

# Annual Report 2016-17



**WEST BENGAL INFRASTRUCTURE  
DEVELOPMENT FINANCE CORPORATION LTD.**



## CSR Projects in 2016-2017



Ramakrishna Sarada Mission  
Matri Bhavan, Kolkata

Ramakrishna Sarada Mission  
Matri Bhavan, Kolkata



Ramakrishna Sarada Mission  
Matri Bhavan, Kolkata

Ramakrishna Sarada Mission  
Matri Bhavan, Kolkata





# Annual Report 2016-2017



**WEST BENGAL INFRASTRUCTURE  
DEVELOPMENT FINANCE CORPORATION LTD.**

REGD. OFFICE : 36A, HEMANTA BASU SARANI, KOLKATA - 700001

## WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION LTD.

(Wholly owned by the Government of West Bengal)

### REGISTERED OFFICE

36A, Hemanta Basu Sarani  
Kolkata- 700001

### BANKERS

1. Punjab National Bank
2. Union Bank of India
3. Bank of India
4. Bank of Baroda
5. United Bank of India
6. IDBI Bank
7. Yes Bank
8. ICICI Bank
9. IndusInd Bank
10. Axis Bank
11. Kotak Mahindra Bank
12. Indian Bank
13. HDFC Bank

### SECRETARIAL AUDITORS

Vinod Kothari & Co.  
Company Secretaries  
1006-1009, Krishna Building  
224, A.J.C. Bose Road, Kolkata - 700 017

### STATUTORY AUDITORS

Roy Ghosh & Associates  
Chartered Accountants  
3, C R Avenue, Bharat Bhawan  
1<sup>st</sup> Floor, Kolkata - 700 072

### ADMINISTRATIVE OFFICE

'Mangalam' Building, Block-A, 1<sup>st</sup> Floor  
24, Hemanta Basu Sarani  
(Formerly Old Court House Street)  
Kolkata - 700 001  
Phone : (033) 2210-5436  
Fax : (033) 2210-5437  
Email : [wbidfc@wbidfc.co.in](mailto:wbidfc@wbidfc.co.in)  
Website : [www.wbidfc.co.in](http://www.wbidfc.co.in)

### BOND TRUSTEE

Axis Trustee Services Limited  
Axis House, 2nd Floor,  
Wadia International Centre,  
Pandurang Budhkar Marg, Worli,  
Mumbai - 400025

### REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited  
Registered Office :  
Karvy House, 46, Avendu 4,  
Street No. 1, Banjara Hills,  
Hyderabad - 500 034

### SOLICITORS

1. Fox & Mandal  
12, Old Post Office Street  
B.B.D. Bagh, Kolkata - 700 001
2. Sandersons & Morgans  
5, Netaji Subhas Chandra Bose Road,  
B.B.D. Bagh Kolkata - 700 001



## WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION LTD.

(Wholly owned by the Government of West Bengal)

### BOARD OF DIRECTORS



**Dr. Abhirup Sarkar**  
Professor,  
The Indian Statistical Institute, Kolkata

Chairman



**Smt. Rita Mukherjee**  
Retired Banker

Independent Director



**Shri Debnarayan Sarker**  
Retired Professor  
Presidency University, Kolkata

Independent Director



**Shri Satchidananda Banerjee**  
Ex-Serviceman (CPSU)

Independent Director



**Shri Hari Krishna Dwivedi, IAS**  
Principal Secretary, Finance Dept.  
Govt. of West Bengal

Director



## WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION LTD.

(Wholly owned by the Government of West Bengal)

### BOARD OF DIRECTORS



**Shri Onkar Singh Meena, IAS**  
Secretary  
Urban Development & Municipal Affairs Dept.  
Govt. of West Bengal

Director



**Shri Suriseti Kishore, IAS**  
(Former Principal Secretary),  
Power & N.E.S. Department,  
Govt. of West Bengal

Director



**Shri Saurabh Kumar Das, IAS**  
Additional Chief Secretary  
Panchayats & Rural Development Dept.  
Govt. of West Bengal

