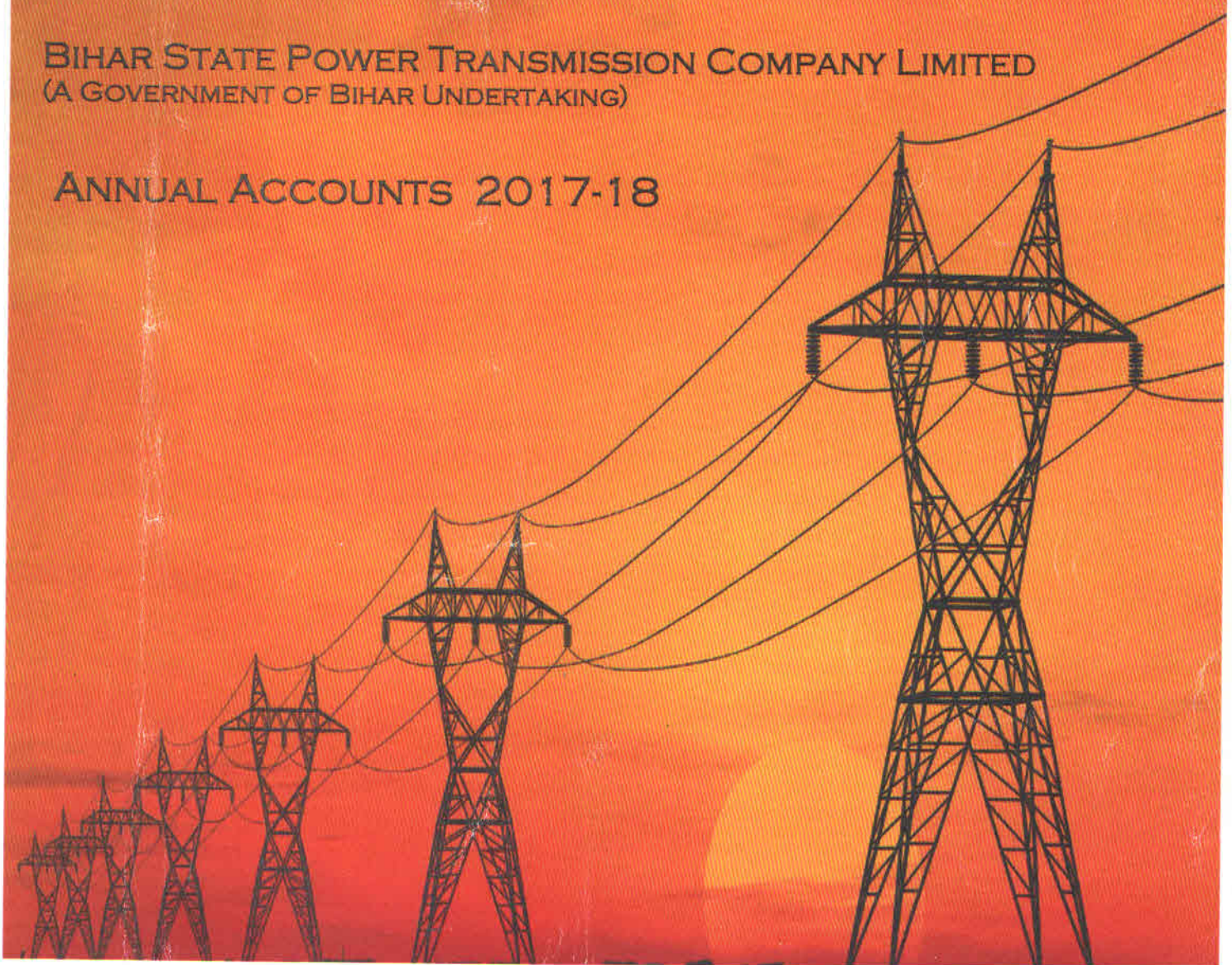




**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**  
(A GOVERNMENT OF BIHAR UNDERTAKING)

**ANNUAL ACCOUNTS 2017-18**







## INDEPENDENT AUDITORS' REPORT

To the Members of  
**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**  
Vidyut Bhawan,  
Bailey Road, Patna - 800 001

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **BIHAR STATE POWER TRANSMISSION COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Other Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standards issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

