.

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

Particulars	Loan Amount	No. of balance instalments. (Yearly)	Maturity year	Installment Amt.
Opening Loan transferred from	49,746.02	12	2032-33	4,145.69
05(sanction)-PO/P/C/II/1B-10/2004 D	299.87	7	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004 D	294.72	7	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004 D	390.77	7	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004 D	565.89	7	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006 Dt.(	28.93	7	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(p	679.55	7	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004 D	773.53	8	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004 D	478.06	8	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004 D	1,331.67	8	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(F	60.35	8	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004 D	411.12	8	2029-30	51.39

(j) 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.

Repayment Schedule of March 2020:

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

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

(b) Balance of 8.50% Pension Trust Bonds are repayable in 1 installment of Rs 5400 lakhs ending in 2020-21.

(c) Term Loan from STATE BANK OF INDIA (@ 8.60 % on reporting date) balance is repayable in 48 quarterly installments of Rs 112.26 lakhs starting from 2022-23.

(d) Balance of Term Loan from HUDCO (@ 9.25 % on reporting date) balance is repayable in 17 quarterly installments of Rs 318.68 lakhs ending in 2024-25.

(e) Secured Loan from PFCL of Rs 9078.43 lakhs (partially disbursed) @ 11.50% - 9.50% is repayable in 34 quarterly installments of Rs 267.01 lakhs ending in 2028-29.

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

Loan No.	Loan Amount	No. of balance instalments (Yearly)	Installment Amt.	Maturity year	Average Interest Rate(%)
210001	813.49	1	813.49	2020-2021	11.19%
210002	373.68	1	373.68	2020-2021	11.15%
210003	281.63	1	281.63	2020-2021	11.18%

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210004	275.78	1	275.78	2020-2021	11.18%
210005	350.82	3	116.94	2022-2023	11.28%
210007	4,218.16	2	2,109.08	2021-2022	10.44%
210942	452.31	2	226.15	2021-2022	11.27%
1397137	14,747.03	13	1,134.39	2032-2033	10.23%
1397723	5,074.33	8	634.29	2027-2028	10.06%
1398197	17,355.65	8	2,169.46	2027-2028	10.20%
1398244	4,262.44	8	532.80	2027-2028	10.30%
1398242	2,471.86	8	308.98	2027-2028	10.22%
1397724	790.15	8	98.77	2027-2028	10.22%
1397725	6,285.91	9	698.43	2028-2029	10.19%
1397698	8,897.84	9	988.65	2028-2029	10.38%
1398198	9,043.16	9	1,004.80	2028-2029	10.43%
1399143	3,172.87	10	317.29	2029-2030	9.79%
1398241	1,320.05	10	132.01	2029-2030	10.02%
1399635	5,642.11	12	470.18	2031-2032	9.94%
1399649	7,287.07	12	607.26	2031-2032	9.97%
1399650	3,591.30	12	299.28	2031-2032	9.91%
13910640	2,118.91	12	176.58	2031-2032	9.84%
13910643	2,507.42	12	208.95	2031-2032	9.76%
13910644	8,480.60	12	706.72	2031-2032	9.94%
13910645	3,224.07	12	268.67	2031-2032	9.85%
13910646	1,265.87	12	105.49	2032-2033	9.58%
1399653	1,740.90	12	145.07	2032-2033	9.58%
13911673 (partially disbursed)	4,459.94	12	371.66	2032-2033	9.28%
13911614 (partially disbursed)	7,534.92	12	627.91	2032-2033	9.58%
13911721 (partially disbursed)	5,923.76	12	493.65	2032-2033	9.53%
13911711 (partially disbursed)	3,368.54	12	280.71	2032-2033	9.30%
13911649 (partially disbursed)	8,313.02	12	692.75	2032 2033	9.47%
13911714 (partially disbursed)	5,323.87	12	443.66	2032-2033	9.28%
13911713 (partially disbursed)	4,708.88	12	392.41	2032-2033	9.39%
13911722 (partially disbursed)	5,689.96	12	474.16	2032-2033	9.33%
13911641 (partially disbursed)	9,072.82	12	756.07	2033-2034	9.53%
13911710 (partially disbursed)	3,137.37	12	261.45	2033-2034	9.77%

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.

(g) LIC loan balance (@ 10.10%) is repayable in 10 equal half-yearly installments, ending in 2024-25.

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

Loan No.	Loan Amount	No. of balance instalments (Quarterly)	Installment Amt.	Maturity year	Interest Rate(%)
NABARD (NIDA) I	3,753.71	27	139.03	2026-27	10.25%
NABARD (NIDA) II	5,650.61	31	182.29	2027-28	10.40%
NABARD (NIDA) III	6,905.37	35	197.31	2028-29	10.40%
NABARD (NIDA) IV (partially drawn)	14,303.15	43	332.63	2030-31	9.25%
NABARD (NIDA) V (partially drawn)	5,860.26	48	122.09	2032-33	9.15%

Repayments of NABARD (NIDA) I, NABARD (NIDA) II, NABARD (NIDA) III and NABARD (NIDA) IV loans starting from 2014-15, 2015-16, 2016-17, 2018-19 and 2021-22 respectively.



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

Particulars	Loan Amount	No. of balance instalments. (Yearly)	Maturity year	Installment Amt.
Opening Loan transferred from WBSE	53,891.71	13	2032-33	4,145.69
05(sanction)-PO/P/C/II/1B-10/2004	342.70	8	2027-28	42.84
19(sanction)-PO/P/C/II/1B-10/2004	336.83	8	2027-28	42.10
30(sanction)-PO/P/C/II/1B-10/2004	446.60	8	2027-28	55.82
62(sanction)-PO/P/C/II/1B-10/2004	647.88	8	2027-28	80.98
17(sanction)-PO/P/II/1B-24/2006	33.06	8	2027-28	4.13
56(sanction)-PO/P/C/II/1B-24/2006(P	776.62	8	2027-28	97.08
04(sanction)-PO/P/C/II/1B-10/2004	870.22	9	2028-29	96.69
12(sanction)-PO/P/C/II/1B-10/2004	537.82	9	2028-29	59.76
28(sanction)-PO/P/C/II/1B-10/2004	1,498.13	9	2028-29	166.46
67(sanction)-PO/P/C/II/1B-24/2006(P	67.90	9	2028-29	7.54
62(sanction)-PO/P/C/II/1B-10/2004	513.90	10	2029-30	51.39

(j) 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.

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Note 12- Provisions

(Rs In Lakhs)

Particulars	Long Term	
	As at March 31, 2021	As at March 31, 2020
Employees Benefits		
Leave Encashment and Leave Travel Allowance	9,050.86	9,131.47
Total	**9,050.86**	**9,131.47**

Note 12(i)

Particulars	Short Term	
	As at March 31, 2021	As at March 31, 2020
Employees Benefits		
Provision for Leave Encashment and Leave Travel Allowance	839.78	1145.24
Total	**839.78**	**1,145.24**

Note 13- Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
1 Deferred revenue arising from Government grant (Refer Note 13.1)	20,308.02	16,030.76
Less:- Adjustment in respect to Govt Grant	1,118.44	662.91
Net Outstanding Government Grant	**19,189.58**	**15,367.85**
2 Deferred revenue consumer cost towards the asset	19,797.60	16,266.62
Less :- Amortisation of amount received from asset provided by customer	2,197.55	1,705.37
Net Deferred revenue for consumer cost towards the asset	**17,600.05**	**14,561.25**
Total	**36,789.63**	**29,929.10**

13.1 The deferred revenue arising from government grant amounting to Rs 20,308.02 lakhs includes the following:-

(a) ERP System Implementation amounting to Rs 514.00 lakhs. Of the stated amount of Rs 64.00 lakhs is recognised as deferred revenue in the current year . .

(b) Emergency Restoration System Tower Procurement amounting to Rs 650.00 lakhs. Of the stated amount Rs 39.00 lakhs is recognised as a deferred revenue in the current year.

(c) Power sector Development Fund amounting to Rs 19,129.11 lakhs. Of the stated amount of Rs 352.29 lakhs is recognised as deferred revenue in the current year .

(d) PIDD grant for installation of energy efficient LED Lamps at sub-stations amounted to Rs 14.91 lakhs. Of the stated amount of Rs 0.23 lakhs was recognised as deferred revenue in the current year.

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Note 14- Current Borrowings

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A Loan repayable on demand		
1. From Banks		
(Cash Credit from Bank)	17,689.75	10,745.37
Total	**17,689.75**	**10,745.37**

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

Note 15- Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
-Micro Enterprises and Small Enterprises		
-Other than Micro Enterprises and Small Enterprises	15,058.02	11,858.71
Total	**15,058.02**	**11,858.71**

15.1 The company has inplemented SAP ERP from 01.04.2019 and is under process of identification and reconciliation of vendor wise Trade Payables.However the process of such identification could not be completed. The management is of the view that impact of such reconciliation, if any, would not be material.

15.2

Details relating to amount due to micro, small and medium enterprise (MSME):

	31.03.2021	31.03.2020
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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Note 16- Other financial liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Deposit and retention money deducted from contractors and suppliers (Note 16.2)	52,804.28	49,443.59
(b) Current maturities of long term debt	54,644.13	32,183.73
(c) Interest Accrued	1,552.28	1,770.11
(d) Others:		
Liabilities for capital works	-	-
Amount payable to DPL for Slump Purchase	-	-
Amount received from Power Grid Corporation (Note 16.1)	17,207.12	17,207.12
Total	**126,207.81**	**100,604.55**

16.1 An amount of Rs. 25,059.99 lakhs has been received on account of Inter State Transmission Charges in respect of 400 KV single Circuit Kolaghat-Baripada transmission line and 220 KV single Circuit Santaldih-Chandil transmission line (for the portions owned by the Company) ,Rs 7,852.87 lakhs has been adjusted as per the Hon'ble Central Electricity Regulatory Commission's Order for the period 01.04.2011 to 31.03.2014, dated 29.06.2015 and the balance amount of Rs. 17,207.12

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

Note 17- Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Consumer contribution to capital asset	44,939.64	45,424.12
(b) Others		
- Lease Incentives	-	-
1. Employee Recoveries and Employer Contributions		
(a) Payable to WBSEDCL Pension Trust	2.95	2.95
(b) Payable to WBSETCL Pension trust	9,240.47	12,685.86
(c) Payable to WBSETCL Gratuity trust	910.05	2,279.36
(d) Payable for Gratuity of DPL Employees	677.32	654.15
(e) Payable to GPF Trust-WBSETCL	-	0.02
2. Statutory Dues	659.84	623.97
3. Others	2,085.81	2,675.01
Total	**58,516.08**	**64,345.44**

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

17.2 Other Current Liabilities include Consumer Contribution to Capital Assets which represent advances received from customers for construction of transmission assets. The mapping of such advances with the completion status of the related project is being carried out . Pending completion of such process in entirety , no adjustment has been given in the books. However the management is of the view that the consequential impact (if any) would not be material compared to the size and business volume of the company.

17.3 During the financial year 2020-21 the movement in Consumer Contribution to Capital Asset [note 17(a)] is given below:

Opening Balance	45,424.12
Contribution Received	3576.14
Closing Balance	49,000.26
Transfered on Completion of Asset & Supervision Charge thereon	4060.62
Closing Balance	44,939.64

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Notes to Financial Statements

Note 18- Revenue from Operations

(Rs in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Sale of services		
1. Transmission Charges	163,041.08	125,874.53
2. Short Term Open Access Charges	16,789.33	12,120.13
3. Scheduling Charges and SLDC Charges	2,120.34	1,982.56
(b) Other operating Revenue		
(a) Amortisation of consumer contribution towards Capital Assets	492.18	448.08
(b) Amortization of Government Grant	455.53	391.87
Total	**182,898.46**	**140,817.17**

18.1 During the year ended 31 march 2021 Transmission Charge includes arrear for 2018-19 Rs 1443.98 lakhs, arrear for 2019-20 Rs 15983.01 lakhs and APR Order for 2014-15 Rs 2615.51 lakhs.

18.2 During the year ended 31 march 2021 out of Government grants of Rs 20,308.02 lakhs , Rs.455.53 lakhs is recognised as Income and out of Consumer contribution of Rs 19,797.60 lakhs, Rs 492.18 lakhs is recognised as Income.