Director



**Shri Indevar Pandey, IAS**  
Principal Secretary, Public Works Dept.  
Govt. of West Bengal

Director



**Shri Asok Kumar Das**  
Ex-Officio Special Secretary  
and Director of Institutional Finance,  
Finance Dept. Govt. of West Bengal

Managing Director

CFO : CA Biswajit Maity

Company Secretary : CS Ananya Kumar Kali



## BOARD'S REPORT

### Members,

Your Directors have great pleasure in presenting the 20<sup>th</sup> Board's Report for the year ended 31<sup>st</sup> March, 2017 on the business and operation of your Company. The following documents are annexed to this report:

- a) Management Discussion and Analysis Report.
- b) Annual Report on CSR.
- c) Extracts of Annual Return.

### Financial Highlights

A summary of financial results for the year ended 31.03.2017 along with those for the year ended 31.03.2016 is presented below:

Particulars	2016-17 (Rs. in Crore)	2015-16 (Rs. in Crore)
Total Revenue	303.09	348.53
Total Expenses	276.45	313.99
Operating Profit (PBT)	26.64	34.54
Net Profit (PAT)	11.83	24.62
EPS (Basic) [in Rs.]	65.32	140.43
Net worth	963.69	941.86

The revenue from operation of your Company has decreased to Rs. 300.28 Crore approx. from Rs. 332.44 Crore as in last financial year. During the year, the Company has posted Profit before Tax (PBT) of Rs. 26.64 Crore as against Rs. 34.54 Crore in previous year. The Profit after Tax (PAT) has decreased to Rs.11.83 Crore as against Rs.24.62 Crore in the previous year. The net worth of the Company has increased to Rs. 963.69 Crore against Rs.941.86 Crore in last year.

### Material Changes affecting the Financial Position of the Company

There are no such material changes / events occurring after balance sheet date till the date of the report which affects the financial position of the Company.

### State of Company's Affairs and Future Outlook

Your Company basically carries on lending activities and provides big ticket loans to industries mainly in infrastructure sector since inception. The overall loan portfolio of your Company has come down drastically after pre-payment and re-payment of all loans by the Govt. of West Bengal. The income



from lending has reached a level of 31% to the total interest income. Major portion of the income is coming from investments made in bank deposits & other securities to maintain the sinking fund of bonds. These investments may not exist after the utilization of sinking funds for redemption of bonds.

In this financial year, your Company has focused on lending to Government Companies/Undertaking and sanctioned some big-ticket loans to WBPDC, Dept. of Food & Supplies, GoWB etc. Besides your Company is working to dispose of its commercial plot of land around 20 acre and semi-finished Site-I of Sankalpa Housing Project (SHP). The commercial plot of land was put on auction for long term lease, however, the process was cancelled at the instance of the State Govt. Besides, Site-I of SHP is being transferred to the Housing Dept., Govt. of West Bengal against proper consideration. The fund generated after such disposal can be utilized for lending and other purposes.

Finally, the preference shares of Haldia Petrochemicals Limited held by your Company (face value of Rs.194 Crore approx.) have yielded return and due preferential dividend of Rs.24 Crore approx. received in May, 2017. It shall be accounted for in the books of accounts of FY.2017-18.

During the year, your Company has discontinued its deposit taking scheme, namely "Safe Saving Scheme (3S)" as per direction of the Govt. of West Bengal. Your Company is also looking for the opportunity to give financial advisory support to the State Government in various financial matters.

Your Board has maintained your Company as one of the few undertakings of the State Govt. which are profit-making for successive thirteen years despite sustaining various sacrifices at the instance of the Govt. from time to time.

#### **Change in nature of business, if any**

There is no change in nature of business of the Company during the year.

#### **Dividend**

The Directors submit that no dividend has been recommended for the year ended 31<sup>st</sup> March 2017. This is aimed to raise the net worth and to reduce the cost of fund of the Company to maintain its competitiveness in the lenders' market.

#### **Amount transferred to Reserve & Surplus during the year**

The net profit for the year i.e. Rs.11.83 Crore is carried to the general reserve. The Reserve & Surplus and Net Worth of the Company stands at Rs.778.39 Crore and Rs. 963.69 Crore respectively, showing the growing financial strength of the Company.

