

**Submission of Additional Information/
Clarification sought by Hon'ble Commission on
BSPTCL MYT Petition for FY 2022-23**

Submitted to Hon'ble BERC

18 January 2022



**Reply to 1st Set of Data Gaps raised by Hon'ble BERC on MYT
Petition filed by BSPTCL for the Control Period from FY 2022-23 to FY
2024-25**

Regulatory accounts for FY 2020-21:

1. Justify why un-audited Accounts have been furnished and how truing up will be done in absence of audited account.

Reply:

In the Tariff Petition, BSPTCL has submitted that annual accounts for FY 2020-21 have been prepared on 30th October, 2021 and audited accounts will be available only in December 2021. Thus, annual accounts for FY 2020-21 were not audited at the time of filing of Tariff Petition. The audited annual accounts of BSPTCL for FY 2020-21 became available only on 15th December, 2021, which has been attached as Annexure-1 of this submission.

2. Justify why Auditors report have not been furnished.

Reply:

As mentioned in earlier Reply, Auditors Report was not available at the time of filing of Tariff Petition. The Auditor's Report along with Audited Annual Accounts has now been attached as Annexure-1 of this submission.

3. Justify why all the Formats provided in the Regulations have not been submitted.

Reply:

BSPTCL submits that it has filled all required Formats prescribed by the Hon'ble Commission. Further, in some formats where no relevant information is required for Tariff filing, BSPTCL has mentioned "Not Applicable" as per the practice followed in the past.

4. Regulation 13 (b) specify true up of expenses shall be on the basis of expense estimates made in the beginning of the year under consideration, actual expenses booked in the audited books of accounts of the Transmission Licensee or SLDC, as the case may be, for the year, and after prudence check of data by the Commission. Regulation 3.1(3) specify "Audited accounts or Audited Accounting Statements" for the purpose of licensed or regulated business shall mean (Audited) Regulatory



Accounts prepared in accordance with BERC (Power Regulatory Accounting) Regulations, 2018.

Regulation 3.1(14) specify "Books of Accounts" for the purpose of licensed or regulated business shall mean Regulatory Books of Accounts drawn up in accordance with BERC (Power Regulatory Accounting) Regulations, 2018.

The regulatory accounts may be furnished. If the same are not available, an affidavit may be filed seeking relaxation/exemption from filing the regulatory accounts for FY 2020-21.

Reply:

BSPTCL respectfully submits that it has not prepared the Regulatory Accounts for FY 2020-21, and the Accounts have been prepared in accordance with the provisions of Indian Accounting Standards (INDAS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. Further, BSPTCL submits that audit of the accounts has been done in accordance with Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013..

Further, BSPTCL submit that it has not adequate manpower to prepare Regulatory Accounts and looking after all the affairs pertaining to Regulatory Accounts. Also, Transmission Utilities of neighbouring States i.e., Uttar Pradesh Power Transmission Corporation Limited. (UPPTCL), Jharkhand Urja Sancharan Nigam Ltd. (JUSNL), Odisha Power Transmission Corporation Ltd. (OPTCL) have not prepared Regulatory Accounts. BSPTCL requests the Hon'ble Commission to give relaxation /exemption from filing the Regulatory Accounts for FY 2020-21 without submitting the affidavit for the same.

Capital investment and Capitalization:

5. Why rolling plan of ten years for Capital investment and capitalization required under BERC (Procedure for Filing Capital Investment and Capitalization Plan) Regulations, 2018, has not been furnished.

Reply:

BSPTCL submits that it develops transmission system for various stakeholders, i.e., NBPDC, SBPDCL, Railways, etc. All capital projects are proposed based on the projections of requirement of transmission infrastructure from these stakeholders. These



stakeholders provide projections for three to five years period only. Therefore, due to lack of data for ten years, BSPTCL has not prepared the rolling plan for ten years for capital investment and capitalization. BSPTCL requests the Hon'ble Commission to give relaxation /exemption from filing the rolling plan of ten years for capital investment and capitalization.

6. As required under BERC (Procedure for Filing Capital Investment and Capitalization Plan) Regulations, 2018, provide all supporting documents along with Detailed Project Report (DPR) duly approved by the competent authority, cost benefit analysis to substantiate the purpose, nature of Investment, financing arrangement and that the proposed capital plan is least cost plan. Information in Annexure-III is also required separately for works claimed in the petition which were not approved from Commission as on date.

Reply:

BSPTCL submits that all the projects submitted in Annexure-III submitted along with the Petition have been approved by the Hon'ble Commission in the previous Tariff Order. As regards DPR, BSPTCL does not prepare DPR for all the projects. It prepares DPR only for the schemes funded by the Central Government and usually DPR is not prepared for projects under the State Plan. Further, BSPTCL submits that all the projects of BSPTCL are awarded through competitive bidding, and it follows all the relevant Guidelines for competitive bidding. Since all the projects of BSPTCL are awarded through competitive bidding therefore, capital investment plan is least cost plan. The nature of investment has already been submitted in Annexure III submitted along with the Petition and financing plan will be provided in revised Annexure-III which will be submitted at the later stage.

(Note: In view of new queries raised by the Hon'ble Commission on 18.01.2022, Annexure-III is required to be further updated. Hence, it will be submitted along with the reply to new queries)

7. Capital investment as per audited accounts is worked out at Rs.1303.14 crore. However, in the petition (Table 2.2) and as per details furnished in Annexure-III, the capex is claimed at Rs.1327.71 crore. Details may be verified, reconciled and correct values may be reported.

Reply:

BSPTCL submits that the actual capex as per audited accounts is Rs. 1303.14 Crore and same has been reconciled in revised Annexure-III. BSPTCL submits that all requisite



information sought by the Hon'ble Commission in other queries has been incorporated in revised Annexure-III which will be submitted at later stage.