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

Note 19- Other Income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Interest income earned on financial asset		
on Bank deposits	2,538.45	3,417.79
on Advance to Contractor/ Others	592.53	82.70
(b) Other non-operating Income		
Sale of tender papers	10.95	17.62
Sale of scrap	253.36	715.52
Supervision charges	1,217.32	1,367.14
Miscellaneous Income	1,082.73	874.09
Total	**5,695.34**	**6,474.86**

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Note 20- Employee Benefits Expenses

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Salaries and wages, including bonus	23,096.98	18,578.61
(b) Contribution to provident and other funds	14,631.20	13,689.66
(c) Staff welfare expenses	191.42	174.34
Less: Amount capitalised	(5,221.50)	(4,014.50)
Total	**32,698.10**	**28,428.11**

Note 21- Finance Cost

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Interest cost Interest on term loans from banks / financial Institutions, and Bonds	33,801.84	31,896.80
(b) Other interest expense:- (i) Service Fee/Commitment Charges	75.52	5.97
(ii) Guarantee Charges	-	0.00
Less: Amounts capitalised during the year	(4,164.28)	(4,367.19)
Total	**29,713.08**	**27,535.58**

Note 22- Depreciation expense

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of property ,plant and equipment	30,251.60	28,690.57
Total	**30,251.60**	**28,690.57**

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Notes to Financial Statements

Note 23- Other Expenses

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Transmission Charges	5,220.88	3,012.31
ULDC Charges	1,213.09	791.52
ERPC Charges	16.00	16.00
Repairs and Maintenance		
- Plant and Machinery	4,470.94	4,019.49
- Buildings	1,725.10	2,051.11
- Others	386.70	616.95
Rent	161.91	118.87
Rates and Taxes	215.14	152.15
Security Expenses	2,374.59	2,262.49
Consultancy Charges	61.95	169.12
Travelling and Conveyance Expenses	50.79	112.29
Vehicle Running Expenses*	1,119.59	899.86
Advertisements	178.59	128.95
Contribution towards Corporate Social Responsibility	727.19	410.30
License Fees	244.93	244.93
Fees for Filing Petitions	80.62	45.28
Loss on assets written off	-	-
Other Expenses	952.17	1,023.83
Less : Expenses Capitalised	(260.61)	(255.47)
Total	**18,939.57**	**15,819.98**

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

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Note 24:- Employee benefit plans

24.1. Defined benefits plans

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

(a) Pension

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

(b) Vested pension of DCRB Family Pensioners

On death in service Widow Pension is paid at 50% of pay subject to a minimum of Rs.8500/- for 7 years or 67 years of age for employee,had he been alive whichever is earlier and 30% thereafter as long as alive and unmarried thereafter. On death after retirement man's pension for 7 years or 67 years of age for Pensioners and 30% of last drawn pay by pensioner will be paid to widow.

(c) Gratuity

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

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

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

No other post retirement benefits are provided to these employees. In respect of the plans in India , the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021,by Mr Bhudev Chatterjee Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation , and the related current service cost and past service cost , were measured using projected unit credit method.

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

Rs In Lakhs

(a) Gratuity	**Valuation as at Year ended March 31, 2021**	**Year ended March 31, 2020**
Discount rates	6.94%	6.65%
Expected rate(s) of salary increase	6.00%	6.65%
Expected increase in salary	6.00%	6.00%
Average expected future service (Remaining useful life)	22	21
Males		
Females		
(b) Pension		
Discount rates	6.94%	6.65%
Expected return on plan asset	6.94%	6.65%
Rate of Compensation	6.00%	6.00%
Average expected future service	14 years	13 years
(c)Leave Encashment		
Discount rates	6.94%	6.65%
Rate of Compensation Increase	6.00%	6.00%
Average Expected future Service	22 years	21 years
Early retirement disability .	1%	1%
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60

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

(a) Gratuity	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Current service cost	732.55	684.83
Past service cost (vested)	-	-
Net interest expense	96.16	(34.41)
Components of defined benefit costs recognised in the profit/ loss	828.71	650.42
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(60.03)	(70.63)
Actuarial (gains)/ losses arising due to demographic assumptions	-	-
Actuarial (gains)/ losses arising from change in financial assumptions	(327.42)	770.34
Actuarial (gains)/ losses arising from experience adjustments	468.78	929.23
Components of defined benefit cost recognised in OCI	81.33	1,628.94

(b) Pension		
Current service cost	11800.26	7,279.85
Past Service Cost (vested)	-	4,736.90
Net interest expense	725.93	(102.75)
Components of defined benefit costs recognised in the profit/ loss	12,526.19	11,914.00
Remeasurement on the net defined benefit liability		
Return on plan asset (excluding amounts included in net interest expense)	(65.36)	(310.18)
Actuarial (gains)/ losses arising due to demographic assumptions	-	-
Actuarial (gains)/ losses arising from change in financial assumptions	(1,291.72)	1,598.81
Actuarial (gains)/ losses arising from experience adjustments	(1,928.64)	238.71
Components of defined benefit cost recognised in OCI	(3,285.72)	1,527.34

(c) Leave Encashment		
Current service cost	548.72	519.84
Net interest expense	567.38	411.24
Net Actuarial Gain/loss	-743.05	2,080.53
	373.05	3,011.61

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

(a) Gratuity

	Year ended March 31, 2021	**Year ended March 31, 2020**
Present value of funded defined benefit obligation	8555.34	8,912.33
Fair value of plan asset	7645.29	6,632.97
Funded Status	(910.05)	(2,279.36)
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	**(910.05)**	**(2,279.36)**

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	Year ended March 31, 2021	Year ended March 31, 2020
(b) Pension		
Present value of funded defined benefit obligation	58306.29	50,806.24
Fair value of plan asset	49065.82	38,120.38
Funded Status	(9,240.47)	(12,685.86)
Restriction on asset recognised	-	-
Net Asset /liability arising from defined benefit obligation	(9,240.47)	(12,685.86)

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

(a) Gratuity

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	8912.33	7,527.25
Current service cost	732.55	684.83
Interest cost	556.49	452.30
Acquisition Adjustment	-	-
Remeasurement (gain)/ losses:	-	-
Actuarial gains and losses arising from changes in Financial assumption	(327.42)	770.34
Actuarial gains and losses arising from changes in experience adjustments	-	-
Benefits paid	468.78	929.23
Closing defined benefit obligation	(1,787.39)	(1,451.62)
	8,555.34	8,912.33

(b) Pension

Opening defined benefit obligation	50806.24	36,179.86
Current service cost	11800.26	7,279.85
Interest cost	3371.49	2,353.38
Plan Amendments (Past Service)	-	4,736.90
Acquisition adjustments	-	-
Remeasurement (gain)/ losses:-	-	-
Actuarial gains and losses arising from changes in Financial assumption	(1,291.72)	1,598.81
Actuarial gains and losses arising from changes in experience adjustments	-	-
Benefits paid	(1,928.64)	238.71
Closing defined benefit obligation	(4,451.34)	(1,581.27)
	58,306.29	50,806.24

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

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gratuity		
Opening fair value of the plan asset	6632.97	7,318.87
Acquisition/Business Combination	-	-
Interest income	460.33	486.70
Return on plan assets(excluding amounts included in net interest expense)	60.03	70.63
Contribution from the employer	2279.36	208.39
Benefits paid	(1,787.39)	(1,451.62)
Closing fair value of the plan assets	7,645.30	6,632.97

	Year ended March 31, 2021	Year ended March 31, 2020
(b) Pension		
Opening fair value of the plan asset	38120.38	36,934.36
Acquisition/Business Combination	-	-
Interest income	2645.55	2,456.14
Return on plan assets(excluding amounts included in net interest expense)	65.36	310.18
Contribution from the employer	12685.86	0.97
Benefits paid	(4,451.34)	(1,581.27)
Closing fair value of the plan assets	49,065.81	38,120.38

(6)The fair value of the plan assets at the reporting period for each category are as follows:-

	31-Mar-21	31-Mar-20
(a) Gratuity		
Cash & Cash Equivalents	1,027.01	907.33
Investment Funds	286.99	140.00
State Government Securities	2,901.56	2,213.77
Trust Receivables	282.47	823.47
Corporate Bonds	2,962.69	2,381.96
Other (Accrued Interest)	185.04	166.44
Liability for Audit Fees	(0.47)	
	7,645.29	6,632.97

(b) Pension		
Cash & Cash Equivalents	7,250.97	6,373.21
Investment Funds	2,864.42	1,176.73
State Government Securities	18,380.07	12,181.52
Trust Receivable	2,799.17	4,244.40
Corporate Bonds	16,937.16	13,522.92
Other (Accrued Interest)	841.75	621.60
Current Liability	(7.73)	
	49,065.81	38,120.38

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

(A) Gratuity

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by **Rs 9132.48 lakhs** (Increase by **Rs 8034.66 lakhs**) , as at March 31, 2020: decrease by **Rs 9431.12 lakhs** (Increase by **Rs 8443.54 lakhs**)

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would Decrease by **Rs 8160.17 lakhs** (Increase **Rs 8927.16 lakhs**) , as at March 31, 2020: Decrease by **Rs 8,525.36 lakhs** (increase by **Rs 9,322.30 lakhs**).

(c)Life expectancy increases/ decreases by 100 basis points year for both men and women , the defined benefit obligation would decrease by **Rs 8551.15 lakhs**(increase by **Rs 8559.53 lakhs**) , as at March 31, 2020:decrease by **Rs 8,908.77 lakhs** (increase by **Rs 8,915.90 lakhs).**

(B) Pension

(a) If the discount rate is 50 basis point higher/(lower) the defined benefit obligation would decrease by **Rs 61043.19 lakhs**(Increase by **Rs 55781.63 lakhs**) , as at March 31, 2020:decrease by **Rs 52985.32 lakhs** (Increase by **Rs 48795.33 lakhs**).

(b) If the expected salary growth increases (decreases) by 0.5% the defined benefit obligation would decrease by **Rs 56558.27 lakhs** (increase **Rs 60017.00 lakhs**) , as at March 31, 2020: decrease by **Rs 50529.86 lakhs** (increase **Rs 51039.44 lakhs**).

(c)Life expectancy increases/ decreases by 100 basis points year for both men and women , the defined benefit obligation would decrease by **Rs 58268.98lakhs** (increase by **Rs 58343.61 lakhs**) , as at March 31, 2020:decrease by **Rs 50731.56 lakhs** (increase by **Rs 50880.42 lakhs**).

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



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

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

In respect to interest payment:-

March 31, 2021	Weighted average effective interest rate	Less than 1 month	1- 3 months	3 months to 1 year	1 - 5years	5 years +	Total
Fixed interest rate instruments	9.08%	247.70	91.24	6,082.88	15,251.26	10,142.47	31,815.55
Variable interest rate instruments	9.25%	550.97	5,594.52	17,815.27	73,410.42	46,983.60	144,354.78
		798.67	5,685.76	23,898.15	88,661.68	57,126.07	176,170.33
March 31, 2020							
Fixed interest rate instruments	9.02%	354.97	103.10	8,264.94	18,659.49	13,195.37	40,577.87
Variable interest rate instruments	9.90%	298.14	5,341.69	16,313.90	66,695.26	42,187.86	130,836.85
		653.11	5,444.79	24,578.84	85,354.75	55,383.23	171,414.72

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

In respect to principal payment:-

March 31, 2021	Weighted average effective interest rate	Less than 1 month	1- 3 months	3 months to 1 year	1 - 5years	5 years +	Total
Fixed interest rate instruments	9.08%	615.61	139.53	30,326.58	23,095.65	30,809.00	84,986.37
Variable interest rate instruments	9.25%	1,401.40	3,279.01	19,021.97	102,251.15	145,125.52	271,079.05
		2,017.01	3,418.54	49,348.55	125,346.80	175,934.52	356,065.42
March 31, 2020							
Fixed interest rate instruments	9.02%	667.00	139.53	10,675.19	49,326.87	35,710.88	96,519.47
Variable interest rate instruments	9.90%	1,401.40	3,279.01	16,021.60	89,394.04	119,839.72	229,935.77
		2,068.40	3,418.54	26,696.79	138,720.91	155,550.60	326,455.24

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

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Financing facilities:-	As at March 31, 2021	As at March 31, 2020
25.2 Secured Bank & Financial Institution facility **		
Total Sanctioned limit	188,921.42	315,841.40
Amount used	106,219.99	188,473.21
Amount unused	82,701.43	127,368.19

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

25.3 Interest rate sensitivity analysis The sensitivity analysis below have been determined based on exposure to interest rate on floating rate facilities. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management assessments of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended March 31, 2021 would increase/(decrease) by Rs 1837.06 Lakhs /(Rs 1837.06 Lakhs) (for the year ended March 31, 2020 increase/(decrease) by Rs 1617.00 Lakhs /(Rs 1617.00 Lakhs) This mainly attributable to the company's exposure to interest rates on its variable rate borrowings.



