

***THIS SUPPLEMENTARY ANNUAL REPORT FOR FY 2020-21 OF WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) IS MADE UP OF THE REVISED REPORT OF BOARD OF DIRECTORS, THE CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF AUDITORS THEREON.***

## **REVISED DIRECTORS' REPORT**

The Directors have pleasure in presenting an addendum to the Fourteenth Annual Report together with the Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021.

### **Compliance of Section 129, 134 and 395(1) of the Companies Act, 2013 regarding Consolidated Financial Statements for the financial year ended 31st March, 2021.**

WBSEDCL is a Government Company under Section 2(45) of the Companies Act, 2013 and shares are held by the Hon'ble Governor of West Bengal and His nominees. The WBSEDCL holds 17,50,000 Equity Shares of Rs.10/- each equivalent to 35% of equity share capital in West Bengal Green Energy Development Corporation Limited ("WBGEDCL"). Therefore, WBGEDCL is the Associate Company of WBSEDCL as per Section 2(6) of the Companies Act, 2013.

Section 129(3) of the Companies Act., 2013 provides for Consolidation of Financial Statement of the Company along with its Associate Company for laying of the same before the shareholders in the Annual General Meeting of the Company.

Section 134 of the Companies Act., 2013 provides that the financial statement including consolidated financial statements should be approved by the Board of Directors before they are signed and submitted to auditors for their report. A signed copy of every financial statement shall be circulated, issued or published along with all notes or documents, the auditor's report and Board's report.

Further, Section 395(1) of the Companies Act, 2013 provides that, where a State Government is a member of Government company, that State Government shall cause an annual report on the working and affairs of the company to be (a) prepared within the time specified in sub-section (1) of section 394; and (b) as soon as may be after such preparation, laid before the House or both Houses of the State Legislature together with a copy of the audit report and comments upon or supplement to the audit report referred to in sub-section (1) of that section.

The Company had not prepared Consolidated Financial Statement (CFS) for the financial year ending 31.03.2021 along with the Standalone Financial Statement for financial year ending 31.03.2021. Reason for non-preparation of CFS was also disclosed in Note no.: 44(iii) of Standalone Financial Statement of FY-2020-21 which stated that:

*The Consolidated financial statement of the Group was not prepared due to non availability of Management Certification/ Financial Statement for the Joint Venture Company, WBGEDCL.*

The audited Standalone Financial Statement for FY 2020-21 was duly approved by the Board of WBSEDCL on 15.09.2021 and submitted to BSE Ltd. (Bombay Stock Exchange) on 15.09.2021.

The said Accounts and the Report of the Statutory Auditor dated 15.09.2021 were submitted to the office of the Accountant General (Economic and Revenue Sector Audit) on 20.09.2021, W.B for supplementary audit and for their comments, if any.

The Annual General Meeting (AGM) for the financial year ending 31.03.2021 was held on 23.12.2021 and adjourned as the Comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on the Standalone Financial Statements for the year ended 31st March, 2021 had not been received by the Company. The C&AG issued its final comments under section 143(6)(b) of the Companies Act, 2013 on the Standalone Financial Statements of WBSEDCL for FY 2020-21 on 21.02.2022 vide Memo no. OA (AMG-IV)/Accounts/WBSEDCL/2020-21/383.

The comments of C&AG along with management response for FY 2020-21 were placed before the Board of Directors of the Company and in its Adjourned AGM both held on 16.03.2022. Form AOC4 for FY 2020-21 was submitted to Registrar of Companies (ROC) on 28.03.2022, wherein it has been submitted that there is no CFS for FY 2020-21. AOC-4 for CSR was submitted on 31.03.2022.

On 21.02.2022 one Letter vide no. TSC/Acctts/Arrears/2021-22/392 addressed to the Addl. Chief Secretary, Department of Power, GoWB was received from the office of the Principal Accountant General (Audit-II), WB regarding "Arrear accounts of Companies". The said letter

interalia stated that the CFS of WBSEDCL for FY 2020-21 was arrear as on 30.12.2021 and requested to intimate a time bound programme for finalisation of arrear accounts.

Another letter addressed to the Chief Financial Officer (CFO), WBSEDCL was received from the office of the Principal Accountant General (Audit-II), WB on 05.07.2022 mentioning non submission of CFS for the FY-2020-21 and requested to prepare CFS of FY-2020-21 and submit before C&AG.

As per directive of the letter dated 05.07.2022 of C&AG, WBSEDCL had prepared the CFS for the FY-2020-21 and the same was approved by the Board of Directors, WBSEDCL in its meeting held on 13.07.2022, which was submitted to the office of the Accountant General (Audit-II), West Bengal on 13.07.2022 for supplementary audit of the same. The Comments of C&AG under Section 143(6)(b) of the Companies Act, 2013 on the CFS for the year ended 31<sup>st</sup> March, 2021 were received vide Memo No. OA(AMG-IV)/Accounts/WBSEDCL(CFS)/2020-21/466 dated 07.09.2022.