#### Basis for Qualified Opinion

1. The company in its Notes to the Financial Statements for the year ended 31st March 2018 in Para 1B i.e. "Basis of preparation and presentation", reported that it has followed the provisions of Ind AS 101 and restated the figure as on 1st April 2015, 31st March 2016 and adjustments were made to restate the opening balances as per Ind AS by adjusting the retained Earnings as at 1st April 2015. However, the company didn't restate the figures as on 1st April 2015 and 31st March 2016 and therefore it did not give any reconciliation in terms of Ind AS 101 "First time adoption of Indian accounting Standard" for difference in financial Statements prepared under the previous GAAP and financial Statements in compliance with requirement of Ind AS. The company in its Notes to the Financial Statements for the year ended 31st March 2017 in Para A 1 i.e. "Basis of preparation and presentation" merely mentioned that these Financial Statements are the first financial statements of the Company under Ind AS. Hence we in our last Audit Report Qualified that the Company has not followed the provision of Ind AS 101. This was more evident by comparing the audited figure of 1st April 2015 and 31st March 2016 because the same figures are appearing in the Balance Sheet as at 31st March 2017 without any restatement.

The company has prepared the financial statement as at 31.03.2018 under Ind AS and restated the figures of 31.03.2016 and 31.03.2017.

2.
  - a. The company has not maintained / produced before us, fixed assets register and register for capital spares. without these two register is it very difficult to substantiate and verify the accuracy of the disclosures made in the financial statement in respect of Inventories (Ind AS 2), Property, Plant and Equipment (Ind AS 16), (Impairment of Asset (Ind AS 36) and, Classification of Non Current Assets Held for Sale and Discontinued Operation (Ind AS 105)
  - b. The Company has disclosed about the fair value of financial assets and liabilities that the carrying amount of current financial instrument such as trade receivable, other assets and other liabilities are considered to be the same as their fair values due to their short term nature. we observed that various trade receivables, other assets and other liabilities are more than 12 months old so it cannot be treated as short term in nature. Hence, in our opinion, by merely mentioning that carrying amount is same as the fair value of financial instrument does not complying requirement as required under Ind AS 107. The possible impact of expected credit loss thus cannot be quantified.
  - c. Materials/Consumables in transit (ICT) amounting to Rs 524.29 lakhs are carried over for last three years without any movement and therefore its existence and usability cannot be commented upon by us. Similarly other stock amounting to Rs 7.00 lakhs was also carried for last 3 years at same value, similarly cannot be commented by us. No records are available regarding valuation of inventories on weighted average cost or net realisable value basis as reported in disclosure. It is pertinent to note that the Company being in the Service Sector carries no inventory and standby equipments and serviceable spares are categorized as Inventory.
3. State government Plan Loan as on 31.03.2018 (note 15) is Rs 340,54,95,000 ( last Year as on 31.03.2017 also it was Rs 340,54,95,000 ). Since this amount represents contribution of Government of Bihar for creation of assets and against which Share to be issued, entire amount should be transferred from Loan to Other Equity as amount pending for issue of Share capital. Part of which amounting to Rs 195,95,94,995.00 has been converted into equity capital as per board resolution dated 23.05.2018.





As explained to us last year that this amount represents loan from Government of Bihar received through Bihar State Power Holding Company. However as per letter by Government of Bihar, Energy Department vide its letter No 2175 dated 30.06.2014, this amount was disbursed as equity capital.

However we were given by the management another letter No 3282 dated 28.09.2017 addressed to Chief Secretary, Energy Department of Govt. of Bihar by the Managing Director of BSPTCL requesting permission to convert the amount shown as loan to equity capital. During F.Y 2018-19 Rs 195,95,94,995.00 has been converted to equity without obtaining any permission from the Energy Dept. of Govt. of Bihar. This implies that this amount was wrongly shown as loan instead of equity since the date of disbursement along with subsequent amount received on this account.

Hence Interest charged on this fund @ 10.50% on Ad-hoc basis and debited to Profit and Loss account amounting to Rs 98,58,49,634/- should be written back as it amounts to understatement of profit in different earlier years as follows with adjustment for earlier years figures as prior period errors.