26.1 Risk Management framework

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

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

Improve financial risk awareness and risk transparency.

Identify, control and monitor key risks.

Identify risk accumulations.

Provide management with reliable information on the Company's risk situation.

Improve financial returns.

26.2 TREASURY RISK

The Company's treasury function co-ordinates access to domestic operation by augmenting financial resources from various financial institutions as well as managing the available fund judiciously ensuring optimum utilisation of available funds through effective cash management. Borrowing from banks/financial institutions is one of the major sources of funding the working capital requirement of the Company; therefore, change in the interest rate may impact the cash inflow and outflow. Considering that there is a cap on the amount allowed by the Regulator (WBERC) for Working Capital requirement of the Company, any change in the interest rate may impact the profitability of the Company. Treasury function also deals with investment of available funds of the Company in suitable instruments in order to ensure that the funds do not remain idle and to earn additional income out of such funds. Hence, it would be prudent to mention that any fluctuation in the interest rate / coupon rate of such interest may impact the additional generation of revenue to certain extent. As of now, the debt equity ratio is 0.77 : against normative debt equity ratio of 2.33:1 .

26.3 REGULATORY RISK

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

26.4 OPERATIONAL RISK

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

26.5 CREDIT RISK

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

The Company being a Capital intensive one relies on the borrowed funds to the extent permissible under the regulations of the Hon'ble West Bengal Electricity Regulatory Commission for funding of its projects besides the internal accruals of the Company. The permissible debt equity ratio for a project is 70:30. As of now, the debt equity ratio is 0.77:1 against normative debt equity ratio of 2.33:1. The Company can utilise this leverage for borrowing additional funds from the market if they are available at cheaper rate. Therefore any fluctuation in the interest rate / coupon rate of such instruments of borrowings may impact the scenario.

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

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

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

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

(Rs in lakhs)

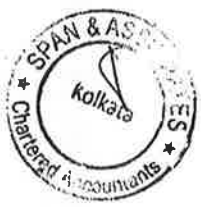
March 31, 2021	Note No	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Fair value
Financial Assets						
Cash and Cash Equivalent	6	-	-	30,125.19	30,125.19	30,125.19
Other Bank Balances	6(i)			26,417.37	26,417.37	26,417.37
Trade Receivable Current	5	-	-	63,965.83	63,965.83	63,965.83
Other Current Financial Assets	7	-	-	2,505.98	2,505.98	2,505.98
				123,014.37	**123,014.37**	**123,014.37**
March 31, 2021						
Financial Liability						
Borrowing Non Current	11	-	-	301,421.30	301,421.30	301,421.30
Borrowing Current Maturities	16	-	-	54,644.13	54,644.13	54,644.13
Trade Payable	15	-	-	15,058.02	15,058.02	15,058.02
Cash Credit facility from Bank	14	-	-	17,689.75	17,689.75	17,689.75
Other Current Financial Liability	16			71,563.68	71,563.68	71,563.68
				460,376.88	**460,376.88**	**460,376.88**

March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Fair value
Financial Assets	-	-			
Cash and Cash Equivalent	-	-	15,402.08	15,402.08	15,402.08
Other Bank Balances			29,022.13	29,022.13	29,022.13
Trade Receivable Current	-	-	23,170.26	23,170.26	23,170.26
Other Current Financial Assets	-	-	2,565.91	2,565.91	2,565.91
			70,160.38	**70,160.38**	**70,160.38**
March 31, 2020					
Financial Liability					
Borrowing Non Current	-	-	294,271.51	294,271.51	294,271.51
Borrowing Current Maturities	-	-	32,183.73	32,183.73	32,183.73
Trade Payable	-	-	11,858.71	11,858.71	11,858.71
Cash Credit facility from Bank	-	-	10,745.37	10,745.37	10,745.37
Other Current Financial Liability			68,420.82	68,420.82	68,420.82
	-		**417,480.14**	**417,480.14**	**417,480.14**

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

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

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



27 Related Party Disclosure

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

Name of the Entity	Type	No of Shares Held	Ownership interest held by the Company March 31, 2020	Ownership interest held by the Company March 31, 2019
Governor of West Bengal	Ultimate Parent	1,105,470,000	99.99%	99.99%

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

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

Details of the remuneration of the KMP is stated hereunder:

(c)Key Management Personnel

Suresh Kumar Sepuri,IAS	Chairman
Santanu Basu, IAS	Managing Director
Sabyasachi Roy	Director Operations
Bishwanath Bandyopadhyay	Director Project
Trilochan Panda	Director F&A , CFO (upto 14.08.2020)
Sanjoy Sengupta	GM (F&A) , CFO (from 08.02.2021)
Virendra Singh	Company Secretary
H.K Dwivedi	Director (Government Nominee)
Goma Lamhu Tshering	Director (Government Nominee)
Saswati Banerjee, IAS (Retd)	Independent Director
Srikumar Banerjee	Independent Director
Biswaranjan Mishra	Independent Director

'(d) Key management personnel compensation

Particulars	31-Mar-21	31-Mar-20
Payment of Salary Wages and allowances	110.44	82.37
Sitting Fees	3.87	4.20

27.1 Compensation of Key management personnel

(Rs in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits	114.31	86.57

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

28 Capital Commitments

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Estimated amount of contract reaming to be executed on capital project (Operation and Project)	89,876.30	116,415.02
	89,876.30	116,415.02

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(In lakhs)

29 Contingent liabilities	March 31,2021	March 31,2020
(ত) Claims against the company not acknowledged as debt		
(i) State of West Bengal vs. Md. Jamaluddin & Ors. - FAT No. 343 to 356 of 2003 The matter relates to land acquisition for construction of Purba Ichapur 132 kV sub-station (land ad measuring 2.46 acre) at Barasat. The land losers were not satisfied with the amount of compensation fixed by the Collector and they obtained a favourable order from the District Court at Barasat for higher valuation. The State Govt. filed an appeal in the Hon'ble High Court against the order of the District Court and the Hon'ble High Court passed an Order dated 15.02.2005 directing the Collector to deposit 50% of the total decretal dues with the Registrar of the Hon'ble High Court. To comply with this order the L&LR Department requested the WBSEB to place the fund of Rs.18 Lakh being 50% of decretal dues at the disposal of Collector, 24 Parganas(North). The Company deposited Rs.18 Lakh being 50% of the decretal dues. The balance amount of Rs.18 Lakh is considered as contingent liability till final decision.	18	18
(ii) Shaw Bros & Anr Vs. WBSEB & Ors. - C.O. No. 19044 of 1996, FA No. 186 of 2009. An order was placed on M/s. Shaw Bros for spreading of gravels at 400 kV Switchyard of Jeerat 400 kV sub-station. After several disagreements, the party left without executing the contract. The party filed a Money Suit in the 2nd Court of District Judge, Barasat, for work done, damage and interest for a value of Rs 4.71 Lakh. The suit was dismissed by the Ld. Court and the party again moved the Hon'ble High Court appealing against the order.	4.71	4.71
(iii) Remittance of spectrum charges of Rs 24,63,84,772/- as demanded by Department of Telecommunications, Wireless Planning & Coordination Wing On the basis of communication dated 06.09.2016 from the WPC Wing, Dept. of Telecommunications which acknowledged the receipt of the Demand Draft, of Rs 24,63,84,772/- , which is considered by them as the due spectrum charges (upto 30.03.2015 and late fee up to September 2016). With late fee @2% per month(compounded annually) shall be applicable on the due amount for further delay on the payment. The Board of Directors in its 54th Meeting held on 26.09.2016 accorded its approval for challenging the demand of Rs 24,63,84,772/- (Rupees Twenty Four Crore Sixty Three Lakh Eighty Four Thousand Seven Hundred and Seventy Two Only) of The Department of Telecommunication (DoT) before the Telecom Dispute Settlement Appellate Tribunal (TDSAT), New Delhi with an objective to protect the interest of the Company.	'2463.84	'2463.84
(iv) WBSEB Engineers' Association –Vs-The State of West Bengal & Ors W.P No: 12082(W) of 2019 One Writ Petition No: 12082(W) of 2019 was filed by WBSEB Engineers' Association before the Hon'ble High Court at Calcutta on 08.07.2019 with a prayer to make payment of the arrear dearness allowance to the employees of WBSETCL from January 2016 upto date and to continue making thereof at the Central Govt. declared rate of Dearness Allowance. The matter was heard on different dates .:-On 13.03.2020 the Hon'ble Justice Rajasekhar Mantha was pleased to pass the following order '' ...for the reasons stated above, this court is inclined to direct the WBSEDCL & WBSETCL to pay all arrears of DA from the year 2016 till date of life of the order. The arrears from 2016 till date shall be paid in phased manner in four instalments to each of the employees of the two companies spread over a period of six months. The current DA shall be payable at Central Govt. rates from April 1, 2020. As already ordered by a Division Bench of this Court on March 11, 2020 passed in MAT 109 of 2020, the arrears shall carry interest from the date on which accrued till the date of payment at the rate 10% per annum."Being aggrieved by the order as passed by the Hon'ble Single Bench a Memo of Appeal was filed before the Hon'ble Division Bench. The Appeal is pending for final adjudication. However an amount of Rs 32.74 Crores is considered to be Contingent Liability till the final disposal of the appeal.	3274.97	3274.97

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(v) Jabbar Ali -Vs- The State of West Bengal & Ors W.P No: 5058 (W) of	0.00	**15.00**
The Petitioner alleges that on 20.09.2018 when both of his sons were playing at Boropara, P.S-Mogra, Hooghly a blast occurred at the over head power line and they suffered serious injury due to electrocution from the overhead power line. Subsequently one of his sons died in the hospital and for the other child he has to bear substantial medical expenses. The Petitioner, Sk Jabbar Ali, thus, has claimed Rs 10 Lakh for the deceased and Rs 5 Lakh for the injured son. In this regard, it is hereby prudent to mention that Sk. Jabbar Ali has earlier filed a case for the similar cause before the Hon'ble High Court at Calcutta. However the matter was referred to the Hon'ble WBERC and subsequently to the Chief Electrical Inspector(CEI) for further hearing. However, the CEI on hearing both the parties have observed that the Post Mortem Report was not conclusive regarding Electrical Accident of the Fatal case. The instant matter which was pending before the Hon'ble High Court for final adjudication-hence Rs 15 Lakh was considered to be the Contingent Liability during previous year now settled on 13.01.2021 in favour of the company.		
(vi) Demand from Income Tax Authorities:-		
1.The IT Department preferred an appeal against the Order of ITAT before the Hon'ble High Court at Calcutta which involves a claim of Rs 41.30 Lakh and to be treated as Contingent Liability.	41.3	**41.3**
2.Department's appeal against order passed by Hon'ble ITAT in matter of dismissing proceedings under 263 of the Income Tax Act, 1961 regarding the issue of additional depreciation	241.34	**241.34**
3.Addition of 537.00 Lakh being receivable from WBSEDCL in income as well as computation of MAT and addition of brought forward business loss in computation of MAT. (AY 2009-10)	464.91	**464.91**
4.Disallowance of prior period expenditure, ULDC charges , ERPC charges , filling fees to WBERC. Addition of Interest income of SLDC UI Fund and disallowance of additional depreciation. Short credit of TDS and levy of interest u/s 234A. (AY 2010-11)	187.11	**187.11**
5.Disallowance of 449.34 lakh u/s 36(1)(vat)/2(24)(x), short allowance of depreciation , disallowance of preliminary expenses, addition of prior period expenditure and short allowance of credit of TDS. Demand Raised 20.20 Lakh.(AY 2012-13)	20.20	**20.20**
7.Disallowances of ERPC and CSR expenditure & Municipal taxes. Short credit of TDS and levying interest u/s 234A.	4.73	**4.73**
8.Demand cum show cause notice for not paying Service Tax on supervision and other charges for the year 2013-14 to 2016-17.	562.19	**562.19**
9.Demand cum show cause notice for not paying Service Tax of Short Term Open Access Charges for the year 2013-14 to 2016-17.	3016.84	**3016.84**
10.Addition of Rs. 746.19 lakhs while computing book profit u/s 115JB while passing order u/s 154	149.69	**149.69**

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

31 Taxation:-

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

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

(c) An amendment to Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") issued on 20th September, 2019 has provided the option to a domestic company to opt for a lower tax regime subject to the assessee not availing any incentives and no credits being allowed for the accumulated Minimum Alternate Tax (MAT) credit.. The company has opted not to avail the benefit of a lower tax rate as the Company avails the benefit of section 80IA of the Income Tax Act, 1961 and has substantial MAT credit.

