

**Notes to reviewed Financial Results for the half year ended
31st March 2017 of West Bengal State Electricity
Distribution Company Limited**

Annexure :N

1. The Company is a Government Company and the entire paid-up share capital is being held by the Governor of West Bengal and His nominees. The Company commenced its operation from 1st April 2007.
2. The above results were reviewed and recommended by the Audit Committee of the Board of Directors in its meeting held on 12th May 2017 and approved by the Board of Directors in its meeting held 13th May 2017.
3. The limited review of the unaudited financial results for the half year ended on 31st March, 2017 was carried out by the Statutory Auditor of the Company as required under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended. The Company adopted Ind AS from 1st April 2016, with date of transition as 1st April 2015. Financial Results of all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS.
5. Other comprehensive income of Rs 7198 lakhs [Previous year Rs 3378 lakhs] comprises of gain/(loss) arises out of actuarial valuation on employee benefit has been taken out from employee cost and shown separately as per requirement of Ind AS. If it is not taken out from employee cost, net profit for the period would have been Rs 3309 lakhs (Previous year Rs 2157 lakhs).
6. A net sum of Rs 111104 lakhs (Previous year Rs 213563 lakhs) has been considered as per Regulation in the accounts of 2016-17 as Income Receivable through Regulatory Mechanism on account of Fuel & Power Purchase Cost Adjustment (FPPCA) and Annual Performance Review (APR) for the period from April 2016 to March 2017 for which necessary petition will be submitted to the WBERC in due course.

The Receivable through Regulatory Mechanism considered in the accounts of 2016-17 though the relevant orders have not been received from the Regulatory Authority. It is presumed that favorable orders for the full amount will be available. In the event of any variation in the orders of WBERC, adjustment of net profits and regulatory assets may be necessitated to the extent of such variation.

7. The reconciliation of Net Profit previously reported (referred to as previous GAAP) and Ind AS for the half year ended 31.03.2016 is presented as under.

Sl no	Particulars	Six months ended 31.03.2016
		(Rs in lakhs)
1	Net profit after tax as per previous GAAP	1233
2	Impact on fair value of long term liability	(2323)
3	Other Comprehensive Income (net of tax)-Re measurement (Gain)/Losses on defined benefit plan	(5688)
4	Others	(850)
5	Net Impact on Regulatory Deferral account	3173
6	Net Profit after Tax as per Ind AS	(4455)
7	Other Comprehensive Income-Re measurement (Gain)/Losses on defined benefit plan	5688
8	Total Comprehensive income (after Tax) as reported under Ind AS	1233

- (8) Reconciliation between total Equity reported under previous GAAP and Ind AS for the year is presented as under:

Sl no	Particulars	Equity as on 31.03.2016
		(Rs in lakhs)
1	Total Equity as per previous GAAP	862034
2	Ind AS adjustment	
3	Subsidies, Grants and Consumers Contribution towards Cost of Capital Assets	(625925)

4	Liability for Capital Supplies / Works recognised as grant	5254
5	Transaction cost on Capital bonds	(16)
6	Notional interest on long term liability	(15154)
7	Others	1721
8	Adjustment with Regulatory Deferral Account	8127
9	Total Ind AS adjustment	(625993)
10	Total Equity as per Ind AS	236041

(9) Total value of secured, redeemable, non-convertible bonds issued by the company on private placement basis is Rs 100000 lakhs. These securities are listed with Bombay Stock Exchange in Wholesale Debt Market. Debenture Redemption Reserve has been created.

(10) Latest credit rating of listed Bonds is 'CARE BBB+'.

(11) The Company is engaged in the Business of Distribution of Electricity and insignificant generation of Hydro and Solar-Electricity and hence segment reporting is not required.

(12) Formula used for computation of Ratios: Debt Service Coverage Ratio: Net Operating Profit/Total Debt Services and Interest Service Coverage Ratio: Net Operating Profit/Gross Interest Expenses.

(13) The previous period's figures have been regrouped / reclassified wherever necessary to confirm current period's classification.

(14) Ratios are calculated on annualized basis.