8. Out of total approved project cost of BRGF Rs.1424.31 Cr under 12th Plan (Ongoing projects), Rs.1369.94 Cr (Rs.1101.44 Cr+268.50 Cr) have already been capitalized and trued up as on 31.03.2020. If, this BRGF complete capitalization as claimed in table 2-4 of the tariff petition is considered it will lead excessive allowance from the approved capital expenditure for the control period 2019-20 to 2021-22. As directed in paragraph 5.3.8 of last tariff order please submit detailed justification and analysis for the excess capitalization claimed.

Reply:

BSPTCL submits that the capitalisation of Rs. 85.91 Crore under BRGF scheme submitted in Table 2-4 of the Petition comprises capitalisation for projects under both 12th Ongoing Plan as well as 12th Old Plan. Out of Rs. 85.91 Crore claimed under BRGF Scheme, Rs. 19.75 Crore is for 12th Plan Ongoing Scheme and Rs. 66.16 Crore is for 12th Old Plan, as shown in the Table below:

Particulars	Capitalization in FY 2020-21 (Rs. Crore)	IDC Capitalised FY 2020-21 (Rs. Crore)
12th Plan (Old Projects)		
ADB	3.95	
BRGF	66.16	
Deposit	25.29	
Deposit Plan		
IRF	58.41	
PSDF Capacitor		
State Plan	177.75	
12th Plan (Ongoing)		
ADB	5.66	3.95
BRGF	19.75	0
IRF		
PSDF		
RSVY & State Plan		
State Plan	221.41	
13th Plan (other projects)		
Deposit Plan		
IRF	0	0
State Plan	89.96	0.87
13th Plan (upcoming projects)		
IRF Plan		
State Plan	42.74	3.76

Particulars	Capitalization in FY 2020-21 (Rs. Crore)	IDC Capitalised FY 2020-21 (Rs. Crore)
Grand Total	711.09	8.58

Further, in para 5.3.8 of the last Tariff Order, the Hon'ble Commission observed that proposed cumulative capitalization till FY 2020-21 is exceeding the approved capital expenditure by Rs. 173.77 Crore for ADB projects and Rs. 16.90 Crore for BRGF projects. In the absence of justification, the Hon'ble Commission provisionally disallowed the capitalization of Rs. 190.67 Crore in APR of 2020-21. Further, the Hon'ble Commission directed BSPTCL to submit the detailed justification and analysis for the excess capitalization in the next Tariff Petition (i.e., at the time of Truing-up of FY 2020-21).

In this regard, as mentioned in Section 6.15 of the MYT Petition, BSPTCL submits that due to COVID-19, all ongoing works of BSPTCL have been affected during last two financial years. All projects under 12th Plan (Ongoing projects) have not been capitalized yet. These works will be capitalized by FY 2021-22. Till FY 2020-21, the Capitalization under ADB and BRGF are within the range of approved cost. However, after comparing with projected cumulative capitalization, cumulative capitalization of projects funded through ADB loan exceeds by Rs. 107.53 Crore, as shown in the Table below:

Particulars	Approved Cost (Rs. Crore)	Capitalization up to FY 2020-21 (Rs. Crore)	Projected Cumulative Capitalization (Rs. Crore)	Difference (Rs. Crore)
ADB	520.98	511.47	628.51	107.53
BRGF	1424.31	1389.69	1423.94	-0.37

Therefore, BSPTCL requests the Hon'ble Commission to consider this submission for information purposes only at this stage, and not come to any conclusions based on these submissions, as all projects are not capitalized yet. BSPTCL shall furnish actual status once all projects under 12th Plan (ongoing projects) are capitalized,

9. It is observed from details of capex furnished in Annexure-III, IDC is claimed on/against the works capitalised under State Plan works (Rs. 8.58 crore). Details of

payment of interest to State Government may be furnished along with relevant payment documents/vouchers.

Reply:

BSPTCL submits that it has claimed the total IDC of Rs. 8.58 Crore, which includes IDC against projects capitalised under ADB scheme and State Plan. Further, BSPTCL submits that under State Plan (13th Plan) Debt: Equity mix is 80:20, where 80% has been taken from the banks as debt and 20% has been provided by the State Government. BSPTCL has paid interest to the Bank. Supporting documents for the same have been attached as Annexure-2. Details of IDC claimed under various schemes are shown in the Table below:

S. No	Particulars	IDC (Rs. Crore)
	13 th Plan (upcoming projects)	
1	ADB	3.95
	13 th Plan (upcoming projects)	
2	State Plan	3.76
	13 th Plan (other projects)	
3	State Plan	0.87
	Total	8.58

10. Following Information furnished in Annexure-III of the tariff petition is incomplete:

- i. As per Annual Accounts Opening CWIP is Rs. 2228.99 Cr however it is showing at Rs. 2383.82 Cr in this Annexure.

Reply:

BSPTCL submits that the corrected information will be provided in revised Annexure-III to be submitted at later stage.

- ii. Source of actual funding of capitalization i.e., Capitalization from Loan, Capitalization from Equity and Capitalization from Grant have not been furnished.

Reply:

BSPTCL submits that actual funding of capitalization i.e., Capitalization from Loan, Capitalization from Equity and Capitalization from Grant will be provided in revised Annexure-III to be submitted at later stage.

- iii. CAPEX Approved by the Commission for 12th Plan (Ongoing projects)

- a) Serial no-42: Construction of 2 x160+2x50 MVA ,220/132/33KV GSS Laukahi, NIT-33/2014 showing at NIL however approved cost is Rs.67.23 Cr.

Reply:

BSPTCL submits that the corrected information has been provided in revised Annexure-III of this submission.