32 Corporate Social Responsibility

Expenditure under Sec 135 of Companies Act 2013 on Corporate Social Responsibility (CSR) activities is Rs.727.19 lakhs as against Rs. 968.01 lakhs (previous year 19-20 amount spent Rs.410.30 lakhs as against Rs. 979.22 lakhs), However, the Company is in constant endeavour to identify suitable projects under CSR scheme.

Details of CSR Expenditure during the financial year 2020-21 is given below:

	Paid in cash	Yet to be paid in cash	Total
(i) **Construction/ acquisition of any asset**	494.88	162.31	657.19
(ii) **On purpose ther than (i) above**	70.00	-	70.00
Total	**564.88**	**162.31**	**727.19**

33 The Company, being an essential service provider, does not expect significant impact due to Covid 19. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration.

34 Balances in loans and advances , Material with Contractors , Trade Payables are subject to confirmation and consequential adjustments ,if any The company has sent letters requiring confirmation and reconciliation of balances to some of these parties but has not received any confirmatio there against.

35 Figure of the previous year have been regrouped or reclassified wherever necessary to confirm to the current years grouping and classification.

In terms of our report of even date attached herewith.
For SPAN & Associates
Chartered Accountants
Firm Registration No :- 302192E

(K. Chakrabarti)
Partner
M.No :-015363

(Virendra Singh)
Company Secretary
M.No :-9872

(S. Sengupta)
General Manager(F&A) & CFO
M.No :-11209

For and on behalf of the Board of Directors

(Sabyasachi Roy)
Director (F&A)

(Santanu Basu)
Managing Director

Kolkata
Date: September 09,2021

SPAN & ASSOCIATES Kolkata Chartered Accountants

Background	
Corporate information	West Bengal State Electricity Transmission Company Limited ("WBSTECL" / "the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and the entire paid up Share Capital is held by the Government of West Bengal and its nominees. It is a multi-sited Power Transmission Company in Eastern India and the Company operates and maintains a transmission network of Extra High Voltage Transmission lines along with sub-stations with capacity of 400 kV to 66 kV situated across the state of West Bengal and also defined as deemed State Transmission Utility under Electricity Act, 2003. These financial statements were approved and adopted by Board of Directors of the Company in their meeting dated 09th September, 2021.
Significant Accounting Policies	
Basis of preparation	These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC under the Electricity Act, 2003 (Tariff Regulations). The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Ind AS 1 – Presentation of Financial Statements and Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities. The financial statements are presented in Indian Rupees (Rs.) ,which is the Company's functional and presentation currency and all the amounts are rounded off to nearest lakhs (Rs. 00,000) and two decimals thereof, except as stated otherwise.
Use of estimates	The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

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	Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, impairment of financial instruments, valuation of deferred tax assets, regulatory deferral accounts and provisions and contingent liabilities.
Property, Plant and Equipment	Property, plant and equipment are stated at historical cost comprising of purchase/work contract cost incurred, pre-operational expenses like interest on borrowings, other financing cost during the period of construction and other attributable cost of bringing the assets to its working condition. Assets received from customers or assets constructed on receipt of amounts from the customers are deemed to be transferred to the Company in terms of Regulations framed by the West Bengal Electricity Regulatory Commission (WBREC) and recognized as property, plant and equipment post commissioning. In the case of commissioned assets, deposit work / cost plus contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement. Insurance spares/Capital Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized in the year of acquisition. **Capital work-in-progress** Costs and expenses incurred relating to the projects under implementation are disclosed under Capital Work-in- Progress. The employee costs and administrative costs of the Company are allocated to CWIP based on Board of Directors' approved ratio of the expenses incurred by the various Accounting Units and Project Headquarters. **Depreciation** Depreciation is provided on straight line method at the rates and norms specified in the Regulations notified by the WBERC, a Statutory Authority constituted under the Electricity Act, 2003, as provided in the Tariff Policy issued by the Ministry of Power which are applicable for the purposes of tariff as well as accounting. No depreciation is charged on freehold land as well as no amortization of the Land acquired on perpetual lease is made since the same does not have a limited useful life. **De-recognition of assets** An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.
Impairment	At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not

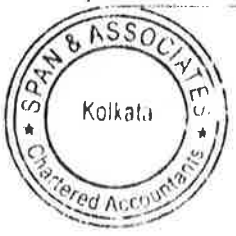
SPAN & ASSOCIATES
Kolkata

	possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.
Regulatory asset or Regulatory liability	A regulatory asset is recognized when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the West Bengal Electricity Regulatory Commission (WBERC) Tariff Regulation and the amount can be measured reliably. A regulatory liability is recognized: • when an entity has a present obligation as a result of a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • reliable estimate can be made of the amount of the obligation A regulatory asset and regulatory liability is presented as current/non-current, as the case may be, in the balance sheet, separately from other assets and liabilities. On initial recognition and at the end of each subsequent reporting period, the Company measures a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework. A regulatory asset or regulatory liability is not discounted to its present value. **Impairment of Regulatory Asset** The Company reviews the estimates of the amount expected to be recovered, refunded or adjusted at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with Ind AS 8. If it is concluded that it is not reasonable to assume that it will be able to collect sufficient revenues from its customers to recover its costs, this is an indication that the cash generating unit in which the regulatory assets and regulatory liabilities are included may be impaired and the Company test that cash generating unit for impairment in accordance with Ind AS 36 Impairment of Assets.

	De-recognition If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the Company or an outflow of resources embodying economic benefits will be required to settle a regulatory liability, the regulatory asset or liability, as the case may be, is de-recognized and any resulting loss/gain is recognized in the statement of profit and loss.
Provisions and contingencies	A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized but disclosed unless the possibility of outflow of resources is remote. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.
Leases	a. Where the Company is the lessee The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:



	- Fixed payments, including in-substance fixed payments; - Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date: - Amounts expected to be payable under a residual value guarantee: and - The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. Short-term leases and leases of low-value assets The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. b. Where the Company is the lessor Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit &Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit &Loss. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.
Government Grants	Grants and subsidies from government are recognized at fair value provided there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with. Government grants relating to income are recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related



	costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.
Inventories	Inventory mainly comprises of Stores and Spares. Inventories, other than scrap, are valued at lower of the cost on weighted average basis or its net realizable value. Scrap is valued at the lower of cost or net realizable value.
Trade receivable	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price, unless it contains a significant financing component in accordance with Ind AS 18 or pricing adjustments embedded in the contract. The Company measures the loss allowance for a trade receivable at an amount equal to the lifetime expected credit losses.
Financial Instruments	Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities. **Financial Assets** All recognized financial assets are measured in their entirety at either amortised cost or at fair value, depending upon the classification of the financial assets. **(i) Cash or Cash equivalents:** The Company considers all short term bank deposits (original maturity of less than 3 months), which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage. **(ii) Financial assets at amortized cost:** Financial assets are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the



principal amount outstanding.

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

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

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

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

Financial liabilities and equity instruments issued by the Company

(i) Financial liabilities

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

Other financial liabilities are measured at amortized cost using the effective interest method.

(ii) Equity Instruments:

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

Amortised Cost using effective interest method

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



	Income and expenses are recognized on an effective interest basis for financial assets other than those financial assets classified as at FVTPL and the financial liabilities respectively. Interest income and expenses are recognized in the Statement of Profit and Loss and is included in the "Other income" and "Finance Cost" line item respectively. **Derecognition of financial assets** The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity **Impairment of financial assets** At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss. **Derecognition of financial liability** The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. **Offsetting financial instruments** Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
Borrowing cost	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. The borrowed funds are earmarked to specified projects under implementation and the borrowing costs thereof are allocated to Capital Work in Progress ('CWIP'). In cases where

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	the borrowed funds are not earmarked separately for specific projects, the borrowing costs thereof are allocated/apportioned to CWIP based on sanctioned project cost of the projects. In case of projects which have been completed and commissioned during the year, the borrowing costs thereof till the date of commissioning are allocated to fixed assets. The borrowing cost for completed projects is charged to revenue. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.
Employee Benefits	Employee benefits consist of salaries and wages, performance pay, leave travel allowances, provident fund, employee state insurance, pension, gratuity, compensated absences and other terminal benefits. **a) Short term and other long-term employee benefits** A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and medical leave (which is not accumulated for more than a period of 12 months) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Cost of providing benefits in respect of long-term compensated absences is determined using project unit credit method, with actuarial valuations carried out at each annual reporting period. Past service cost is recognized in profit or loss in the period of a plan amendment. Interest on the obligation is calculated by applying the discount rate at the beginning of the period to the obligation. Costs of long-term compensated absences are categorized as follows: • service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); • interest obligations; and • re-measurement The Company presents all the components of long-term compensated absences costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. **b) Retirement Benefit costs** **Defined Contribution Plans** Payments to defined contribution retirement benefit plans are recognized as an expense when



	employees have rendered services entitling them to contributions. **Defined Benefits Plans** For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows: • service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); • net interest expense or income; and • re-measurement The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
Income Taxes	Income tax expense represents the sum of the tax currently payable. **Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. **Current tax for the year** Current tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax are also recognized in other comprehensive income or directly in equity respectively. **Deferred taxes** Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the

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	computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Revenue recognition and Other income	a) Revenue from Transmission of Power is recognized on an accrual basis and includes unbilled revenues accrued upto the end of the accounting year. Revenue from transmission of power is accounted for based on the last tariff rates approved by the West Bengal Electricity Regulatory Commission (WBERC). b) The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations (i.e. Transmission) based on the principles laid down under the relevant Tariff Regulations/Tariff Orders as notified by respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustment that may arise on annual performance review by respective Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders is made after the completion of such review. c) Advance against depreciation allowed by WBERC as a component of the Aggregate Revenue Requirement of the Company is recognized as revenue for that year. d) Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances. e) Income from short term open access is accounted for on the basis of regulations notified by West Bengal Electricity Regulatory Commission (WBERC). f) Receipts for delayed payments surcharge and liquidated damage are accounted for when it is ascertained and the collection of the amount is confirmed. g) Assets received from customers advances received for construction of property, plant and equipment are capitalized after commissioning with matching credit to Deferred Revenue. This deferred revenue is recognized as revenue on a systematic and rational basis over the useful lives of the related assets.