<u>Year</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Amount Charged to Profit and Loss A/c (Rs)	18894659/-	185187254/-	206883952/-	260633003/-	314250766/-

4. Sale of scrap of Rs. 8,24,14,921.00 has been directly taken in profit & loss account without giving effect of the same in property, plant and equipment and/or capital spares in the financial statement. Also list of old inventory or used fixed assets disposed off has not been produced before us for our verification. As a result, we are unable to report whether the same are in conformity with stated accounting policies of the company or not. Besides no records were produced before us relating to impairment or derecognition of capital spares and property, plant and equipment.
5. The opening balance of trade receivable of Rs.1,45,24,66,069.00 has been transferred to inter Company balance (SBPDCL and NBPDCCL) in the accounts. The opening balance of Rs. 1,45,24,66,069.00 has also not been considered while calculating the closing balance of trade receivable of Rs.3,54,69,33,694.00 for the financial year 2017-18. As a result the ageing of debtors and expected credit loss which has to be calculated and reported under Ind AS 109 financial statement could not be done. The possible impact of expected credit loss thus cannot be quantified.
6. Inter-company difference in opening balance between BSPHCL and BSPTCL amounting to Rs. 92,66,854.16 found during reconciliation was transferred and adjusted to profit and loss account as holding charges relates to earlier years. .
7. Share of Fixed Deposits with Bank of Rs. 24,54,18,916.00 (last Year's Investment balance as on 31.03.2017) has been transferred to BSPHCL during the year which could not be verified by us due to non availability of any documents. The impact of possible misstatement therefore, could not be ascertained.
8. The Company has not followed the mercantile system on accounting of supervision charges credited to profit and loss account. In current year, Rs.41,66,64,048.13 have been shown as supervision charges but in absence of details amount of supervision charges and its possible impact on the understatement of profit of the company could not be quantified.
9. Capital work in progress of Rs. 7,85,34,48,499.27 has not capitalised during the F.Y 2017-18 even though the related projects are completed as reported by Technical Department (Capital WIP). The profit of the Company is overstated by amount of depreciation thereon. In absence of information about the date of capitalisation quantification of depreciation could not be ascertained and reported.





10. Transmission charges of Rs 40,29,33,451/- reversed in the F.Y 2017-18 relates to revenue of F.Y 2016-17. Net Annual projected Transmission Charges for the F.Y 2016-17 was approved for Rs 277.84 Crores and the same was booked as revenue in the audited Financial statement of F.Y 2016-17. But the actual energy delivered to **Discom** was Rs 237.55 Crore (22841024473 kwh @ 10.40 paise per unit) in the F.Y 2016-17 as per the document vide Case No 37 of 2017 order dated 07.03.2018 of BERC submitted before us in current year during the course of audit. In the financial statement of 2017-18 an amount of Rs 40,29,33,451/- which has been reversed (Projected Revenue of Rs 277.84 Crores less Actual Revenue of Rs. 237.55 Crores) therefore pertains to prior period.

Hence in our opinion BSPTCL booking its revenue for transmission every year on projection basis without adjusting/giving the effect of the difference between the projected revenue and actual revenue in the financial statement in same year. The possible impact of revenue on the profit of BSPTCL could not be quantified by us same is being booked under projection basis. However it may result in over/under statement of profit of current year

11. Advance to Power Grid Corp. of India Ltd (Turnkey Projects) opening balance as on 01.04.2017 Rs 53,62,12,714.49 and Rs. 7,87,05,162.00 in our opinion appears to be pending for capitalisation but in absence of required information it could not be reported together with its possible impact on the profit of the current year.

Further advance to PGCIL opening balance of Rs. 15,33,875.00 has been debited to Profit and loss account under Repair and Maintenance as AMC- Charges. Expenditure relates to April to September 2016 hence it is a prior period errors and profit is understated by this amount.

12. Company has not disclosed the impact of pending litigations on its financial position as per Ind AS 37 which requires, provision of contingent liabilities. The Company has neither assessed nor provided any contingent liabilities even though there are various cases under litigation are pending with various courts.

#### **Qualified Opinion**

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 paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2018 and its profit (financial performance including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

#### **Other Matters**

1. As per the data apparently available from Ministry of Corporate Affairs website, required forms to increase both authorised capital and paid up capital not filed.
2. Accounting is being done on Tally.ERP9 but there is no Maker and Checker control for entries hence in our opinion it indicates weakness in Internal Financial Control. Transfer of entries from one head to another head are being made without any proper authorisation of appropriate authority which signifies deficiency in internal control.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in Annexure C on the directions and sub-directions issued by The Comptroller and Auditor General of India.