- b) Serial no-53: Construction of 08 nos. 132 KV Line bays each at -Belaganj 01 no., Hulasganj-01 no., Jehanabad -01 no., Tekari-02 no., Ataula-01 no. ,Chandauti-01 no., Nawada-01 no. under Trans. Circle, Gaya for 2nd ckt. stringing of existing 132 KV DCSS, NIT-01/2016 showing at Rs. 20.34 however approved cost is Rs.12.59 Cr.

Reply:

BSPTCL submits that the corrected information will be provided in revised Annexure-III to be submitted at later stage.

- c) serial no-71: Construction of (2x160 + 2x50) MVA, 220/132/33KV Grid Sub-Station in KHAGARIA (New) under State Plan in between 220KV D/C Purnea (PG) Begusarai Transmission Line., NIT-41/2015 showing at NIL however approved cost is Rs.70.00 Cr.

Reply:

BSPTCL submits that the corrected information will be provided in revised Annexure-III to be submitted at later stage.

- d) It has been observed that total amended project cost as claimed in the petition is higher than approved cost in some cases but no substantiation/justification has been furnished.

Reply:

BSPTCL submits that it has provided project cost before the Hon'ble Commission on estimated basis. In some of the cases, amended project cost increases due to enhancement in scope of work as per the site conditions.

- e) Capex and capitalization under Serial no-80 to 350 have been claimed under 12th Plan (Old Projects) without reference of prior approval of the Commission.

Reply:



BSPTCL submits that earlier the Hon'ble Commission has approved projects on the basis of Schemes, i.e., BRGF, State Plan, etc. However, BSPTCL issues NIT wise tenders for the projects. The projects specified at serial number 80 to 350 under 12th Old Plan were not individually approved. The Hon'ble Commission approved different schemes, i.e., BRGF, State Plan, IRF, ADB, etc. in the previous Tariff Order. Further, BSPTCL executes schemes through NITs, therefore, the approved cost has not been specified against all NITs (From Serial No. 80 to 350). However, the total capitalisation under each scheme (combined for 12th On going projects and 12th Plan Old projects) are within the range of amended cost.

- f) Capex and capitalization under Serial no-61 to 80 have been claimed under 13th Plan (other projects) without reference of prior approval of the Commission.

Reply:

BSPTCL will provide the approved cost in revised Annexure-III other than following projects:

S. No (As per Annexure)	Particulars	Remark
73	For shifting/Height raising of 132 KV D/C Biharsharif-Sheikhpura transmission line between Railway station Barbigha-Sheikhpura in Dist-Sheikhpura from LOC no-127 to 130 on turnkey basis. NIT-18/PR/BSPTCL/2018	These projects are balance work which were not completed under earlier approved scheme.
76	Successful completion of balance work of construction of 132 KV DCSS Transmission Line from 132/33 KV GSS Bettiah to 132/33 KV GSS Thakraha with Panther Conductor against NIT No. 06/PR/BSPTCL/2020	
77	Successful completion of balance work of construction of 220 KV D/C Transmission Line from GSS Dehri to GSS Pusauli, ACSR Zebra Conductor. (RL-63Km) against NIT No. 07/PR/BSPTCL/2020	
79	Line shifting of tower of 132 KV S/C Purnea-Dhamdaha Transmission Line due to construction of Goat Rearing and breeding Centre at maranga, Purnea, NIT-135/2018	

- g) Capex of FY 2019-20 of 12th Plan (Ongoing projects), Capex Capitalization & Closing CWIP of FY 2019-20 of 13th Plan (upcoming projects)/ 12th Plan



(Old Projects) are not in agreement with actual which were freezed in truing-up as per audited account.

Reply:

BSPTCL submits that it has reconciled the capex, capitalisation and closing CWIP. BSPTCL booked unidentified amount under common pool. Now it has reconciled NIT wise information, therefore, information may change NIT wise. However, the total amount of capex, capitalisation and closing CWIP are as per approved figures.

h) Capex and Capitalization of FY 2019-20 of 13th Plan (other projects) are not in agreement with actual which were freezed in truing-up as per audited account.

Reply:

As discussed above, BSPTCL has reconciled information. Therefore, information provided in Annexure-III may differ NIT wise. However, the total amount of capex, capitalisation and closing CWIP are as per approved figures.

11. Kindly furnish information in Annexure-III in respect of all 60 projects of 13th Plan projects (approved under Table 6.4 of business plan in tariff order dated 15.02.2019).

Reply:

BSPTCL submits that it has incorporated requisite information under 13th Plan (upcoming projects) and 13th Plan (other projects). Some of the NITs were cancelled and retendered as shown in the Table below:

S. No	Name of Projects	Status
1	Re-conductoring of Barauni TPS-Begusarai 132 KV D/c Transmission lines with HTLS Conductor (Capacity -240 MVA, 1050A) (12 RKM). NIT No.-112/PR/BSPTCL/2018	Retendered as NIT 28/PR/ BSPTCL /2018
2	Supply, erection, testing and commissioning of 28 Nos. of 132/33 KV 50 MVA Transformer including Transformer Foundations under State Plan against NIT No. 105/PR/BSPTCL/2018.	Retendered as NIT No. 125, 126, 127, 128, 129 of 2018 (specified as Sr. No 64-68 of 13th Plan other projects.)
3	Installation of capacitor bank at 35 location for Bihar under PSDF Scheme against NIT No.06/PR/BSPTCL/2017.	Specified at serial No Sr. 214 of 12th plan.