	Other Income a) Supervision charges received for diversion/relocation of existing assets and/or against deposit work to be undertaken by the customer is treated as Advance against Supervision Charges and shown under Other Current Liabilities till the related work is completed. On completion of the works, the Supervision Charges received there against is treated as "Other Income "in the year in which the related work is completed. b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
Provisions, Contingent Liabilities and Contingent Assets	**Provisions** A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. **Contingent liabilities and contingent assets** A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.
Earnings per Share	Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
Standards issued but not yet effective	The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020. **A. Issue of Ind AS 117 – Insurance Contracts** Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated

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as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

B. Amendments to existing Standards:

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

3. Critical accounting judgments and key sources of estimation uncertainty

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

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

Critical judgments in applying accounting policies:

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

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows.

ii. Key sources of estimation uncertainty:

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

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financial year

a. **Provisions**

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

b. **Contingent liabilities**

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

c. **Fair value measurements and valuation processes:**

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

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



WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

WBSETCL

VOLUME –III

Cost Audit Report of WBSETCL for 2020-21

SUBMITTED TO THE

HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(A GOVERNMENT OF WEST BENGAL ENTERPRISE)

COST AUDIT - 2020-2021

DATTA GHOSH BHATTACHARYA & ASSOCIATES
COST ACCOUNTANTS
37 GOBINDO BOSE LANE KOLKATA 700025

Datta, Ghosh, Bhattacharya & Associates

Cost Accountants

37, Gobindo Bose Lane, Kolkata - - 700025
Telephone : (91-33) 2486-6785
Mobile : 98301-25536 / 61380
e-mail : pallab.bhattacharya@rediffmail.com

FORM CRA – 3

[Pursuant to Rule-6(4) of the Companies (Cost Records & Audit) Rules, 2014

FORM OF THE COST AUDIT REPORT

We, M/S DATTA GHOSH BHATTACHARYA & ASSOCIATES , having been appointed as Cost Auditor under Section 148(3) of the Companies Act, 2013 (18 of 2013) of **West Bengal State Electricity Transmission Company Limited (A Govt of West Bengal Enterprise)** having its registered office at Vidyut Bhawan, Block DJ , Sector –II , Bidhannagar, Kolkata 700091, have audited the Cost Records maintained by the company under section 148 of the said Act , in compliance with the Cost Auditing Standards, in respect of the **"Electricity Transmission"** for the period ending 31st March 2021 maintained by the company and report as under, in addition to our observations and suggestions in **Para 2:**

i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of this audit.

ii. In our opinion, proper cost records, as per rule 5 of the companies (Cost Records and Audit) Amendment Rules, 2014 have been maintained by the company in respect of the service under reference.

iii. In our opinion proper returns adequate for the purpose of the Cost Audit been received from the branches not visited by us.

iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required.

v. In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.

vi. In our opinion and based on the information obtained, statements in the annexure to this Cost Audit Report gives a true and fair view of the cost of production of rendering service, cost of sales ,margin and other information relating to service under reference.

vii. Details of unit-wise and service-wise Cost Statements and Schedules thereto in respect of the service under reference of the company duly audited and certified by us are kept in the company.

DATTA GHOSH BHATTACHARYA & ASSOCIATES * COST ACCOUNTANTS * KOLKATA

Datta, Ghosh, Bhattacharya & Associates

Cost Accountants

37, Gobindo Bose Lane, Kolkata - - 700025
Telephone : (91-33) 2486-6785
Mobile : 98301-25536 / 61380
e-mail : pallab.bhattacharya@rediffmail.com

2. Observations and suggestions, if any of the Cost Auditor, relevant of the Cost Audit.

1.It is observed that profit as per cost accounts is increased to Rs. 71,156.23 lakhs in the year 2020-21 in comparison with previous year 2019-20 Rs. 40,063.28 lakhs.

2.It is also observed that Direct Expenses is increase from 3819.26 lakhs in 2019-20 to 6449.96 in 2020-21 due to increase of following expenses.

	2020-21 (Rs in Lakhs)	2019-20
a. Transmission Charges	5220.88	3012.31
b. ULDC Charges	1213.09	791.52

It was explained before us that above expenses has been increased due to revision in tariff.

4.It is also observed that direct Employee cost is increased from 28316.26 lakhs in the year 2019-20 to Rs.32324.41 lakhs in the year 2020-21.

2.It is also observed that administrative overhead is increased from Rs.4864.15 lakhs in 2019-20 to Rs.5472.74 lakhs in 2020-21.

5. It is observed that energy transmitted have been reduced from 46244.987 MU in 2019-20 to 45537.268 MU in 2020-21.

6. It is also suggested that Breakdown and Preventive maintenance records to be maintained separately.

FOR DATTA GHOSH BHATTACHARYA ASSOCIATES
COST ACCOUNTANTS
FRN 000089

Pallab Bhattacharya

PALLAB BHATTACHARYA
PARTNER
M/20372
UDIN : 21203722ZZEZHJG9WN1

Date : 09.09.2021

Place : Kolkata

DATTA GHOSH BHATTACHARYA & ASSOCIATES KOLKATA COST ACCOUNTANTS

Annexure to the Cost Audit Report

PART - A

Name of the Company :		WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
A1. GENERAL INFORMATION:		
1	Corporate identity number or foreign company registration number	U40101WB2007SGC113474
2	Name of the company	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
3	Address of registered office or of principal place of business in India of company	Vidyut Bhawan, Block DJ, Sector - II, Bidhannagar, Kolkata- 700091, West Bengal
4	Address of corporate office of company	Vidyut Bhawan, Block DJ, Sector - II, Bidhannagar, Kolkata- 700091, West Bengal
5	E-mail address of the company	virendra.singh@wbsetcl.in
6	Date of beginning of Reporting Financial Year	01-04-2020
7	Date of end of reporting Financial Year	31-03-2021
8	Date of beginning of previous financial year	01-04-2019
9	Date of end of previous financial year	31-03-2020
10	Level of rounding used in cost statements (in INR)	LAKHS
11	Whether Indian Accounting Standards are applicable to the company	YES
12(a)	Number of audit committee meeting (s) during the year for which Cost Auditor was invited.	1
12(b)	Number of audit committee meeting(s) attended by cost auditor during year.	1
13	Date of board of directors meeting in which annexure to cost audit report was approved	09.09.2021
14	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	NA
16	Consolidated observations or suggestions of all cost auditors	Attached herewith
17	Whether company has related party transactions for sale or purchase of goods or services	No

Director (F&A)
W.B.S.E.T.C.L
Bidyut Bhaban, (8th Fl.)
Salt Lake, Kol - 91

Company Secretary
W.B.S.E. Transmission Co. Ltd
(A Govt. of W. B. Enterprise)

Name of the Company :	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

A2. General Details of Cost Auditor		
1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Firm
3	Firm's registration number	000089
4	Name of cost auditor or cost auditor's firm	Datta Ghosh Bhattacharya & Associates
5	PAN of cost auditor or cost auditor's firm	AAEFD6992Q
6	Address of cost auditor or cost auditor's firm	37, Gobindo Bose Lane, Bhawanipur, Kolkata- 700025, West Bengal
7	Email id of cost auditor or cost auditor's firm	cmapallab@gmail.com
8	Membership number of member signing report	20372 (FELLOW MEMBER)
9	Name of member signing report	PALLAB BHATTACHARYA
10	Name(s) of product(s) or service(s) with CTA heading	Electricity- Transmission(2008)
11	SRN number of Form CRA-2	R66837113
12	Number of audit committee meeting attended by cost auditor during year	1
13	Date of signing cost audit report and annexure by cost auditor	09.09.2021
14	Place of signing cost audit report and annexure by cost auditor	Kolkata



3. COST ACCOUNTING POLICY

(1) Cost Accountancy Policy:

(A) DISCLOSURE REGARDING IDENTIFICATON OFCOST CENTRES, COST OBJECTS AND COST DRIVER

Cost centres consists of:
Transmission
Maintenance- Electrical and Mechanical
Administrative

Cost Drive for determining cost is MU.

(B) DISCLOSURE OF ACCOUNTING OF COST INCLUDING PACKING MATERIAL , STORES & SPARES, EMPLOYEE COST , UTILITIES AND OTHER RELEVANT COST COMPONENTS

Cost of packing material does not arise, Stores& Spares, Employee cost, utilities and other relevant cost are made as per Cost Accounting Standard.

(C) DISCLOSURE REGARDING ACCOUNTING, ALLOCATION AND ABSORPTION OF OVERHEADS.

West Bengal Electricity Regulatory Commission determines rate of transmission charges of electricity for long term and short term users. Allocation and absorption of overheads are made as per Cost Accounting Standards.

(D) DISCLOSURE REGARDING ACCOUNTING FOR DEPRECIATION OR AMORTIZATION

A detailed asset register is maintained to identify the assets, by an unique asset number, its location and depreciation/ amortization have been taken as per guidelines of 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 rates specified in the companies act, 2013.

(E) DISCLOSURE REGARDING ACCOUNTING FOR BY PRODUCTS, JOINT PRODUCTS AND SCRAP AND WASTAGE

By products and joint products does not arise.
Scrap and wastage are identified by the designated committee and disposed-off at regular interval.
Provision has been made for Obsolete Stock.

(F) DISCLOSURE REGARDING BASIS OF INVENTORY VALUATION

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.

(G) DISCLOSURE REGARDING INTER UNIT OR INTER COMPANY AND RELATED PARTY TRANSACTION

There is no Related Party Transaction during the Financial Year 2019-20

(H) DISCLOSURE REGARDING TREATMENT OF ABNORMAL AND NON-RECURRING COST INCLUDING CLASSIFICATION OF NON COST ITEMS.

Abnormal and non-recurring expenses are treated in Reconciliation in D2

3. COST ACCOUNTING POLICY

(I) DISLOSURE REGARDING OTHER RELEVANT COST ACCOUNTANCY POLICY.
Nothing to report

2. Disclosure regarding changes in Cost Accountancy Policy during reporting period.
There is no change in Cost Accountancy Policy. Cost Accountancy Policy has been designed by the company to have control of expenses and the abnormality is generated automatically to take corrective action.

3. Disclosure regarding adequacy of budgetary control system
Budget is prepared annually by the company for each area office.

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Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

A4. SERVICE DETAILS (For the company as a whole)

	Name of Product(s) /Service(s)	UOM	CTA heading (wherever applicable)	Whether Covered under Cost Audit (Yes / No)	Net Operational Revenue (net of taxes, duties etc.)	
					2020-21	2019-20
					Rs. Lakhs	Rs. Lakhs
1	Electrical Energy	MU	2008	Yes	1,81,950.76	1,39,977.22
(a) Total Net Operational Revenue of Manufactured Product or Service					1,81,950.76	1,39,977.22
(b) Other Operating Incomes of Company					947.70	839.95
(c) Total Operating Incomes of Company [a+b]					1,82,898.46	1,40,817.17
(d) Other Incomes of company					5,695.34	6,474.86
(e) Total revenue as per financial accounts [c+d]					1,88,593.80	1,47,292.03
(f) Exceptional and Extra Ordinary income						
(g) Other Comprehensive Income, if any						
(h) Total Revenue Including Exceptional, Extra Ordinary and Other Comprehensive Income, if any [e+f+g]					1,88,593.80	1,47,292.03
(i) Turnover as per Excise/ Service Tax/GST Records					1,44,087.19	1,28,797.57

Note: Previous year figures have been rearranged and regrouped wherever necessary.



Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED		

PART-C

For Service Sector

C1. QUANTITATIVE INFORMATION (for each service separately)

Name of the Service		Electrical Energy Transmission	
Service Code (If applicable)		2008	
Particulars	Unit of Measurment	2020-21	2019-20
1. Available Capacity			
(a) Installed Capacity at the beginning of the year	MVA	35,997.230	35,545.780
(b) Capacity enhanced during the year			
(c) Total available Capacity	MVA	35,997.230	35,545.780
2.Actual services provided			
(a) Own Services	MU	45,537.268	46,244.987
(b) Services under contractual arrangements			
(c) Outsourced Services			
(d) Total Services	MU	45,537.268	46,244.987
3. Total Services provided as per Service Tax/GST Records			
4. Capacity Utilization (in-house) (%)		97%	97%
5. Other Adjustments			
(a) Self or Captive Consumption			
(b) Other Quantitative Adjustments, if any			
(c) Total Other Adjustments		-	-
6. Total Available Services for Sale [2(d)+5(c)]	MU	45,537.268	46,244.987
7. Actual Sales			
(a) Services rendered – Domestic	MU	45,537.268	46,244.987
(b) Services rendered – Export			
(c) Total Services Rendered	MU	45,537.268	46,244.987



Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

C2. ABRIDGED COST STATEMENT (for each service separately)

	Name of Service	Electrical Energy Transmission			
	Service Code (if applicable)	2008			
	Unit of Measure	MU			
	Year	Services Provided	Captive Consumption	Other Adjustments	Services rendered
	2020-21	45,537.27			45,537.27
	2019-20	46,244.99			46,244.99
		2020-21		2019-20	
	Particulars	Amount	Rate/Unit	Amount	Rate/Unit
		Rs. In Lakhs	Rs.	Rs. In Lakhs	Rs.
1	Materials Consumed (specify details as per Para 2A)	-	-	-	-
2	Utilities (specify details as per 2B)	-	-	-	-
3	Direct Employees Cost	32,324.41	0.71	28,316.26	0.61
4	Direct Expenses	6,449.96	0.14	3,819.83	0.08
5	Consumable Stores & Spares	-	-	-	-
6	Repairs & Maintenance	6,582.74	0.14	6,687.55	0.14
7	Quality Control Expenses		-		-
8	Research & Development Expenses		-		-
9	Technical know-how Fee / Royalty		-		-
10	Depreciation/Amortization	30,251.60	0.66	28,690.57	0.62
11	Other Production Overheads		-		-
12	Industry Specific Operating Expenses (specify details as per Para 2C)	-	-	-	-
13	**Total (1 to 12)**	**75,608.71**	**1.65**	**67,514.21**	**1.45**
14	Less: Credits for Recoveries, if any		-		-
15	**Cost of Services Provided (13-14)**	**75,608.71**	**1.65**	**67,514.21**	1.45
16	Cost of Outsourced/Contractual Services		-		-
17	**Total Services available (15+16)**	**75,608.71**	**1.65**	**67,514.21**	1.45
18	Less: Self/Captive Consumption				
19	Other Adjustments (if any)				
20	**Cost of Production or Operation of Goods or Services Sold (17-18+19)**	**75,608.71**	**1.66**	**67,514.21**	1.46