#### **Extract of Annual Return**

The extract of Annual Return, in format MGT -9, for the Financial Year 2016-17 has been enclosed with this report.



### Number of Board Meetings

The Board of Directors of the Company met eight times during the financial year ended 31<sup>st</sup> March, 2017, at a gap not exceeding one hundred and twenty days as per Section 173 of the Companies Act, 2013. Details of the Board Meetings held are given below:

Sl. No.	Board Meeting No.	Date of Meeting
1.	122 <sup>nd</sup> BM	29.04.2016
2.	123 <sup>rd</sup> BM	12.05.2016
3.	124 <sup>th</sup> BM	30.06.2016
4.	125 <sup>th</sup> BM	17.09.2016
5.	126 <sup>th</sup> BM	09.11.2016
6.	127 <sup>th</sup> BM	20.12.2016
7.	128 <sup>th</sup> BM	15.03.2017
8.	129 <sup>th</sup> BM	28.03.2017

The composition of the Board of Directors as on 31.03.2017 and attendance of the Directors during the financial year 2016-17 was as follows:

Sl. No.	Name of the Directors	No. of Board Meetings attended during the year 2016-17
1	Shri Abhirup Sarkar, Chairman	8
2	Smt Rita Mukherjee, Independent Director	8
3	Shri Debnarayan Sarker, Independent Director	8
4	Shri Hari Krishna Dwivedi, IAS, Director	1
5	Shri Saurabh Kumar Das, IAS, Director	1
6	Shri Indevan Pandey, IAS, Director	1
7	Shri Suriseti Kishore, IAS, Director	0
8	Shri Asok Kumar Das, Managing Director	8

### Particulars of Loan, Guarantees and Investments under Section 186

Your Company is registered with the Reserve Bank of India as a NBFC (D) involved in deposit taking and its lending and investment activities are regulated under applicable RBI norms. The provisions of Section 186 of the Companies Act, 2013 are not applicable to that extent.

### Particulars of Contracts or Arrangements with Related Parties

During the financial year 2016-17, there was no such contract or arrangement with related parties



as referred to in Section 188(1) of the Companies Act 2013 for which disclosure is to be made in the prescribed format i.e. AOC 2.

### **Explanation to Auditor's Remarks**

Explanation or comment by the Board on every qualification, reservation, adverse remark or disclaimer made by the auditors in their report has been provided below:

#### **A. Secretarial Auditors**

M/s. Vinod Kothari & Company, Practicing Company Secretaries, has been appointed as the Secretarial Auditors of the Company for F.Y.2016-17.

The Secretarial Audit Report for F.Y. 2016-17 dated 05.08.2017 was received from M/s. Vinod Kothari & Company, Practicing Company Secretaries.

Your Company shall examine the recommendations and emphasis of matters made by the Secretarial Auditors for best corporate practices. The Secretarial Audit Report has been annexed to this Report. The replies/explanations/comments of the Board on the observations are as below:

Point No.A.1: In respect of Information Systems Audit as per the Master Direction-NBFC Systematically important Non-Deposit taking Company and Deposit Taking Company-DBNF PPD.008/03.10.119/2016-17 dated 01/09/2016 to be conducted once in two years

The Information System Audit is presently being conducted by M/s. KGRS & Co., Chartered Accountants as selected through open tender. The report is awaited.

Point No.A.2: In respect of registration as NBFC vis-à-vis maintenance of financial asset & income ratio at 50%

The financial asset & income ratio of 50% were achieved on 31.12.2016 as per roadmap submitted to the RBI. However, there has been marginal shortfall in respect of only income ratio criteria (48.08%) as on 31.03.2017. As per RBI norms, the certificate regarding continuation of business as NBFI has been obtained from the Statutory Auditors has been filed. Non-recognition of bank deposits which are created as sinking fund for bonds as per requirements of the Rating Agencies have substantially contributed to this deviation which has been regularized after redemption of one bond series of Rs.1000 Crore in October 2017 out of proceeds of sinking fund which was held in the form of bank deposits only.

#### **B. Statutory Auditors**

M/s. Roy Ghosh & Associates., Chartered Accountants, was appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India for the financial year 2016-17.