S. No	Name of Projects	Status
4	Construction of 12 Nos of 132/33 KV Transformer Bays on turnkey basis under State Plan against NIT No. 106/PR/BSPTCL/2018.	Retendered as NIT No. 120, 121 and 122 of 2018 (Specified at serial No. 61, 62, 63 of 13th Plan other projects.)
5	Construction of (2x200 + 2x80) MVA, 220/132/33 KV Gas Insulated Sub-station at Digha (New) and 02 nos. 220 KV GIS line bays extension at GSS Sheikhopursarai (BGCL) on turnkey basis NIT No.-75/PR/BSPTCL/2018	Retender as 18/PR/BSPTCL/2019 and 08/PR/BSPTCL/2019
6	Construction of 2x80 MVA, 132/33 KV Gas Insulated Sub-station at Board Colony Patna along with construction of 132 KV D/C transmission line with cable from 220/132/33 KV Gas Insulated Sub-station at Digha (new) to 132/33 KV Gas Insulated Sub-station at Board colony on cable(CKM - 14 KM) and construction of 132 KV S/C transmission line with cable from 220/132/33 KV Gas Insulated Sub-station at Digha (new) to Digha (Old) on cable (CKM - 1 KM) NIT No.-74/PR/BSPTCL/2018	Retendered as 17/PR/BSPTCL/2019 and 19/PR/BSPTCL/2019

12. Justify how capitalization under Internal Resource Fund (IRF) would be allowed in absence of complete information with respect to shareholders fund as required under form-10.

Reply:

BSPTCL submits that in form 10, it has already submitted the details of equity for ongoing projects and upcoming projects for FY 2020-21. Further, there is no information required in form 10 specifically for IRF. Further, in earlier Tariff Order, the Hon'ble Commission has considered debt: equity ratio as 70:30 on normative basis. BSPTCL has capitalised projects under IRF in line with the approach adopted by the Hon'ble Commission.

13. Provide Schedule of commissioning of the Projects, calculation details of hard cost and IDC as well as IDC capitalized stating the calculation of interest from the date of infusion of debt fund upto scheduled/actual date of commercial operation and segregating the interest amount attributable to delayed period or non-prudent phasing if any and year-wise basis of allocation of these cost to different work & their capitalization.



Reply:

As mentioned in the Tariff Petition, earlier BSPTCL has submitted the awarded cost as project cost, which was excluding IDC. BSPTCL has been claiming IDC capitalized based on actual IDC booked in annual accounts. BSPTCL has submitted the Hard Cost (Approved Cost/Amended Cost) and IDC capitalised for 12th Plan and 13th Plan in Annexure-III of the Tariff Petition. As regards of 26 no. of new projects, BSPTCL has submitted scheduled date of commissioning, date of award, Hard Cost and IDC in Annexure VI.

14. Kindly furnish amount of Cost overrun incurred attributable to every factor contributing in delay of each project. Also furnish justification in compliance of the Commission's direction under para 6.6 of the MYT Order with respect to adherence to the scheduled dates of commissioning of lines and substations and taking up of all necessary steps for completion of the works in time without cost and time overrun.

Reply:

BSPTCL submits that it has not incurred any cost towards time overrun and cost overrun. There is no concept of time and cost overrun in the tendering of BSPTCL because of the following:

- BSPTCL awards multiple projects at a time because tendering individual projects will take more time.
- For Transmission line, BSPTCL invites tender on 'fixed rate' basis and for Substation on 'contract with variation' basis.
- There is no cost variation in any contract awarded by BSPTCL, and there is only quantity variation. Due to quantity variation, cost of project varies.
- Price also varies because in some cases, area of project is decided but exact location is not fixed. In such cases, price varies due to re-routing and site conditions.

15. Kindly furnish documents in support of applicable rate of interest and other terms and conditions of relevant loan agreements, or bonds or non-convertible debentures.

Reply:

The supporting documents for the interest rate have been submitted as Annexure-3 of this submission.



Transmission Loss for FY 2020-21

16. Transmission loss is claimed at 2.92% in true up for FY 2020-21. It is observed from the NBPDCCL petition that the transmission loss claimed is 3.71%. SBPDCL submitted revised computations of energy balance for FY 2020-21 and the transmission loss claimed is 3.71%. Same may be reconciled and actual transmission loss may be reported as been directed in Directive 7.2.5 of the tariff order dated 20.03.2020 along with confirmation from Discoms to avoid the mismatch.

Reply:

BSPTCL has submitted the actual Transmission Loss of 2.92% for FY 2020-21 and the same has been certified by SLDC. BSPTCL has also submitted month-wise Transmission Loss in Annexure II of the Tariff Petition. Therefore, BSPTCL requests the Hon'ble Commission to consider the actual Transmission Loss of 2.92% for FY 2020-21.

Income from IT Refund

17. Copy of the Tax refund may be furnished.

Reply:

Copy of the Tax Refund has been given in Annexure-4 of this submission.

O&M Norms - Employee expenses and A&G expense:

18. Regulation 21 (i) specify "In absolute analysis, Transmission Licensee's audited accounts of operations for last three years, expenses claimed for control period, historically approved cost, and prudence check shall be used by the Commission to estimate values of norms".

Norms were worked out considering the CAGR computation based on the actual employee cost and A&G expenses of FY 2013-14 to FY 2020-21 (8 years). The revised computations may be furnished in compliance with relevant regulations.

Reply:

BSPTCL submits the revised employee expenses and A&G norms considering the three years actual information, which is attached as Annexure-5 of this submission.

^oFurther, BSPTCL submits that BSPTCL has excluded CSR^a and CM relief fund from A&G expenses while computing the A&G norms.



19. Regulation 11.1 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021 specify *"Provided further that, application for approval of the Business Plan shall not be required to be filed for the Control Period 2022-23 to 2024-25 and all requirement of business plan shall be incorporated in the MYT petition of this control period"*. Accordingly, the projected business plan is treated as Capex plan of FY 2022-23 to FY 2024-25 as part of tariff petition.

Reply:

In accordance with the provision of Regulation 5.1 of MYT Regulations, 2021, Transmission Licensee is required to incorporate the components of the Business Plan in the MYT Petition for the Control Period. Therefore, BSPTCL has incorporated the broad framework of the Business Plan in the MYT Petition.