		2020-21		2019-20	
	Particulars	Amount	Rate/Unit	Amount	Rate/Unit
		Rs. In Lakhs	Rs.	Rs. In Lakhs	Rs.
21	Administrative Overheads	5,472.74	0.12	4,864.15	0.11
22	Selling & Distribution Overheads	-	-		-
23	**Cost of Sales before Finance Charges (20+21+22)**	**81,081.45**	**1.78**	**72,378.36**	**1.57**
24	Finance Charges	29,713.08	0.65	27,535.58	0.60
25	**Cost of Sales (23 + 24)**	**1,10,794.53**	**2.43**	**99,913.94**	**2.17**
26	Net Sales Realization (Net of Taxes and Duties)	1,81,950.76	4.00	1,39,977.22	3.03
27	Margin (Profit/(Loss) as per Cost Accounts) (26 - 25)	71,156.23	1.57	40,063.28	0.86



Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

PART - D

D1. PRODUCT AND SERVICE PROFITABILITY STATEMENT (for audited products/services)

Particulars	2020-21			2019-20		
	Sales Rs. Lakhs	Cost of Sales Rs. Lakhs	Margin Rs. Lakhs	Sales Rs. Lakhs	Cost of Sales Rs. Lakhs	Margin Rs. Lakhs
Electrical Energy Transmission	1,81,950.76	1,10,794.53	71,156.23	1,39,977.22	99,913.94	40,063.28
TOTAL	1,81,950.76	1,10,794.53	71,156.23	1,39,977.22	99,913.94	40,063.28

Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

D2. Profit Reconciliation (for the company as a whole)			
	Particulars	2020-21	2019-20
		Rs. Lakhs	Rs. Lakhs
1	Profit or Loss as per Cost Accounts		
	(a) For the audited product(s)/service(s)	71,156.23	40,063.28
	(b) For the un-audited product(s)/service(s)	947.71	839.95
	Total	**72,103.94**	**40,903.23**
2	Add: Incomes not considered in cost accounts (specify details)	5,695.34	6,474.86
3	Less: Expenses not considered in cost accounts (specify details)	807.83	560.30
4	Difference in Valuation of stock between financial accounts and cost accounts		
5	Other adjustments, if any		
6	Profit or Loss as per Financial Accounts (excluding Other Comprehensive Income for companies following Ind AS)	76,991.45	46,817.79

Note: Previous year figures have been rearranged and regrouped wherever necessary.

Details of Incomes not considered in cost		
Particulars	FY 2020-21 Rs.in Lakhs	FY 2019-20 Rs.in Lakhs
(a)Interest earned on Bank Deposit	2,538.45	3417.79
(b) Advance to Contractor/DPL	592.53	82.70
(c) Income from Scrap Sale	253.36	715.52
(d) Supervision Charges-Bulk Connection	1,217.32	1367.14
(e) Other Income	1,082.73	874.09
(f) Sale of tender Papers	10.95	17.62
	5,695.34	**6,474.86**

Details of Expenditure not considered in cost		
Particulars	FY 2020-21 Rs.in Lakhs	FY 2019-20 Rs.in Lakhs
(a) Contribution towards Social Responsibility	727.21	560.30
(b) Loss on Assets Written-off		0.00
(c)Fees for Filling Pitetions	80.62	
	807.83	**560.30**



Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

D3. Value Addition and Distribution of Earnings (for the company as a whole)			
Sl. No.	Particulars	2020-21 Rs. Lakhs	2019-20 Rs. Lakhs
	Value Addition:		
1	Revenue from Operations	1,82,898.46	1,40,817.17
2	Less: Taxes and other duties		
3	**Net Revenue from Operations**	1,82,898.46	1,40,817.17
4	Add: Export Incentives		
5	Add/Less: Adjustment in Stocks		
6	Less: Cost of bought out inputs		
	(a) Cost of Materials Consumed		
	(b) Process Materials / Chemicals		
	(c) Consumption of Stores & Spares		
	(d) Utilities (e.g. power and fuel)		
	(e) Others, if any	18,939.57	15,819.98
	Total Cost of bought out inputs	18,939.57	15,819.98
7	**Value Added**	1,63,958.89	1,24,997.19
8	Add: Income from any other sources	5,695.34	6,474.86
9	Add: (i) Exceptional and Extra Ordinary Income		
	(ii) Other Comprehensive Income, if any		
10	**Earnings available for distribution**	1,69,654.23	1,31,472.06
	Distribution of Earnings to:		
1	Employees etc. as salaries & wages, retirement benefits, etc.	32,698.10	28,428.11
2	Shareholders as dividend		
3	Company as retained funds	93,791.10	67,328.36
4	Government as taxes (specify)	13,451.95	8,180.01
5	Exceptional and Extra Ordinary Expenses, if any		
6	Others, if any (Finance Cost)	29,713.08	27,535.58
7	**Total distribution of earnings**	1,69,654.23	1,31,472.06



Name of the Company:	WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED	

D4. Financial Position and Ratio Analysis (for the company as a whole)				
Sl No.	Particulars	Units	2020-21	2019-20
A.	Financial Position			
1	Share Capital	Rs. Lakhs	1,10,552.00	1,10,552.00
2	Reserves & Surplus	Rs. Lakhs	4,37,607.83	3,71,423.81
3	Long Term Borrowings	Rs. Lakhs	3,01,421.30	2,94,271.51
4	(a) Gross Fixed Assets	Rs. Lakhs	8,92,528.13	8,17,695.68
	(b) Net Fixed Assets	Rs. Lakhs	7,49,644.48	7,04,881.49
5	(a) Current Assets	Rs. Lakhs	1,57,710.80	1,03,520.33
	(b) Less: Current Liabilities	Rs. Lakhs	2,18,311.44	1,88,699.31
	(c) Net Current Assets	Rs. Lakhs	(60,600.64)	(85,178.98)
6	Capital Employed	Rs. Lakhs	8,57,878.55	7,81,723.16
7	Net Worth	Rs. Lakhs	5,48,159.83	4,81,975.81
B.	Financial Performance			
1	Value Added	Rs. Lakhs	1,63,958.89	1,24,997.19
2	Net Revenue from Operations of Company	Rs. Lakhs	1,82,898.46	1,40,817.17
3	Profit before Tax (PBT)	Rs. Lakhs	76,991.45	46,817.79
C.	Profitability Ratios			
1	PBT to Capital Employed (B3/A6)	%	8.97	5.99
2	PBT to Net Worth (B3/A7)	%	14.05	9.71
3	PBT to Value Added (B3/B1)	%	46.96	37.46
4	PBT to Net revenue from Operations (B3/B2)	%	42.10	33.25
D.	Other Financial Ratios			
1	Debt-Equity Ratio		1.00	1.00
2	Current Assets to Current Liabilities		0.72	0.55
3	Valued Added to Net Revenue from Operations	%	89.64	88.77
E.	Working Capital Ratios			
1	Raw Materials Stock to Consumption	Months	0.00	0.00
2	Stores & Spares to Consumption	Months	0.00	0.00



Name of the Company: WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

D6. Reconciliation of Indirect Taxes (for the Company as a whol

	Particulars	Taxable Value/ Assessable Value	Excise Duty/VAT, CST, Cess, Etc. / Other State Taxes, if any	Goods & Services Tax			
				CGST	SGST / UTGST	IGST	Cess and Others
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sl No	Duties/Taxes Payable						
	Excise Duty						
1	Domestic						
2	Export						
3	Stock Transfers (Net)						
4	Others, if any						
5	Total Excise Duty (1 to 4)	-	-				
6	VAT, CST, Cess etc.						
7	Other State Taxes, if any						
	Goods & Services Tax						
8	Outward Taxable Supplies (other than zero rated, Nil Rated and Exempted)	1,289.68		113.72	113.72	0.73	-
9	Outward Taxable Supplies (zero rated)						
10	Inward Supplies (liable to Reverse Charge)	489.28		29.86	29.86	0.12	
11	Other Outward Supplies (Nil Rated, Exempted)	1,42,797.51					
12	Non-GST Outward Supplies						
13	Total (8 to 12)	1,44,576.47		143.58	143.58	0.85	-
14	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	1,44,576.47	-	143.58	143.58	0.85	-
	Duties/ Taxes paid (by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be)						
	Input Tax Credit Utilised						
15	CGST / CENVAT						
16	SGST / UTGST / VAT						
17	IGST						
18	Cess						
19	Transitional Credit						
20	Others, if any, specify						-
21	Total Input Tax Credit Utilised (15 to 20)		-	-	-	-	-
22	Payment through Cash Ledger			143.58	143.58	0.85	
23	Total Duties/Taxes Paid (21 + 22)		-	143.58	143.58	0.85	-
	Difference between Taxes Paid and Payable (14 - 23)		-	0.00	0.00	0.00	-
24	Interest/Penalty/Fines Paid			0.02	0.02		

FOR DATTA GHOSH BHATTACHARYA & ASSOCIATES
COST ACCOUNTANTS
FRN - 000089

Pallab Bhattacharya

PALLAB BHATTACHARYA
PARTNER
M/20372
UDIN 21203722ZZEZH5G9WN1
Date 09.09.2021
Place : Kolkata

DATTA GHOSH BHATTACHARYA & ASSOCIATES * COST ACCOUNTANTS * KOLKATA

FOR WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Company Secretary
W.B.S.E. Transmission Co. Ltd
(A Govt. of W. B. Enterprise)

Director (F&A)
W.B.S.E.T.C.L
Bidyut Sreban, (8th Fl.)
Salt Lake, Kol - 91

WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

WBSETCL

VOLUME –III

Audited Accounts of SLDC for 2020-21

SUBMITTED TO THE

HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION

West Bengal State Electricity Transmission Company Limited
(A Government of West Bengal Enterprise)
STATE LOAD DESPATCH CENTRE
OFFICE OF THE CHIEF ENGINEER
Andul Road, Danesh Sk. Lane, Howrah-711109
Telefax – 033 2688 7697, Email – wbsldc.fin@gmail.com, Website: www.wbsldc.in

Memo No.: SLDC/WB/WBSLDC FUND/AUDIT/ **Date: 25.10.2021**

For Receipt of Letter
ACE (RAC) / WBSETCL / LR / 6065
Dated. 02-11-2021

To,
The Secretary,
WEST BENGAL ELECTRICITY REGULATORY COMMISSION,
Plot No AH/5 (2nd & 4th Floor)
Premises No: MAR16-1111, Action Area-1A
Newtown, Rajarhat,
Kolkata – 700163.

Sub: Submission of Audited Accounts of WBSLDC FUND of SLDC, West Bengal along with Auditor's Report for the FY 2020-21

Sir,

As per regulation 3 (g) (v) of the WBERC (Miscellaneous Provisions) Regulation, 2013, the audited accounts of WBSLDC Fund for the Financial Year – 2020-21 and the Auditor's Report on the above accounts are enclosed for your kind perusal.