To rectify and remove the defect for non-preparation, and non-filing of Consolidated Financial Statement of the Company for the Financial Year 2020-2021, the Companies Act, 2013 provides for revision of financial statements or Board's report under Section 130 and Section 131. Section 130 deals with Re-opening of accounts on court's or Tribunal's orders. Section 131 deals with voluntary revision of financial statements or Board's report.

WBSEDCL opted for Voluntary revision of financial statements or Board's report as provided in Section 131 of the Companies Act 2013 which reads as under:

**Section 131: Voluntary revision of financial statements or Board's report**

*(1) If it appears to the directors of a company that—*

*(a) the financial statement of the company; or*

*(b) the report of the Board,*

*do not comply with the provisions of section 129 or Section 134 they may prepare revised financial statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Tribunal on an application made by the company in such form and manner as may be prescribed and a copy of the order passed by the Tribunal shall be filed*

*with the Registrar:*

*Provided that the Tribunal shall give notice to the Central Government and the Income tax authorities and shall take into consideration the representations, if any, made by that Government or the authorities before passing any order under this section:*

*Provided further that such revised financial statement or report shall not be prepared or filed more than once in a financial year:*

*Provided also that the detailed reasons for revision of such financial statement or report shall also be disclosed in the Board's report in the relevant financial year in which such revision is being made.*

*(2) Where copies of the previous financial statement or report have been sent out to member or delivered to the Registrar or laid before the company in general meeting, the revisions must be confined to—*

*(a) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134; and*

*(b) the making of any necessary consequential alternation.*

*(3) The Central Government may make rules as to the application of the provisions of this Act in relation to revised financial statement or a revised director's report and such rules may, in particular—*

*(a) make different provisions according to which the previous financial statement or report are replaced or are supplemented by a document indicating the corrections to be made;*

*(b) make provisions with respect to the functions of the company's auditor in relation to the revised financial statement or report;*

*(c) require the directors to take such steps as may be prescribed.*

Accordingly, Company filed a petition under Section 131 of Companies Act, 2013 read with Rule 77 of the National Company Law Tribunal Rules, 2016 for revision of financial statement of F.Y.-2020-21, vide CP-341/KB/2022 before the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT).

NCLT pronounced Order dated 12.02.2024 passed in C.P. No. 341/KB/2022 the matter of West Bengal State Electricity Distribution Company Limited -Vs- Regional Director, Eastern Region, Ministry of Corporate Affairs under Section 131 of the Companies Act, 2013.

A certified copy of the Order dated 12.02.2024 of the NCLT has been filed with the Registrar of Companies in Form INC-28 on 20.02.2024.

#### **PERFORMANCE OF ASSOCIATE:**

##### **West Bengal Green Energy Development Corporation Limited (WBGEDCL):**

The Company is an equity partner in WBGEDCL. The participation of the Company in WBGEDCL is 35% of the Paid up capital equivalent to Rs.1.75 crore.

Highlights of financial performance of WBGEDCL:

(Amount in Rs.)		
<b>Particulars</b>	<b>For the year 31.03.2021 (Audited)</b>	<b>For the year 31.03.2020 (Audited)</b>
Total Revenue	1,56,38,290	5,49,22,610
Total Expenses	3,29,25,568	5,59,29,601
Profit / (Loss) for the year	(1,72,87,278)	(10,06,991)
Equity share capital	4,99,99,990	4,99,99,990
Retained earnings (Reserve)	(6,00,32,388)	(4,02,53,210)
Property Plant and Equipments	3,38,40,779	5,41,81,361
Long term Borrowing	8,18,34,568	8,18,34,568

Considering volume of business of WBSEDCL it may be stated that financial performance of WBGEDCL have very insignificant impact on the overall performance of WBSEDCL.

#### **ACKNOWLEDGEMENT:**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

Your Directors wish to place on record their appreciation for the support and co-operation your Company has received from Government of West Bengal, particularly the Department of Power, Ministry of Corporate Affairs, Govt. of India, National Company Law Tribunal, Kolkata Bench, Comptroller & Auditor General of India, Auditors, Consultants and all other stakeholders.

Date: 27.02.2024

Place: Vidyut Bhavan,  
Sector-II, Block- DJ,  
Bidhannagar,  
Kolkata- 700 091

On behalf of the Board

  
(Santanu Basu)  
Chairman & Managing Director

DIN : 07218581