20. Trial balance showing the head-wise revenue and expenses and assets and liabilities for the 1st half year of FY 2021-22 i.e., from 1.04.2021 to 30.09.2021 may be furnished.

Reply:

BSPTCL submits that annual accounts of BSPTCL for FY 2020-21 has been finalized on 15th December, 2021. BSPTCL has not prepared the trial balance for 1st half year of FY 2021-22.



॥ तमसो मा ज्योतिर्गमय ॥

ANNUAL ACCOUNT
2020-21



Bihar State Power
Transmission Company Limited

Handwritten signature

Bihar State Power Transmission Company Limited



CIN: U74110BR2012SGC018889

BALANCE SHEET

As at
31st March 2021

&

PROFIT & LOSS ACCOUNT

For the year ended
31st March 2021

विकसित बिहार – रौशन बिहार

Reference Information

Corporate Office: 4th Floor, Vidyut Bhawan, Jawahar Lal Nehru Marg, Patna-800001	Chairman: Sri Sanjeev Hans, IAS
Website: www.bsptcl.in	Managing Director: Sri Sandeep Kumar R. Pudukalkatti, IAS
Contact No. 0612-250442	
For the financial year under review i.e 2020-21	
Statutory Auditor: M/s R.N. Singh & Co. Chartered Accountants Firm Reg. No. 322066E Address: 208, Hem Plaza, Fraser Road, Patna- 800001	Cost Auditor: M/s A.J.S. & Associates, Cost Accountants 2nd Floor, L.O. House, Exhibition Road, Patna- 800001
Tax Auditor: M/s ATK & Associates, Chartered Accountants 24B, Sahdeo Mahto Marg, Patna- 800001	Banker: Canara Bank Bank of India State Bank of India Punjab National Bank Indian Bank Bank of Maharashtra Bandhan Bank ICICI Bank Yes Bank Axis Bank Indusind Bank
Board of Directors: Sri Sanjeev Hans, Chairman Sri Sandeep Kumar R. Pudukalkatti, Managing Director Sri Sanjivan Sinha, Director Sri Sunil Kumar Yadav, Director Sri Hare Ram Pandey, Director Sri Uttam Kumar, Director	




About Bihar State Power Transmission Company Limited:

Bihar State Power Transmission Company Limited, a subsidiary company of Bihar State Power (Holding) Company Limited, is a wholly owned corporate entity incorporated under the Companies Act 1956 on 1st Nov, 2012 after restructuring of erstwhile Bihar State Electricity Board.

Presently the company is carrying on intra-state transmission and wheeling of electricity under license issued by the Bihar Electricity Regulatory Commission. The company is also discharging the functions of State Load Dispatch Centre (SLDC).

Bihar State Power Transmission Company Limited is intensifying its network capabilities through continuous planning, timely execution, rigorous operation and maintenance of Intra-State Transmission System in coordination with the Central Transmission Utility (CTU) and various other bodies.

By the end of 13th Plan i.e. 2021-22, BSPTCL is likely to have 165 Grid Sub-stations with transformation capacity of 3000 MVA, 14510 MVA and 15290 MVA at 400/220 kV, 220/132 kV and 132/33 kV levels, respectively. Bihar Grid Company Limited (BGCL), a joint venture between Bihar State Power Holding Company Ltd (BSPHCL) and Power Grid Corporation of India Limited (PGCIL) is also contributing in achieving the goal.

Capacity augmentation at 400/220 kV is the thrust area. The majority of existing 400 kV systems are owned by Power Grid Corporation of India Limited (PGCIL). BSPTCL is constructing 400/220/132 kV Grid Sub-station at Bakhtiyarpur for the first time. Apart from this, BGCL is also constructing two more 400/220/132/33 kV Grid Sub-stations at Jakkanpur and Naubatpur with associated high capacity transmission lines resulting in total transformation capacity of 15390 MVA at 400 kV level in Bihar with CTU by the end of 13th Plan i.e. 2021-22.

GIS (Geographical Information System) mapping of all its operational as well as under construction Grid Sub-stations has been done and information is available on company's website.

Unified Load Dispatch & Communication (ULDC) has upgraded the SCADA system installed in SLDC. Optical fiber link has been established throughout the transmission network for ensuring faster communication of real time data flow.

BSPTCL is in process to adopt the e-Office which is a Mission Mode Project (MMP) under the National e-Governance programme of the Government. The product is developed by National Informatics Centre (NIC) and aims to usher in more efficient, effective and transparent inter-government and intra-government transactions and processes.

Enterprise resource planning (ERP) is under implementation. This will integrate varied



organizational systems and facilitates error-free transactions and production thereby enhancing the organization's efficiency in its intra state power transmission business.

In order to increase the evacuation capacity, BSPTCL is implementing large number of sub-station and transmission line projects. BSPTCL is also working towards installation of Gas Insulated Sub-Station, Sub-Station Automation System and High Capacity Conductors in transmission lines.

BSPTCL has also undertaken various projects of augmentation, renovation and modernization of existing Grids and Transmission Lines. To ensure stable and uninterrupted power supply to the people of state, company has taken up projects for connecting its GSS to multiple sources of power and making them N-I compliant.

All the GSSs and Transmission Lines are on GIS map. The State Load Dispatch Centre has the latest technology of real time data control and communication.

Besides continual technical up-gradation, the company lays emphasis on imbibing required skills in its people and therefore it has invested in creating training infrastructure. It has recently established a "Power Training Centre" at Gaurichak, Patna, where employees and students are trained on various power system protection and equipment testing techniques.

"BSPTCL: The Life Line of Bihar" is committed to the goal of Quality Power to all.

Vision and Mission:

To establish ourselves as a model STU and transmission licensee with respect to planning, project implementation, operational capabilities, performance with emphasis on cost and quality consciousness, human resources development and corporate social responsibility.