Thanking you,

For **State Load Despatch Centre, WBSETCL**

Sd/-
C.K. Haldar
Chief Engineer

Encl: As above

Memo No.: SLDC/WB/WBSLDC FUND/AUDIT/546(1-11) **Date: 25.10.2021**

Copy forwarded to :

1. The G.M. (F&A), WBSETCL, Vidyut Bhawan, Kolkata- 700091
2. ✓ The A.C.E., RAC Cell, WBSETCL, Vidyut Bhawan, Kolkata- 700091

For **State Load Despatch Centre, WBSETCL**

Haldar 25/10/2021
C.K. Haldar
Chief Engineer

M.R.PAUL & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

Opinion

We have audited the financial statements of STATE LOAD DESPATCH CENTRE, a Unit of W.B.S.E.T.C.Ltd. of Danesh Sk Lane, Andul Road, Howrah-711109, which comprise the balance sheet as at 31st March, 2021 and the profit and loss account, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Centre as at 31st March, 2021 and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and also in adherence to the Rules and Regulations prescribed by the West Bengal Electricity Regulatory Commission time to time.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI and also in adherence to the Rules and Regulations prescribed by the West Bengal Electricity Regulatory Commission time to time. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management of the Centre is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and the results of operations of the Centre 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.

M. R. PAUL & CO. Chartered Accountants 53, N.S. Road, Kolkata - 700001

Continued to Page 2

OFFICE: 53,NETAJI SUBHAS ROAD,ROOM NO.:9&19A,KOLKATA-700001.
PHONE: 230-6398 (O), 9903101732 (M), 9831331070 (M)
EMAIL: partha_pratim_paul_2@hotmail.com / capppaul@gmail.com

Continued from Page 1

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

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Continued to Page 3

OFFICE: 53,NETAJI SUBHAS ROAD,ROOM NO.:9&19A,KOLKATA-700001.
PHONE: 230-6398 (O), 9903101732 (M), 9831331070 (M)
EMAIL: partha_pratim_paul_2@hotmail.com / capppaul@gmail.com

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

FOR M.R.PAUL & CO.
CHARTERED ACCOUNTANTS

Dated 30th September 2021
53, Netaji Subhas Road,
Kolkata-700 001

M. R. PAUL & CO. ★ 53, N.S. Road, Kolkata - 700001 ★ Chartered Accountants

(P.P PAUL)
(Proprietor)
Mem. No. 064911
FRN : 305108E

UDIN : 21064911AAAABM5512

OFFICE: *53,NETAJI SUBHAS ROAD,ROOM NO.:9&9A,KOLKATA-700001.*
PHONE: 2230-6398 (O), 9903101732 (M), 9831331070 (M)
EMAIL: *partha_pratim_paul_2@hotmail.com / capppaul@gmail.com*

STATE LOAD DESPATCH CENTRE
- A UNIT OF WBSETC LTD.

DANESH SK. LANE, ANDUL ROAD,
HOWRAH - 711109.

BALANCE SHEET AS AT 31ST. MARCH, 2021

	Note	2020-21 AMOUNT	2020-21 AMOUNT	2019-20 AMOUNT	2019-20 AMOUNT
SOURCES OF FUNDS					
Fund Balance:-					
Net Surplus	1		132140754.87		183754966.83
Deferred Government Grant:-					
Government Grant	2		10080000.00		-
			142220754.87		183754966.83
APPLICATION OF FUNDS:-					
Fixed Assets:-	3				
Gross Block		7988712.00		7955652.00	
Less: Accumulated Depreciation		4160814.85		3784250.73	
		3827897.15		4171401.27	
Capital Work in Progress		-		-	
			3827897.15		4171401.27
Current Assets, Loans & Advances:-					
Cash & Bank Balances	4	1944514210.88		1651514410.97	
Other Current Assets	5	296848422.69		272248994.21	
	(I)	2241362633.57		1923763405.18	
Less: Current Liabilities & Provisions					
Staff Related & Other Liabilities And Provisions	6	2102969775.85		1744179839.62	
	(II)	2102969775.85		1744179839.62	
Net Current Assets	[(I)-(II)]		138392857.72		179583565.56
			142220754.87		183754966.83

This Balance Sheet is that reffered to in our report on even date.
Dated: 30/09/2021
FOR M.R.PAUL & CO.
Chartered Accountants.

(P.P.PAUL)
Proprietor
Mem No.064911
FRN : 305108E

M.R. PAUL & CO. 53, N.S. Road, Kolkata - 700001 Chartered Accountants

30/09/21
Chief Engineer,
SLDC, WBSETCL
Howrah-711 109

30/09/2021
Manager (F & A)
State Load Despatch Centre
WBSETCL, Howrah

STATE LOAD DESPATCH CENTRE
- A UNIT OF WBSETC LTD.

DANESH SK. LANE, ANDUL ROAD,
HOWRAH - 711109.

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	SCHEDULE	2020-21 AMOUNT	2020-21 AMOUNT	2019-20 AMOUNT	2019-20 AMOUNT
INCOME:-					
Revenue Income	7	205195710.00		191302712.00	
Others Income	8	111853072.17	317048782.17	126803846.00	318106558.00
	(A)		317048782.17		318106558.00
EXPENDITURE:-					
Operational Expenses	9	121308638.00		79151670.00	
Establishment Expenses	10	54084320.00		42057852.00	
Administrative & General Expenses	11	4531749.57		4717287.05	
Repairs & Maintenance	12	4597395.41		8035514.39	
Other Expenses	13	9360.20		4389.00	
Depreciation	3	376564.12	184908027.30	384878.73	134351591.17
	(B)		184908027.30		134351591.17
Excess of Income Over Expenditure	[(A)-(B)]		132140754.87		183754966.83

SIGNIFICANT ACCOUNTING POLICIES 14
(Accompaying notes are an integral part of the financial Statements)

This Income & Expenditure Account is that reffered to in our report on even date.
Dated: 30/09/2021
FOR M.R.PAUL & CO.
Chartered Accountants.

(P.P.PAUL)
Proprietor
Mem No.064911
FRN : 305108E

M. R. PAUL & CO. Chartered Accountants 53, N.S. Road, Kolkata - 700001

Chief Engineer, SLDC, WBSETCL Howrah-711 109
30/09/21

30/09/2021
Manager (F & A)
State Load Despatch Centre
WBSETCL. Howrah

STATE LOAD DESPATCH CENTRE
- A UNIT OF WBSETC LTD.

DANESH SK. LANE, ANDUL ROAD,
HOWRAH - 711109.

Notes Pertaining to Financial Statements for the year ended 31.03.2021

	2020-21		2019-20	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Note 1:-				
Fund Balance:-				
As Per Last Account		18,37,54,966.83		24,07,96,938.54
Add: Excess of Income Over Expenditure		13,21,40,754.87		18,37,54,966.83
		31,58,95,721.70		42,45,51,905.37
Less: Balance Transferred to H.O Corporate Compilation Account		18,37,54,966.83		24,07,96,938.54
		13,21,40,754.87		18,37,54,966.83
Note 2:-				
Deferred Government Grant:-				
As Per Last Account		NIL		NIL
Add: Govt. Grant Received during the year		1,00,80,000.00		NIL
		1,00,80,000.00		
Less: Grant Amortised during the year		NIL		NIL
		1,00,80,000.00		NIL

Note 2.1
Government Grant Received on 31/03/2021, against Sanction Order No 10/1/2014-On Dated 20/03/2020 for the purpose of implementation of SAMAST which has not yet been utilised and hence no amortisation of Govt. Grant has been made during the year

Note 4:-				
Cash and Bank Balances:-				
Cash in Hand		NIL		NIL
Balance with HDFC Bank (A/c No.1261)		11,09,80,193.85		1,09,74,841.63
Balance with HDFC Bank (A/c No.0337)		10,20,000.00		10,00,000.00
Balance with SBI - Shalimar Branch (A/c No.2012)		146.20		10,478.20
Balance with SBI - Shalimar Branch (A/c No.9658)		1,00,80,000.00		
Balance with IDBI - Howrah Branch (A/c No.7803)		1,98,479.00		1,47,283.00
Balance with ICICI Bank -Ramrajatala Branch (A/c No.0584)		67,13,905.13		55,25,578.00
Sweep Depopsit with HDFC Bank-Auto Sweep Deposit A/c		86,68,88,092.50		68,43,03,809.14
Sweep Depopsit with SBI-Auto Sweep Deposit A/c		19,84,088.20		19,52,070.00
Sweep Depopsit with IDBI Bank-Auto Sweep Deposit A/c		5,81,87,787.00		2,31,14,291.00
Fixed Deposit with HDFC		35,99,00,000.00		39,90,00,000.00
Fixed Deposit with SBI		2,40,85,494.00		2,14,86,060.00
Fixed Deposit with IDBI		31,69,76,025.00		32,65,00,000.00
Fixed Deposit with ICICI		18,75,00,000.00		17,75,00,000.00
		1,94,45,14,210.88		1,65,15,14,410.97
Note 5:-				
Other Current Assets:-				
Income Tax - TDS		24,81,16,858.86		22,13,60,964.40
Receivable against SLDC Charges				
Receivable From WBSEDCL		28,68,860.00		
Receivable from SIIPL		5,586.00		5,586.00
Receivable from CESC		(8,33,537.00)		
Receivable against Transmission Charges				
Receivable from SIIPL		12,188.00		12,188.00
Receivable from IEX		1,906.00		1,906.00
Receivable from IPC(H)L		69,476.00		69,476.00
Receivable from ERLDC		2,86,965.00		1,04,700.00
Receivable from Tata Power		8,05,796.00		59,955.00
Receivable from RPG		58,31,174.00		7,92,528.00
Receivable from PCBL		17,01,865.00		
Receivable from Kreate Energy		5,34,746.00		(1,000.00)
Receivable from WBSEDCL				(7,26,507.00)
Interest Receivable on Fixed Deposit		2,95,58,484.60		4,26,41,360.84
Interest Receivable on Auto Sweep Deposit		71,36,496.23		70,31,654.97
Permanent Imprest with Staff		10,000.00		10,000.00
TA on Tour - Advance				21,600.00
Medical Advance		7,41,558.00		8,50,182.00
LTC & HTC - Advance				14,400.00
		29,68,48,422.69		27,22,48,994.21

Note 5.1
Balance confirmation of Fixed and Autosweep Deposits had not been available from HDFC bank. However the Interest received and accrued during the year as accounted for has been matched with the 26AS and the Interest Certificate issued by the said Bank.

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

		2020-21		2019-20	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
Note 6:-					
Staff Related Liabilities & Provisions					
Statutory Liabilities:-					
ITDS Payable			5,93,750.00		4,64,257.00
GTDS Payable			12,780.00		
Liability for Cess Deducted at Source			1,337.00		122.00
CGST Payable			15,697.28		4,349.03
SGST Payable			15,697.28		4,349.03
Sub - Total	**(A)**		6,39,261.56		4,73,077.06
Staff Related Liabilities:-					
House Building Loan (Pincipal) WBSEB			42,024.00		46,053.00
Net Salary Payable			33,33,930.00		47,96,548.00
G.P.F.			2,43,774.00		17,93,434.00
E.P.F.			4,52,522.00		18,65,001.00
Professional Tax Deducted at Source			8,600.00		9,350.00
Cooperative Thrift Fund			28,912.00		16,646.00
Recovery of E.S.I.C.			1,461.00		949.00
Recovery of G.P.F. Loan			23,333.00		2,35,071.00
Sub - Total	**(B)**		41,34,556.00		87,63,052.00
Other Liabilities & Provisions:-					
Sundry Creditors			30,23,683.93		14,13,661.36
Sundry Creditors Control Account			10,000.00		10,000.00
Deposits from Suppliers / Contractors					
Security Deposit payable to Contractors			2,27,427.40		2,44,380.00
Penalty Deducted from Supplier / Contractor			62,792.30		1,25,524.98
Liability for Expenses					
Provision for Liability for Expenses			5,15,676.82		25,34,765.46
Sundry Liabilities & Provision			1,94,18,499.00		1,94,18,499.00
Inter-unit Liability					
Inter-unit account Balance			2,07,49,37,878.84		1,71,11,96,879.76
Sub - Total	**(C)**		2,09,81,95,958.29		1,73,49,43,710.56
TOTAL	**(A)+(B)+(C)**		2,10,29,69,775.85		1,74,41,79,839.62

Note 6.1

There are some transactions recorded in the ITDS & GSTTDS Returns of the Centre which are not recorded in accounts. These transactions are made by PGCIL but are passed and recorded through the TAN and GST TDS number of the Centre in compliance to the provisions of contracts with PGCIL

Total Amount of ITDS shown in Return but not in Books	10293
Total Amount of GSTTDS shown in Return but not in Books	12564

Neither these TDS amounts nor the transactions related to such TDS have been shown in the books

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Note 6.2

GST TDS has not been deducted on payments made to M/s Central Investigation & Security Services Ltd. & DCM Vigilance & Maintenance Services Pvt. Ltd.following the departmental policy even though the total amount of payment made during the year exceeded the threshhold limit.

