



West Bengal State Electricity Distribution Company Limited

(A Govt. of West Bengal Enterprise)

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

CIN: U40109WB2007SGC113473; website: www.wbsedcl.in

Memo. No. A/Bond/DCL/58/BSE/ 189

Date: 13.07.2022.

To

The Manager – Deptt. Of Corporate Services,

Bombay Stock Exchange,

PJ Towers, (Floor – 25th)

Dalal Street,

Mumbai – 400 001.

Sub:Submission of Revised Independent Auditors'Report (Annexure 'B' and 'C') following the submission of Audited Standalone and Consolidated Financial Results for the Financial Year ended 31.03.2022 made on 27.05.2022.

Ref: Company Code:10007.

Sir/Madam,

In terms of Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting the Revised Annexure 'B' and 'C' of Independent Auditors Report herewith after approval in the Board meeting held on 13.07.2022.The earlier Report was submitted on 27.05.2022.

This is for your information and record.

Thanking you.

Enclosure: As stated.

Yours faithfully,

Aparna Biswas.
Aparna Biswas 13/07/22

Company Secretary & Compliance officer

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WBSedCL

Annexure 'B' to the Independent Auditor's Report

(In terms of CAG Letter Reference No.OA(TSC)/SA/143(5)/2022-23/151 dated 15.06.2022 on Directions along with sector specific sub directions.)

Matters to be reported under general directions of CAG of India under Section 143(5) of the Companies Act, 2013:

I. Accounting through IT System.

Direction: 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?

Observations: Company has adequate system to process all accounting transactions through IT System. The company prepares the Financial Statements from the data extracted from SAP-ERP using T-Code F.01.

II. Waiver/Write-off of debts/loan/interest.

Direction: 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. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of the lender Company).

Observations: The company has defaulted in payment against the Government Guaranteed Pension Trust Bond 2016 to the extent of Rs.117300 lakhs which was payable to the Employees Pension Trust Fund within 31.03.2022.



III. Utilization of funds received/receivable

Directions: Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. In addition the auditor is required to comply with any Additional Company / Sector Specific directions issued under section 143(5) of The Companies Act, 2013 by the field office entrusted with the supplementary audit of the company.

Observations: The Company receives substantial grants from Government for various projects. There are underlying conditions about the manner of utilization of funds and the manner to keeping the unutilized funds pending utilization. The unutilized State Government funds and Loans for long term projects have been deposited in Cash Credit Account to reduce the outstanding balances thereof. Further, the unutilized funds have been kept in Fixed Deposits with Scheduled Banks, which have been pledged with those banks as security against Short Term Loans availed from them.

Reply to Sector Specific Directions issued under Section 143(5) of The Companies Act, 2013 has been attached.



Matters to be reported under Sector Specific Sub-directions of CAG of India under section 143(5) of the Companies Act, 2013.

Sub-direction: Report on the efficacy of the system of billing and collection of revenue in the company.

Observation: The company is operating at a billing efficiency which is in the tune of 84.83 %. The low billing efficacy in the state are more noticeable in rural areas. There is huge accumulation of outstanding having tenure more than 1 year. Recoverability of such debtors appears difficult considering the past trend of realization of old outstanding. On the positive side, we noticed a significant increase in digital bill payments by urban consumers.

Sub-direction: Where land acquisition is involved in setting up new projects, report whether settlements of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.

Observations: In cases involving setting up new projects, the Company follows the policy/guidelines issued by the state government and settlement is done accordingly and no apparent deviation could be observed as such.

Sub-direction: In the case of Hydroelectric Projects the water discharge is as per policy/ guidelines issued by the State government to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.

Observations: The Company follows the policy/guidelines issued by the state government for water discharge from hydroelectric projects to maintain biodiversity and it has not paid any penalty for violation of any rules or policies in this respect.



Sub-direction: How much cost has been incurred on abandoned projects and out of this how much cost has been written off?

Observations: The Company had undertaken 125MW Ph-1 Solar Park Project at Dadanpatrabar.Mania ,Dakshin Purushtampur under Ramnagar -II Block at Purba Medinipur District ,West Bengal with Budgetary provision of Rs 750.00 Crore .The project was to be funded by KFW Development Bank ,Germany.to the extent of Rs 600.00 Crore and the balance Rs 150.00 crore was proposed to be funded by the Government of West Bengal through issue of equity shares to WBSEDCL .Subsequently ,however, the West Bengal Industrial Development Corporation (WBIDC) vide letter reference DO.No.379-SEC/AEC /2020 dated 07.09.2020(Signed on 7.9.2021 by CEO &MD) ,directed that the land earmarked for Solar Park Project would be used for construction of Deep Sea Port at Tajpur .For soil Embankment work of this project necessary order was placed to Tansam Engg. & Constn Co.Ltd for the amount Rs.37.80 crore. Later on the embankment work was short-closed due to abandonment of this project due to construction of deep sea port and shifting of the project to Goaltore Paschim Medinipur. Total short closed value of the vendor comes to Rs. 27.78 crore(against which a payment of Rs6.29 crore has already been paid through the equity raised in FY 2021-2022) . The company -WBSEDCL intimated to the Government of West Bengal for requisition of funds towards balance amounting to Rs 21.49 crore consequent to the abandonment of this Solar Park Project.

Since the amount is to be reimbursed by the Government of West Bengal, the company has explained to have not incurred any loss on account of this abandoned project and hence neither any expenditure is written off nor provided for in the books of accounts of the company.

Sub-direction: Compliance with respect to guidelines and instructions circulated by the Department of Public Enterprises regarding Corporate Social Responsibility (CSR) Activities have been followed while incurring expenditure on account of CSR.

Observations: The Company falls within the purview of the Companies Act, 2013. The Position is as follows:-

- (i) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (ii) Rs 72,25,197 remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant ongoing projects, has been transferred to special account in compliance with the provision



of sub-section (6) of section 135 of the said Act.

Since the company is a state government undertaking and not a Central Public Sector Enterprises the guidelines issued by The Department Of Public Enterprises is not applicable to the company.

For J GUPTA & CO.LLP
Chartered Accountants
FRN: 314010E/E300029



H K Datta
Partner
Membership Number: 012208

Kolkata,
June 28, 2022.

Annexure 'C' to the Independent Auditor's Report

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For J GUPTA & CO.LLP
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H K Datta
Partner

Membership Number: 012208

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