Functions and Duties:

Functions of BSPTCL

To undertake transmission of electricity through intra-State transmission system;
To discharge all functions of planning and co-ordination relating to intra-state transmission system with -

- Central Transmission Utility;
- State Governments;
- generating companies;
- Regional Power Committees;
- Authority;
- licensees;
- Any other person notified by the State Government in this behalf;



To ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;

Duties of BSPTCL

To build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission and to comply with the directions of the Regional Load Despatch Centre and the State Load Despatch Centre.

Technical Information:

Transmission System Availability Factor (TAFM) in BSPTCL

2020-21 Month	Percentage Transmission System Availability Factor	
	220 KV Transmission System	132 KV Transmission System
March 21	99.33	99.78
February 21	99.53	99.84
January 21	99.30	99.70
December 20	99.37	99.64
November 20	99.70	99.82
October 20	99.75	99.86
September 20	99.47	99.79
August 20	99.72	99.79
July 20	99.33	99.65
June 20	99.64	99.17
May 20	99.07	99.48
April 20	99.83	99.37

Transmission Network

	Transmission Lines	
	220 KV Line	132 KV Line
Number	75	347
Length	3,760.08 KM	11,323.89 KM

	Grid Sub Stations	
	220/132/33 KV	132/33 KV
Number	18	126
Capacity	9,850 MVA	12,710 MVA

RP



Transmission Bays		
	220 /132 /33 KV	132 / 33 KV
Number	186	1129

Peak Demand achieved by BSPTCL

Financial Year	Peak Demand	Achieved on
2012-13	1,802 MW	18-06-2012
2020-21	5,932 MW	17-07-2020

Organisational Detail

S. No.	Description	Name	Numbers
1.	Zones	Patna, Bhagalpur and Muzaffarpur	3
2.	Circles (O&M + Civil)	O&M: Patna (East), Patna (West), Dehri-on- Sone, Biharsharif, Gaya, Bhojpur, Bhagalpur, Begusarai, Purnea, Muzaffarpur, Saran, Madhepura, Vaishali, Darbhanga, Motihari Civil: Patna, Dehri-on-Sone, Gaya, Bhagalpur, Purnea, Muzaffarpur, Saran, Madhepura, Darbhanga	24
3.	Non-O&M unit	Head Office BSPTCL and SLDC	1

Personnel in BSPTCL

Particulars	Class I	Class II	Class III	Class IV	Total
Beginning of the Year	450	378	1385	130	2343
Recruitment	00	00	00	00	00
Retirement	11	00	21	04	36
At year end	439	378	1364	126	2307

Personnel in SLDC

Particulars	Class I	Class II	Class III	Class IV	Total
Beginning of the Year	39	00	00	00	39
Recruitment	00	00	00	00	00
Retirement	01	00	00	00	01
At year end	38	00	00	00	38





R.N. SINGH & CO.
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
Vidyut Bhawan,
Bailey Road, Patna-800 001

Report on the IndAS Financial Statements of Bihar State Power Transmission Company Limited

Qualified Opinion

We have audited the accompanying Financial Statements of Bihar State Power Transmission Company Limited which comprise the Balance sheet as at 31st March 2021, the statement of Profit & Loss for the period ended 31st March, Statement of Changes in Equity, Cash Flow Statement for the year ended on 31st March 2021 and Notes to the Financial Statements including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st 2021.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) 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 there under, 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 qualified opinion.

Following are the reasons for Qualified Opinion-

1. The company has not maintained Fixed Asset Register showing particulars including quantitative details and location of fixed assets. Physical Verification of Fixed Asset having gross block of





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

Rs.9,26,858 lakhs were not carried out during the Financial Year 2020-21. No title deed has been produced to us for verification in respect of land and land rights.

2. Company has not maintained Capital Work in Progress Register due to which detail regarding work status of the same worth Rs. 2,80,881 lakhs are not present and it is not possible for us to comment on veracity of capitalization of Capital Work in Progress. However, financial data is maintained in Accounting Software (Tally) reflecting opening balance, transactions during the year, amount transferred from CWIP to Fixed Assets and closing balance.
3. Depreciation of fixed assets charged in FY 2020-21 under Note no-25 (Depreciation and Amortization Expenses) amounts to Rs.44,608 lakhs. However, there is a short calculation of depreciation amounting to Rs.42.42 lakhs. Due to this profit and net block of fixed assets has been overstated by the above amount.
4. Balance Confirmation and reconciliation of Inter Company Account (Rs. 11,604 lakhs), Advance for Capital Works (Rs.7,874 Lakhs), Trade Receivables (Rs. 2,25,284 lakhs), Other Claims and Receivables (Rs. 2,028 lakhs), Advance for O&M Supplies (Rs.317 lakhs) and Liability to Supplies and Works (Rs.4,034 lakhs) was not provided to us. So, authenticity of the above amount subject to confirmation balance concerned.
5. The Ageing of Debtors amounting to Rs. 2,25,284 lakhs were provided to us. Out of which Trade Receivables of Rs. 1,15,874 lakhs are under the ageing of more than 1 year. Further, Under Note-11 (Other Current Asset) balance of BSEB Structuring of Rs. 3,538 lakhs are outstanding for more than one year. As per the Ind AS 1, Trade Receivable outstanding for more than 12 months needs to be categorized under Non-Current Asset. However, Trade Receivable amounting to Rs.1,15,874 lakhs and Other Current Asset amounting to Rs.3,538 lakhs being due for more than 1 year is classified as Current Asset. Because of which Current Asset is overstated and Non-Current Asset is under stated by the above amount.

Also, ageing of Advance for Capital Works (Rs.7,874 Lakhs), Other Claims and Receivables (Rs. 2,028 lakhs), Advance for O&M Supplies works (Rs.317 lakhs) and Liability to Supplies and Works (Rs.4,034 lakhs) was not provided to us. As a result, we are unable to report whether proper provisioning has been created for the same or not and booked in correct head under Financial Statement.