For De & Bose
Chartered Accountants
FR No. 302175E

Subrata De

(Subrata De)
Partner

(Membership No:054962)

Place: Kolkata

Date: 13th May, 2017



For West Bengal State Electricity
Distribution Company Limited

Rajesh Pandey
(Rajesh Pandey)

Chairman and Managing Director
Rajesh Pandey, IAS

CMD, WBSE Distribution Co. Ltd.
(A Govt. Of West Bengal Enterprise)

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
Unaudited Financial Results for the Half Year ended 31st March 2017

Particulars	Half year ending 31/03/2017	Half year ending 31/03/2016	Year to date figure for the current period ended 31/03/2017	Year ended 31/03/2016
	(Rs. in lakhs)			
	Reviewed			Audited
1 Revenue from Operations	851052	718820	1790174	1581392
Other Operating Income	35025	24798	55792	41750
Other Income	13993	15650	33540	27152
Total Revenue	900070	759268	1879506	1650294
2 Expenses	0			
Purchase of Power & Transmission Charges	707061	644362	1489614	1379896
Change in Swap of Power	0	10288	0	10288
Employee Benefit Expenses	72801	64106	134450	120571
Finance Cost	84023	80151	171815	159906
Depreciation	51538	42338	95009	81821
Other Expenses	50246	60416	101816	111236
Total Expenses	965669	901661	1992704	1863719
3 Profit/(Loss) exceptional & extraordinary item and Tax (1-2)	(65599)	(142393)	(113197)	(213425)
4 Exceptional Items	0	0	0	0
5 Profit/(Loss) before exceptional item and Tax (3-4)	(65599)	(142393)	(113197)	(213425)
6 Extraordinary items	0	0	0	0
7 Profit/(loss) before net movements in Regulatory Deferral account balance & Tax (5+6)	(65599)	(142393)	(113197)	(213425)
8 Net movements in Regulatory Deferral account balance related to Profit & Loss account	75086	137938	111104	213563
9 Profit/(loss) after net movements in Regulatory Deferral account balance & Tax (7+8)	9487	(4455)	(2093)	138
10 Tax expenses				
Current Tax	797	0	259	639
Deferred Tax	0	0	0	0
11 Net Profit/(loss) for the period & net movements in Regulatory Deferral account balance (9-10)	8690	(4455)	(2353)	(501)
12 Other Comprehensive Income-Items that will not be reclassified to Profit & Loss account				
Remeasurement of post employment benefit obligation	(6438)	6515	7198	3378
Income Tax relating to post employment benefit obligation	0	827	1536	721
Other Comprehensive Income for the year net of tax	(6438)	5688	5662	2658
13 Total Comprehensive Income for the period (11+12) [Comprising Profit/(Loss) and other Comprehensive Income for the period	2252	1233	3309	2157
14 Paid up Debt Capital	1260355	1391042	1260355	1391042
15 Reserves excluding Revaluation Reserves (As per last Balance Sheet)	13676	10367	13676	10367
16 Debenture Redemption Reserve	9115	7448	9115	7448
17 Earnings Per Share (EPS)				
Basic & Diluted EPS before extraordinary items and Net movement of Regulatory Deferral account balance (Rs) (not annualised)	(2.91)	(6.31)	(5.02)	(9.46)
Basic & Diluted EPS after extraordinary items and Net movement of Regulatory Deferral account balance (Rs) (not annualised)	0.39	(0.20)	(0.10)	(0.02)
18 Debt Equity Ratio	4.64	5.50	4.64	5.50
19 Debt Service Coverage Ratio	0.70	1.36	0.70	1.36
20 Interest Service Coverage Ratio	1.59	1.57	1.59	1.57
21 Net Worth	214735	213093	214735	213093

Notes as per Annexure N attached
In terms of our Report of even date

For De & Bose.
Chartered Accountants
FR.No. 302175E

Subrata De
Subrata De
Partner
Membership no. 054962



Place: Kolkata
Date: 13 th May 2017

For West Bengal State Electricity Distribution Company Limited

Rajesh Pandey
(Rajesh Pandey)

Chairman and Managing Director
CMD, WBSE Distribution Co. Ltd.
(A Govt. Of West Bengal Enterprise)