3. As required by Section 143 (3) of the Act, based on our audit 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 purposes of our 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;
  - (c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flows statement dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express an unmodified opinion on the adequacy and operating effectiveness subject Para No 2 of Other Matters mentioned above of the Company's internal financial controls over financial reporting.
  - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Except for the matters dealt with in the basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, impacts of pending litigations (not recognised and disclosed in the accounts) on the financial position of the company in the standalone Ind AS financial statements as required in terms of the Ind AS and provisions of the Companies Act, 2013
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, AJAY KISHORE & Co.  
Chartered Accountants  
Firm's Reg. No. : 005899C

  
CA ALOKMOY MAZUMDAR

Partner

M. No. : 054587

Date : 30.10.2018





**“Annexure A” to the Independent Auditors’ Report**

**The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:**

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- 1) (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets of Gross Block of Rs. 63,85,61,21,269.00. Further, The Company has also not maintained proper records / detailed workings of Capital Work in progress of Rs. 29,73,15,72,576.00. Further, an amount of Rs. 94,47,820.00 of CWIP- Office Equipment and Rs. 8,08,10,445.00 of CWIP Plant and Machinery (RSVY) lying unadjusted from last year.  
  
(b) During the year, fixed assets have been physically verified by the management in accordance with a regular programme of verification and no material discrepancies noticed on verification as reported to us , however no verification report was produced before us for our perusal.  
  
(c) According to the information and explanations given to us, title deeds of immovable properties are held in the name of the Company but no title deeds has been produced for our verification.
- 2) (a) Physical verification of Inventories consisting of spare parts, lines and cable etc. of Rs. 1,22,85,05,377.26 as on 31.03.2018 has not been carried out during the year and stock book has not been maintained in the prescribed form. In absence of physical verification report, difference and reconciliation of physical stock with book stock could not be ascertained and verified.  
  
However, it may be mentioned that inventories for the current year is showing a negative (Credit) balance of Rs. 41,28,659.00 - O & M Material Stock A/c - Transformers, for which no satisfactory explanation were given to us.  
  
(b) The company is not maintaining proper records of inventory.  
  
(c) Details of the value determined of work-in-progress, basis of transfer from work in progress to Fixed Assets and evidence of physical verification not produced before us. As a result, we are unable to report whether the same are in conformity with stated accounting policies of the company or not.
- 3) According to the information and explanations given to us, during the year, the Company has not granted loan secured or unsecured to companies, firms or parties covered in the Register maintained under section 189 of the Act. Accordingly clause 3(iii) of the Order is not applicable to the company.
- 4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the companies Act 2013 are applicable and hence not commented upon.
- 5) The Company has not accepted any deposits from the public during the year hence the provisions of clause 3(v) of the Order is not applicable to the company.





- 6) As reported by the management, the central government has prescribed maintenance of cost records under the Companies Act and the prescribed accounts and records have been maintained by the management.
- 7) (a) There is no undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it with appropriate authorities except:-
- (i) Service Tax for the financial year 2013-14, 2014-15 and 2015-16 of Rs. 32,12,303.00 has been assessed and demanded by Service tax Department.
  - (ii) Assist. commi. 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.
  - (iii) A Demand of Rs. 53.86 Lacs on various circle and head office have been raised by the Income tax Department in respect of TDS default
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) Evidence regarding deduction / deposit of professional tax, GST, Vat , WCT and status of filing of returns not produced before us. The impact of the possible misstatement on the financial statement could not be ascertained and reported.
- 8) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks and debenture holders. The Company did not have any outstanding dues in respect of a financial institution or to Government, during the year.
- 9) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments. Further, term loans were applied for the purpose for which the loans were obtained.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- 13) As explained to us, There is no transaction with the related parties in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have not been disclosed in the notes to the financial statements, as required by the applicable accounting standards (Ind AS 26).





- 14) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with it. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, **AJAY KISHORE & Co.**  
**Chartered Accountants**  
Firm's Reg. No. : 0058990

Place: Patna  
Date : 30.10.2018



*Alokmoymazumdar*  
**CA ALOKMOY MAZUMDAR**  
**Partner**  
M. No. : 054587



## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 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 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management 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 ('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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

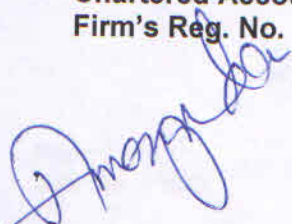
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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**

Payment / entry of expenditures are being made in tally (Software) without mentioning the invoice details on entry of payment voucher. Further, in our opinion, the Company has, in all material cases, an adequate internal financial controls system over financial reporting except for accounting entries which are maintained in Tally.ERP9, because it lacks Maker and Checker control ("Refer 'other Matters'" of Independent Auditors' Report), as the present system allows anyone to modify or make correction as and when they feel to do so and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

For, **AJAY KISHORE & Co.**  
**Chartered Accountants**  
Firm's Reg. No. : 005899C