6. Inventory of Rs.10,576 lakhs as on 31st March 2021 has been physically verified during the year by the management. Out of which Stock worth Rs. 9,506 lakhs are identified and the balance stock of Rs 1,070 lakhs is unidentified as per books of accounts. Unidentified Stock has been clearly disclosed in Financial Statement but is not segregated into moving, non-moving and scrap.





R.N. SINGH & CO.

Chartered Accountants

209/208, Hem Plaza, Fraser Road,

Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

7. In terms of the requirement contained in IndAS 109, an entity is required to measure its financial assets and financial liabilities at its fair value through OCI during its initial measurement and subsequently through Profit and Loss Account. However, the management is of the opinion that this noncompliance does not have any material impact on true and fair view of the Ind AS Financial Statement. We are of the view that the entity should follow IndAS for better presentation of the Financial Statement and in order to comply the requirement in this respect.
8. Rs.10,00,00,000.00 of advance Entry Tax was paid to Commercial Tax Department for the FY 2015-16. However, it is observed that up to FY 2017-18 there was debit balance of Rs.13,71,64,501.24. Year Wise Entry Tax paid /to be paid and C form issued/to be issued reconciliation are detailed below-
- | | |
|------------------|----------------------------|
| Year 2013-14 | Rs.5,78,042.00 |
| Year 2014-15 | Rs.1,08,99,825.00 |
| Year 2015-16 (-) | Rs.17,36,12,569.47 |
| Year 2016-17 | Rs.17,09,72,177.70 |
| Year 2017-18 | Rs.12,83,27,026.01 |
| Total | Rs. 13,71,64,501.24 |

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Reporting of Key Audit Matter as per SA 701, KEY AUDIT MATTERS are not applicable to the company as it is an unlisted company.

Management's Responsibility on the Financial Statements of Bihar State Power Transmission Company Limited for the F.Y.2020-21

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 financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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

Re





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives is to obtain reasonable assurance about whether the financial statements 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 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 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.
- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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

A handwritten signature in blue ink, appearing to be 'R.N. Singh', is located to the left of the circular stamp.





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

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.

- Evaluate the overall presentation, structure, and content of the financial statements, 29 including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) order, 2020 Issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. 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 belief were necessary for the purpose of 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 and returns except for the matters annexed in 'Basis for qualified opinion'.





R.N. SINGH & CO.
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

- c) The company's Balance sheet and profit and loss account dealt with in report are in agreement with the books of accounts and returns.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) As per information provided to us, in respect of disqualification of directors none of the directors are disqualified from being appointed as directors.
- f) Report on Internal Financial Control under Clause (i) of Sub-Section 3 of section 143 of the Companies Act, 2013. Refer to our separate report in Annexure-A.
- g) With respect to the other matters to be included in the Auditor's 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 explanation given to us:
- The company has disclosed no of cases of pending litigations in Financial Statement for the FY 2020-21 in notes to account 15. Though, the financial impact of case pertaining to service matters has not been quantified.
 - The Company has not entered into any long-term contracts including derivative contracts.
 - There weren't any amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

Emphasis of Matter Paragraph and Other Matter Paragraph

In accordance with Standard on Audit (SA) 706 "Emphasis of Matter and Other Matter Paragraph", without qualifying our opinion on this basis, we draw attention to:

- The company has been categorized as Active-Non-Compliant Company by the Registrar of Companies due to non-compliance of Rule 25 of Companies (Incorporation) Amendment Rules 2019 and is liable to penal action as per section 12 of the said act.
- Signatories detail to audited financial statement for the financial year 2020-21 are not updated on MCA Portal till date.
- The amount under Note 14 (Deferred Government Grant and Consumer Contribution) is reflected as Rs. 6981 lakhs in Deferred Income- Depreciable Assets for the F.Y. 2019-20. However, the





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

same closing balance was not taken as opening in FY 2020-21, the grouping has been changed i.e., balance is bifurcated between Deferred income- Depreciable assets and Amortization of Consumer Contributions in opening balance of Financial Statement for the year FY 2020-21. Regarding the above change in grouping it has not been disclosed in Financial Statement of FY 2020-21.

- The list of vendors who are registered under the MSME Act, 2006 have not been prepared. Because of this total outstanding dues and interest payable on such dues to Micro, small and medium enterprises as required under the MSME Development Act 2006 could not be provided for in the books of accounts.
- The company has disclosed no of cases of pending litigations in Financial Statement for the FY 2020-21 in notes to account 15. The financial impact of case pertaining to service matters has not been quantified.
- Amount spent under Corporate Social Responsibility in F.Y 2017-18 worth Rs.1,32,540 has been disqualified for which provisioning has been made as unspent Corporate Social Responsibility. Above fact has not been disclosed in Financial Statement for the F.Y 2020-21. However, the same amount was paid on 30th September, 2021 in view of the Government of India's MACA Circular No. 14/2021 Dated 25.08.2021.
- Lease Rental Income is booked under head Other Income and represented in Note no-22. In the above case income of F.Y. 2019-20 and 2021-22 has also been booked in F.Y. 2020-21. Due to this profit for F.Y. 2020-21 has been overstated by Rs.5,16,675/-

Details are appended below-

S. No	Invoice no.	Invoice value	Amount to be booked in FY 2019-20	Amount to be booked in FY 2020-21	Amount to be booked in FY 2021-22
1.	ULDC/Eol FIBRE-04/2013-6a	Rs.25,57,329	Rs.2,73,248	Rs.22,84,081	-
2.	ULDC/Eol FIBRE-04/2013-6b	Rs.2,22,942	Rs.23,821	Rs.1,99,121	-
3.	ULDC/Eol FIBRE-102/2020-7b	Rs.2,45,237	-	Rs.26,204	Rs.2,19,033
4.	Total	Rs.30,25,508	Rs.2,97,069	Rs.25,09,406	Rs.2,19,033





R.N. SINGH & CO.