Note 6.3

TDS has been deducted on ULDC Charges after adjusting the rebate thereon while Gross ULDC Charges has been shown as expenditure and the rebate thereon has been separately shown as income in the Revenue and Expenditure Account.

Note 6.4

Inter-Unit Account Balance represents the amount Paybable to WBSETCL of which this centre is a unit, which is to be increased by the Net Surplus of the unit and to be reduced by the amount of attributed Fixed Assets for arriving at the actual Liability pertaining to WBSETCL at the beginning of the succeeding financial year.

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

	2020-21		2019-20	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Note 7:-				
Revenue Income:-				
SLDC Handling Charges		20,51,95,710.00		19,13,02,712.00
		20,51,95,710.00		19,13,02,712.00
Note 8:-				
Others Income				
Operating & Scheduling Charges Received				
Operating & Scheduling Charges (WBSEDCL)		5,78,000.00		3,04,000.00
Operating & Scheduling Charges (CESC)		4,63,928.00		3,46,000.00
Operating & Scheduling Charges (Tata Power)		9,44,791.00		6,06,878.00
Operating & Scheduling Charges (PCBL)		1,95,690.00		96,340.00
Operating & Scheduling Charges (RPG / CPL)		14,57,449.00		2,71,145.00
Operating & Scheduling Charges (IPSC)		2,29,000.00		2,66,000.00
Operating & Scheduling Charges (IEX)				1,427.00
Operating & Scheduling Charges (ERLDC)		28,14,000.00		40,01,000.00
Operating & Scheduling Charges (Kreate Energy)		7,916.00		98,957.00
Interest Income				
Interest on Fixed Deposit		5,18,95,929.54		7,73,27,095.00
Interest on Autosweep Deposit		4,82,33,817.63		3,88,59,588.00
Miscellaneous Receipts				
Non-Refundable Application Fees For Open Access		34,15,000.00		39,50,000.00
Rental From Staff Quarter		6,01,704.00		2,64,829.00
Rental From Contractors		10,020.00		11,910.00
Recovery of Transport Facilities		8,840.00		12,480.00
Rebate on ULDC Charges		9,96,940.00		3,79,027.00
Other Receipts (Power Exchange & Misc.)		47.00		90.00
Sale of Tender paper		-		7,080.00
		11,18,53,072.17		12,68,03,846.00
Note 9:-				
Operational Expenses:-				
ULDC Charges		12,13,08,638.00		7,91,51,670.00
		12,13,08,638.00		7,91,51,670.00

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

	2020-21		2019-20	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Note 10:-				
Establishment Expenses:-				
Salary - Officers		3,42,97,033.00		1,81,99,838.00
Salary - Staffs		29,97,985.00		15,32,210.00
Salary - Retired Re-employed Persons				1,02,000.00
Overtime		54,035.00		1,17,570.00
D.A. - Officers		36,96,199.00		1,32,66,381.00
D.A. - Staffs		3,30,560.00		11,31,506.00
H.R.A. - Officers		49,37,689.00		29,77,350.00
H.R.A. - Staffs		4,62,594.00		2,71,402.00
Electricity Allowances - Officers		6,45,300.00		4,49,400.00
Electricity Allowances - Staffs		1,02,600.00		77,200.00
Medical Allowances - Officers		2,20,500.00		1,19,400.00
Medical Allowances - Staffs		42,000.00		22,900.00
Other Allowances - Officers		28,514.00		1,38,980.00
Other Allowances - Staffs		10,700.00		3,600.00
Bonus (Specific)		2,66,000.00		2,52,000.00
Bonus / Special Payment to Staff		49,000.00		49,000.00
Medical Expenses Reimbursement - Officers		3,60,350.00		4,63,441.00
Medical Expenses Reimbursement - Staffs				55,626.00
Night Shift Allowances - Officers		3,25,300.00		1,26,550.00
Night Shift Allowances - Staffs		7,650.00		525.00
L.T.C. - Officers		36,621.00		39,939.00
L.T.C. - Staffs		6,634.00		2,650.00
E.L.Encashment - Officers		20,59,763.00		13,69,828.00
E.L.Encashment - Staffs		1,06,851.00		78,950.00
Canteen Expenses		60,000.00		60,000.00
Public Relation Allowances		16,200.00		12,850.00
Other Wellfare Expenses (Misc.)		3,000.00		1,863.00
Incentive to Direct Employees		18,832.00		5,46,313.00
Leave Encashment at Retirement		29,10,170.00		5,88,580.00
Transfer Grant		32,240.00		
		5,40,84,320.00		4,20,57,852.00
Note 11:-				
Administrative & General Expenses:-				
Security Expenses (Night & Home Guard)		10,83,926.06		10,41,515.00
Telephone & Mobile Expenses		99,584.61		1,32,266.14
Postage & Telegram		1,175.00		1,401.00
Consultancy Charges		2,12,400.00		2,12,400.00
Audit Fees & Expenses		70,631.80		38,090.00
H.R.D. Training Expenses				47,012.00
Expenses for Conferences		9,517.00		53,587.00
Travelling Expenses		3,814.00		1,96,351.00
Vehicle Running Expenses (Petrol & Oil)		6,54,884.29		5,35,167.45
Vehicle Hire Charges		8,23,153.99		6,66,977.46
Printing Expenses				29,043.50
Office Stationery		44,548.00		40,059.00
Water Charges (HMC)		1,66,340.00		3,70,484.00
Expenses for Part Time Employees & Outsourced Manpower		13,26,317.82		13,14,571.00
Hospitality, Food & Beverage Supply		565.00		1,774.00
Fees & Subscription		1,180.00		
Festival Celebration		10,197.00		14,204.00
Books & Periodicals				3,660.00
Rent, Rates & Taxes		7,200.00		4,601.00
Out of Pocket Expenses		3,560.00		1,384.00
ESI - For Part Time Workers		12,755.00		12,739.00
Discount / Rupee R/O				0.50
		45,31,749.57		47,17,287.05

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

	2020-21		2019-20	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Note 12:-				
Repairs & Maintenance:-				
Repairs of Office Building		1,76,691.60		4,62,144.66
Repairs of Residential Colony		1,02,076.99		55.00
Repairs of Other / Misc. Equipments		1,98,911.80		3,07,764.47
Repairs of Computer Software		18,50,785.52		4,11,111.52
Computer & Peripheral Accessories (Including AMC)		22,68,929.50		68,54,438.74
		45,97,395.41		80,35,514.39
Note 13:-				
Other Expenses:-				
Bank Charges (Others)		9,360.20		4,389.00
		9,360.20		4,389.00

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

Note 3

SL. NO.	NAME OF ASSETS	RATE OF DEPN.	GROSS BLOCK					DEPRECIATION					NET BLOCK AS ON 31.03.21
			Book value as on 01.04.20	Additions during the year	Prior Period Adjustment	Deduction during the year	Book value as on 31.03.21	Total Depreciation Upto 01.04.20	Add /(Less) Adjustments for Prior Period Depreciation	Add: Prov. for Current Year Depreciation	Total Dep. Charged For year ended 31.03.2021	Total Depreciation Upto 31.03.21	
			(a)	(b)		(c)	(d)=(a+b+c)	(e)	(f)	(g)	(h) = (f+g)	(i)= (e+h)	(j)=(d-i)
1	Plant & Machineries		1646140.00			NIL	1646140.00	1315984.00		16822.88	16822.88	1332806.88	313333.12
2	Furniture & Fixture		4322757.00	23060.00		NIL	4345817.00	1179686.10		234019.38	234019.38	1413705.48	2932111.52
3	Other Equipments		565298.00	10000.00		NIL	575298.00	443762.63		16850.72	16850.72	460613.35	114684.65
4	Computer		1421457.00			NIL	1421457.00	844818.00		108871.14	108871.14	953689.14	467767.86
	TOTAL		7955652.00	33060.00	0.00	NIL	7988712.00	3784250.73	0.00	376564.12	376564.12	4160814.85	3827897.15

Notes Pertaining to Financial Statements for the year ended 31.03.2020

Note 3

SL. NO.	NAME OF ASSETS	RATE OF DEPN.	GROSS BLOCK					DEPRECIATION					NET BLOCK AS ON 31.03.20
			Book value as on 01.04.19	Additions during the year	Prior Period Adjustment	Deduction during the year	Book value as on 31.03.20	Total Depreciation Upto 01.04.19	Add /(Less) Adjustments for Prior Period Depreciation	Add: Prov. for Current Year Depreciation	Total Dep. Charged For year ended 31.03.2020	Total Depreciation Upto 31.03.20	
			(a)	(b)		(c)	(d)=(a+b+c)	(e)	(f)	(g)	(h) = (f+g)	(i)= (e+h)	(j)=(d-i)
1	Plant & Machineries		1646140.00			NIL	1646140.00	1296898.00		19086.00	19086.00	1315984.00	330156.00
2	Furniture & Fixture		2737545.00	1585212.00		NIL	4322757.00	986430.00		193256.10	193256.10	1179686.10	3143070.90
3	Other Equipments		559299.00	5999.00		NIL	565298.00	422569.00		21193.63	21193.63	443762.63	121535.37
4	Computer		1421457.00			NIL	1421457.00	693475.00		151343.00	151343.00	844818.00	576639.00
	TOTAL		6364441.00	1591211.00		NIL	7955652.00	3399372.00	0.00	384878.73	384878.73	3784250.73	4171401.27

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Notes Pertaining to Financial Statements for the year ended 31.03.2021

Note 14:-

Significant Accounting Policies

14.1 Basis of accounting and preparation of financial statements:

(i) State Load Despatch Center (SLDC) was established by the Government of West Bengal under subsection (1) of Section 31 of the Electricity Act 2003 on 20/04/2006 and is guided by the regulations framed by Hon'ble West Bengal Electricity Regulatory Commission (WBERC).

(ii) The financial statements have been prepared on accrual basis under the historical cost convention.

(iii) The financial statements have been prepared in accordance with accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

(iv) The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materials.

14.2 Fixed Assets & Depreciation

All the Fixed Assets used and / or controlled by SLDC belongs to WBSETCL and as such no account is maintained for fixed assets in the books of SLDC. The amount of Fixed Assets along with the amount of Accumulated Depreciation shown in the Balance Sheet of the SLDC represent the Written Down Value of the assets used by SLDC and allocated by WBSETCL, for the purpose of ascertaining the true and fair view of the state of affairs of the SLDC as a unit of the WBSETCL.

14.3 Government Grant

Government Grant received during the year for the purpose of Implementation of Scheduling, Accounting, Metering and Settlement of Transaction in Electricity (SAMAST) system in West Bengal has been disclosed under the head Deferred Government Grant in the liability side of the Balance Sheet. The Grant received during the year had been kept in a separate Bank account which was remained unutilised till 31st March 2021. As the grant is related to depreciable assets, hence the grant will be amortised by charging to income over the period of life of the related assets and in the proportions in which depreciation on related assets will be charged.

14.4 Income Recognition

(i) **Revenue Income from Operation**

Revenue Income of the SLDC from operational activities consists of SLDC Handling Charges, Scheduling Charges and non-refundable Application Fees. Revenue from SLDC Handling Charges and Scheduling Charges are collected based on the tariff fixed by Hon'ble WBERC. Apart from those, transmission charges is collected by the SLDC on behalf of WESETCL based on the tariff fixed by Hon'ble WBERC and is periodically transferred to WBSETCL along with collections from Meter Rent and adjusted through Inter Unit Account.

(ii) **Provision for all known liabilities**

All the expenditures incurred by the Centre are recognised on Accrual basis and excess of income over expenditure has been arrived at after making provisions for all known liabilities

14.5 TDS on Provision of Expenses

The SLDC, a unit of WBSETCL, maintains the acccounts on accrual basis. To maintain the accounts on accrual basis, certain expenses have to be accounted for in the relevant financial year on estimated basis to bring true and fair financial pictures. As the payee name in some cases were not known at the time of making provisions, no Tax has been deducted at source against Provision of such Expenses

14.6 Regrouping and Rearrangement of Previous Year Figures

Previous year figures have been regrouped and rearranged to make them comparable with the current year figure.

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