  
**CA Alok moy Mazumdar**  
**Partner (M. No. : 054587)**

30/10/2018





**Sub Directions under section 143(5) of the Companies Act ,2013**

SL. No	Sub - Directions	Compliance
1	Please report correctness of cash in transit, if any, appearing in the Accounts. The same may be thoroughly examined and suitable comments (qualification, disclaimer or adverse comment), if any, based on the examination of the records of the records of the Power Companies in Bihar may be incorporated in the Statutory Auditors Report	NIL
2	Please report cases of stolen cash/ materials/ assets or cases of theft of assets. The same may be examined thoroughly and suitable comments (qualification, disclaimer or adverse comment), if any, based on the examination of the records of the Power Companies in Bihar may be incorporated in the of Statutory Auditors Report. Further, non - provision of the amount involved in theft may also be commented.	No Such Case
3	Please report on proper maintenance of the manual cashbook, if applicable. The same may be examined in the accounting units of the Power Companies of Bihar and suitable comments (qualification, disclaimer or adverse comment), if any based on the examination of the records of the Power Companies in Bihar may be incorporated in the Statutory Auditors Report.	Accounting is being done in Computerised System (Tally.ERP9) but there is no Maker and Checker control for entries hence in our opinion it indicates weakness in Internal Financial Control. Transfer of entries from one head to another head are being made without any proper authorisation of appropriate authority which signifies deficiency in internal control.
4	Please report on Bank reconciliation statements of all the bank accounts maintained by the Power Companies in Bihar. The same may be obtained and verified . Suitable comments may be incorporated in the statutory Auditors report based on examination of the same and discrepancies found.	Bank reconciliation of all bank accounts are maintained. No discrepancies noticed.
5	Details of Inter Company Accounts/ Inter unit accounts, if any, which generally appears in the other current liabilities / assets in the Balance Sheet of the Power Companies in Bihar may be obtained and verified . Suitable comments may be incorporated in the statutory Auditors report based on examination of the same and discrepancies found.	Confirmation of balances not produced before us for our verification and Reconciliation statement of Inter Company Accounts / Inter Unit Accounts also not made available to us for our verification.
6	System of obtaining confirmations from the parties in respect of amount receivables and payables may be assessed and deficiencies found , if any , in power Companies in Bihar may be suitably commented and included in the statutory Auditors Report.	Confirmation in respect of Receivables and Payables were not made available to us for our verification.
7	Compliance with provisions of the Income tax Act, 1961 in respect of Income Tax deducted at Source by the Power Companies in Bihar may be examined and suitable comments , if nay may be incorporated in the Statutory Auditors Report	As reported that, Income Tax deducted at Source has generally been regularly deducted and deposited however demand of Rs. 53.86 Lacs on various circle and head office have been raised by the Income tax Department in respect of TDS default.

For AJAY KISHORE & Co.  
Chartered Accountants



CA ALOKMOY MAZUMDAR  
Partner  
M. No. : 054587  
FRN : 005899C

Place: Patna  
Date : 30.10.2018





**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**  
**PATNA**

(Government of Bihar Undertaking)

(Registered Office: VidyutBhawan, Bailey Road, Patna)

..... Meeting of the Board of Directors of Bihar  
State Power Transmission Company Limited

Agenda item .....

**ADOPTION ON ANNUAL ACCOUNTS OF BIHAR STATE POWER  
TRANSMISSION COMPANY LIMITED FOR THE FINANCIAL  
YEAR 2017-18.**

**Introduction:**

The Annual Accounts of Bihar State Power Transmission Company Limited for the Financial Year 2017-18 consisting of the Balance Sheet as at March 31, 2018, Statement of Profit & Loss for the year ended on that date along with notes referred therein and Cash Flow Statement for the year ended on that date have been prepared in the prescribed format provided in Schedule III of the Companies Act, 2013 on the basis of accounts of all seven number of Transmission Circles as well as accounts of Head Office of BSPTCL. The Annual Accounts of the Company so prepared is enclosed as Annexure-'A' for the consideration of the Board of Directors.

**(1) Format of Accounts, Accounting Policies and Notes to Accounts:**

- The annual accounts comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 1956 (to the extent notified and applicable), applicable provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable.
- The accounts of the company have been prepared in accordance with the Accounting Policies and Notes to Accounts enunciated thereto.

**(2) Applicable Rules for adoption of Annual Accounts :**

- As per Section 134 of the Companies Act 2013, Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement is required to be signed by its Manager or Secretary, if any, and by not less than two Directors of the company one of whom shall be the Managing Director where there is one.
- Further, the Financial Statements are to be approved by the Board of Directors before the same are signed on behalf of the Board of Directors and submitted to the Auditors for their report thereon.
- Bihar State Power Holding appointed M/s ASA & Associates LLP to assist in preparation of Ind AS Financial Statement along with disclosure based on the information and data provided by the company for the financial year ended March 31, 2018.