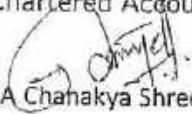
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

8. The Government of Bihar provides fund for construction of fixed assets in form of Equity and Loan in ratio of 20:80 respectively against which shares are allotted to GOB. In Note no 13 (Other Equity) Rs. 48,759 lakhs are reflected under share application pending allotment including opening balance of Rs.36,076 lakhs for which share allotment is still pending. As per Companies Act 2013, share should be allotted within 60 days form the date of receipt of share application money.

For R.N. SINGH & CO.
Chartered Accountants


CA Chahakya Shree

Partner.

ICAI Membership No: 079322

FRN 322066E







R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

ANNEXURE TO THE AUDITOR'S REPORT OF BIHAR STATE POWER TRANSMISSION COMPANY LIMITED

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements of our report of even date)

- 1.1 The Company is not in a practice of maintaining Fixed Asset Register to reflect particulars, including quantitative details and situation of Fixed Assets having gross block of Rs.9,26,858/-Further, the company has also not maintained proper records/detailed workings of Capital Work in Progress worthRs.2,80,881 lakhs.
- 1.2 During the F.Y 2020-21 fixed assets have not been physically verified by the management in accordance with a regular programme of verification. Hence, material discrepancies if any cannot be commented upon.
- 1.3 According to explanation and information given to us, the title deeds of immovable properties are held in the name of the company but no title deed was produced to us for verification. Hence, material discrepancies if any cannot be commented upon.
- 1.4 According to explanation and information given to us, company has not revalued any Property, Plant and Equipment or Intangible Assets during the F.Y. 2020-21.
- 1.5 No proceeding has been initiated against company for holding any benami property under Benami Transactions(Prohibition) Act,1988 and rules made thereunder.
- 2 Inventory of Rs.10,576 lakhs as on 31st March 2021 has been physically verified during the year by the management. Out of which Stock worth Rs. 9,506 lakhs are identified and the balance stock of Rs 1,070 lakhs is unidentified as per books of accounts. Unidentified Stock has been clearly disclosed in Financial Statement but is not segregated into moving, non-moving and scrap.
- 3 As per information and explanation given to us, the Companyhas not granted any loans, secured or unsecured to companies, firm or other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a) and (b) of the said order are not applicable to the company.
4. In respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

R





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal of Reserve Bank of India or any court or any other tribunal.
6. As reported by the management, the Central Government has prescribed maintenance of cost records under Companies Act 2013 and the prescribed accounts and records have been maintained by the management.
- 7.1 According to the records of the Company undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues duty have been regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
- Except-
- a) Assistant Commissioner of Income Tax (OS) ward 2(1) has demanded Rs.16,72,29,947.00/- vide order dated 30.12.2017 for which appeal has been lodged with CIT Appeal, Patna.
- b) A demand of Rs. 1,36,580/- on various circle and head office have been raised by the Income Tax Department in respect of TDS default.
- 7.2 According to the information and explanation given to us and the records of the Company examined by us, there are no dues of customs duty which have not been deposited on account of dispute.
8. According to our information there are no incomes which are not recorded in books of accounts but have been disclosed as income during the year in the tax assessment under the Income Tax Act,1961(43 of 1961).
9. Based on our audit procedure and according to the information and explanation given to us we are of the opinion this Company has not defaulted in repayment of any dues to financial institution banks, government or dues to debenture holder.
- 10.1 The Company not raised money by the way of initial public offer including debt instruments or by way of term loans.





R.N. SINGH & CO.

Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001

Ph : 06122202876 ; 7707000444

E-mail-patna@rnsinghandco.in

- 10.2 As per section 42(6) of Companies Act 2013, "A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money within 15 days from the expiry of sixty days. In case of failure to repay the amount, it shall be liable to repay that money with interest at the rate of 12% p.a. from the date of expiry of the sixtieth day." In Note no-13 (Other Equity) to Financial Statement under head Share Application Pending Allotment there is a pending amount of Rs.48,759 lakhs for which shares have not been allotted in F.Y 2020-21. This will attract interest @ 12% pa from the expiry of sixtieth day of application money received.
11. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given by management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. Transactions related to related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and full disclosure has been made in financial statements.
14. According to information provided by management and on an overall examination of financial statements internal auditors were not appointed for the FY 2020-21.
15. The Company has not entered into any non-cash transactions with director or person connected with him.
16. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. According to the information provided, no statutory auditor has resigned during the Financial Year 2020-21.
19. According to the financial ratios, ageing and expected dates of realization of financial assets and liabilities the company is in a position to pay its liabilities existing at the balance sheet date as and when they fall due within a period of one year from balance sheet date.
20. According to the information provided to us, there are no unspent amount in projects other than the ongoing projects and Corporate Social Responsibility.





R.N. SINGH & CO.
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

21. It is a standalone financial statement so this clause of qualified/adverse remarks by other auditor is not applicable.

For R.N. SINGH & CO.
Chartered Accountants
CA Chanakya Shree

Partner.

ICAI Membership No: 079322
FRN 322066E





R.N. SINGH & CO.
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@arnsinghandco.in

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bihar State Power Transmission Company Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bihar State Power Transmission Company Limited (the "Company") as of March 31st 2021 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing 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 was 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 auditor's 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, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the





R.N. SINGH & CO.
Chartered Accountants
209/208, Hem Plaza, Fraser Road,
Patna-800001
Ph : 06122202876 ; 7707000444
E-mail-patna@rnsinghandco.in

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R.N. SINGH & CO.
Chartered Accountants

CA Chanakya Shree
Partner.

ICAI Membership No: 079322
FRN 322066E