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Followings are the key changes made during the year in the financial accounts due to applicability of Ind AS:

➤ Ind AS 19 (Employee Benefit Expenses) – In compliance with the statutory guidelines and for the welfare of the employee, company undertake the some employee benefits obligation viz. Pension, Gratuity and Leave Encashment. In order to avoid non-compliance of the requirement of Ind AS 19, company has taken the **Actuarial Valuation** of above mention benefit obligation in order to arrive at the present value of obligation. Actuarial Valuation has been obtained for last 3 years.

➤ Followings are the list of Ind AS which could not be complied during the year. Reasons are as follows:

- Ind AS 2 (Inventories) – Valuation of Inventories and classification of Capital spares. Inventory register is not segregated into Capital and O&M stock due to inventory materials vastly deployed in rural areas having difficult approaches. This will be rectified after implementation of ERP in Company.
- Ind AS 16 (PP&E) – Componentization due to lack of Fixed Assets Register
- Ind AS 18 (Revenue) – Amortization of deposit work due to lack of Fixed Asset register.

### (3) Comparative Material Statistic Data :

The material statistical data for the period from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 and the figures for the preceding period ended 31<sup>st</sup> March 2017 as emerged as per the Annual Accounts for FY 2017-18 prepared and being placed for adoption by the company are detailed below :-

(Rs. in Lakh)

Sl. No.	Particulars	This Year 2017-18
<b>A</b>	<b>INCOME</b>	
1	Revenue from Operation	63491
2	Other Income	9523
	<b>TOTAL (A)</b>	<b>73014</b>
<b>B</b>	<b>Expenditure</b>	
3	Employee Benefit Expenses	14074
4	Finance Cost	4270
5	Depreciation&Amortization	23680
6	Other Expenses	6907
	<b>TOTAL (B)</b>	<b>48931</b>
7	<b>PROFIT/(LOSS)BEFORE TAXES (A-B)</b>	<b>24083</b>
8	Provision for Income Tax	5140
9	Deferred Tax	(2119)
10	Mat Credit Entitlement	(5140)
	<b>SURPLUS / (DEFICIT) from continuing operations</b>	<b>26202</b>

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(4) An agenda was placed before Board of Directors, BSPTCL in 64th meeting held on 10-10-18 vide Agenda no.64-18 "Regarding Annual Accounts of Bihar State Power Transmission Co. Ltd. for Financial Year 2017-18. The matter was discussed and it was directed by the Board to review the figures related to Actuarial Valuation of Employee's Terminal Benefits and place fresh Agenda in the next Board meeting.

(5) A review meeting on Actuarial Valuation of Employee Terminal Benefit was held on 22-10-18 in presence of higher authorities in which the matter was explained by Mr. Sanjay Tiwari, a representative of M/s Charan Gupta Consultant Pvt. Ltd (The Actuary Consultancy Firm). In the review meeting it was observed that Actuarial Valuation for Employee benefit is essential as per statutory requirement of Indian General Accepted Accounting Practice (GAAP) Accounting Standard 15(revised) and Indian Accounting Standard- 19. Also, it was observed that Actuarial Valuation done by the Actuary is in accordance with the methodology & terminology used for valuation on pan India base and as per standard assumption.


Further, the Financial Statements are to be approved by the Board of Directors before the same are signed on behalf of the Board of Directors and submitted to the Auditors for their report thereon.

**PROPOSAL:**

In view of the facts, as detailed in the foregoing Para, the approval of the Board of Directors is solicited on the proposals mentioned below by passing above mentioned resolution: -

- (i) The Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss for the year ended on that date, Notes to Accounts, as appendix thereto and the Cash Flow Statement annexed to the Agenda Note may be approved.
- (ii) The Accounting Policies as stated as appendix thereto may be approved.
- (iii) The Chairman, Managing Director and General Manager (F&A) of the company may be authorized to sign the Balance Sheet as at 31st March, 2018, Statement of Profit & Loss and the Cash Flow Statement of the company for the year ended on 31st March, 2018 along with Notes to Accounts on behalf of the Board of Directors, in accordance with the provisions of Section 134 of the Companies Act, 2013".
- (iv) The Annual Accounts duly authenticated by the signatories may be forwarded to the Statutory Auditors for their report thereon.
- (v) The Company Secretary may be authorized to file Form MGT-14 with Registrar of Companies, Bihar.

This has got the approval of Managing Director.

  
(Pramod Tiwari)  
GM (Finance & Accounts)

  
(Kriti Kiran)  
Company Secretary



# Bihar State Power Transmission Company Limited

Balance Sheet as at 31st March, 2018

(Rupees in Lakh)

Sr. No	Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	1	5,01,629	3,86,179	3,02,776
	(b) Capital work-in-progress	2	2,97,316	3,17,859	2,27,694
	(c) Investment Property		-	-	-
	(d) Intangible Assets		-	-	-
	(e) <b>Financial Assets</b>				
	(i) Investments		-	-	-
	(i) Loans	3	61	59	-
	(ii) Others		-	-	-
	(f) Other non current assets	4	1,04,397	1,04,952	93,884
	<b>Total Non-Current Assets</b>		<b>9,03,403</b>	<b>8,09,050</b>	<b>6,24,354</b>
<b>2</b>	<b>Current assets</b>				
	(a) Inventories	5	12,285	13,300	13,102
	(b) <b>Financial Assets</b>				
	(i) Trade receivables	6	35,469	14,525	7,478
	(ii) Cash and cash equivalents	7	1,51,334	1,68,911	1,09,754
	(iii) Bank Balances other than cash and cash equivalents	8	12,272	4,653	3,680
	(iv) Loans		-	-	-
	(v) Others	9	189	213	884
	(c) Current Tax Assets	10	3,829	2,855	1,820
	(d) Other Current Assets	11	727	1,493	16,418
	<b>Total Current Assets</b>		<b>2,16,105</b>	<b>2,05,948</b>	<b>1,53,136</b>
	<b>Total Assets</b>		<b>11,19,508</b>	<b>10,14,998</b>	<b>7,77,490</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(i) Equity Share capital	12	3,00,000	3,00,000	3,00,000
	(ii) Other Equity	13	3,42,722	2,62,399	92,742
	<b>Total Equity</b>		<b>6,42,722</b>	<b>5,62,399</b>	<b>3,92,742</b>
<b>2</b>	Deferred Government Grant and Consumer Contribution	14	1,76,483	1,61,296	1,59,354
<b>3</b>	<b>Liabilities</b>				
<b>3.1</b>	<b>Non-current liabilities</b>				
	(a) <b>Financial Liabilities</b>				
	(i) Borrowings	15	56,628	53,391	33,147
	(ii) Others		-	-	-
	(b) Provisions	16	97,245	92,788	82,339
	(c) Other Non-Current Liabilities		-	-	-
	(d) Deferred Tax Liabilities	17	32,866	40,125	41,398
	<b>Total Non-current liabilities</b>		<b>1,86,739</b>	<b>1,86,304</b>	<b>1,56,884</b>
<b>3.2</b>	<b>Current Liabilities</b>				
	(a) <b>Financial Liabilities</b>				
	(i) Borrowings		-	-	-
	(ii) Trade payables		-	-	-
	(iii) Others	18	1,01,018	94,543	59,726
	(b) Provisions	19	7,962	6,804	6,420
	(c) Other Current Liabilities	20	4,584	3,651	2,365
	<b>Total Current Liabilities</b>		<b>1,13,564</b>	<b>1,04,999</b>	<b>68,510</b>
	<b>Total Liabilities</b>		<b>3,00,303</b>	<b>2,91,303</b>	<b>2,25,394</b>
	<b>Total Equity &amp; Liabilities</b>		<b>11,19,508</b>	<b>10,14,998</b>	<b>7,77,490</b>

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For, Ajay Kishore & Co.

Chartered Accountants

Firm Reg. No. 005899C

CA Mokmoy Mazumdar

Membership No. 054587

Partner

Place: Patna

Date: 30/10/2018

Pramod Tiwari  
General Manager (F&A)

For and on behalf of the board

Sandeep Kumar R. Pudukalkatti

Managing Director

DIN- 07387571

Pratyaya Amrit

Chairman

DIN- 01192117



# Bihar State Power Transmission Company Limited

Statement of Profit and Loss for the year ended 31st March, 2018


(Rupees in Lakh)

Sr. No.	Particulars	Note No	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I Income</b>				
a)	Revenue from operations	21	63,491	28,470
b)	Other Income	22	9,523	12,430
	<b>Total Income</b>		<b>73,014</b>	<b>40,901</b>
<b>II Expenses</b>				
a)	Power Purchase cost		-	-
b)	Employee Benefit Expenses	23	14,074	14,599
c)	Finance Cost	24	4,270	3,942
d)	Depreciation and amortisation expense	25	23,680	15,905
e)	Other Expenses	26	6,907	8,244
	<b>Total Expenses</b>		<b>48,931</b>	<b>42,690</b>
<b>III</b>	<b>Profit (+)/ Loss (-) before tax (I - II)</b>		<b>24,083</b>	<b>(1,789)</b>
<b>IV Tax Expense</b>				
a)	Current tax (Income Tax)		5,140	72
b)	Deferred tax		(2,119)	(1,201)
c)	MAT Credit Entitlement		(5,140)	(72)
<b>V</b>	<b>Profit (+)/ Loss (-) for the year (III - IV)</b>		<b>26,202</b>	<b>(588)</b>
<b>VI Other comprehensive income</b>				
	other comprehensive income			
<b>A</b>	(i) Items that will not be reclassified to profit or loss			
	- Actuarial Gain/(Loss)		3,843	6,276
	- Receivable From GoB		(3,843)	(6,276)
	- Deferred Tax		-	-
<b>VII</b>	<b>Total Comprehensive Income for the period</b>		<b>26,202</b>	<b>(588)</b>
<b>VIII Earnings per equity share:</b>				
a)	Basic		0.87	(0.02)
b)	Diluted		0.87	(0.02)


As per our report of even date attached

For, Ajay Kishore & Co.  
Chartered Accountants  
Firm Reg. No. 005899C

For and on behalf of the board

  
CA Alok moy Mazumdar  
Membership No. 054587  
Partner

  
Pramod Tiwari  
General Manager (F&A)

  
Sandeep Kumar R. Pudakalkatti  
Managing Director  
DIN- 07387571

  
Pratyaya Amrit  
Chairman  
DIN- 01192117

Place: Patna  
Date: 30/10/2018



## Bihar State Power Transmission Company Limited

Cash Flow Statement for the period ended March 31, 2018

₹ In Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	24,083	(1,789)
Adjusted for:	-	-
Depreciation and amortization	23,680	15,905
Amortization of grant	(6,849)	(6,849)
Interest Income on fixed deposits	(1,320)	(1,640)
Finance Cost	4,270	3,942
Preliminary Expenses written off	36	36
<b>Operating profit before working capital changes</b>	<b>43,900</b>	<b>9,605</b>
Adjusted for:	-	-
(Increase)/ Decrease in trade receivables	(20,945)	(7,047)
(Increase)/ Decrease in inventories	1,014	(197)
(Increase)/ Decrease in other assets	(11,639)	4,046
Increase/ (Decrease) in provisions	5,615	10,833
Increase/ (Decrease) in DTL	(1,591)	(72)
Increase/ (Decrease) in other liabilities	8,999	36,104
<b>Cash generated from Operations</b>	<b>25,353</b>	<b>53,273</b>
Income taxes paid (including taxes deducted at source)	(5,514)	(72)
<b>Net Cash from Operating Activities</b>	<b>19,838</b>	<b>53,201</b>
<b>B. Cash flow from Investing Activities</b>	-	-
Purchase of PPE and intangible assets	(1,39,130)	(99,308)
Payment for capital work in progress	20,544	(90,165)
Advances for Capital Work	4,707	(2,194)
Loan to Staff	(2)	(59)
Interest Income	1,343	2,343
<b>Net Cash used in Investing Activities</b>	<b>(1,12,538)</b>	<b>(1,89,384)</b>
<b>C. Cash flow from Financing Activities</b>	-	-
Proceeds from issue of share capital	54,121	1,70,245
Interest paid during the year	(4,270)	(3,942)
Movement in long-term borrowings	3,237	20,244
Grant received during the year	22,036	8,791
Dividend paid during the year	-	-
<b>Net Cash used in Financing Activities</b>	<b>75,123</b>	<b>1,95,339</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(17,577)</b>	<b>59,157</b>
Cash and cash equivalents at the beginning of the year	1,68,911	1,09,754
<b>Cash and cash equivalents at the end of the year</b>	<b>1,51,334</b>	<b>1,68,911</b>

Cash and Cash Equivalent Comprises of following:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash in hand	1	2
Balance with Banks:	1,51,213	1,68,752
Imprest with Staff	105	103
Cheque in Transit	14	54
<b>Net Cash and Cash Equivalent</b>	<b>1,51,334</b>	<b>1,68,911</b>

For, Ajay Kishore & Co.

Chartered Accountants  
Firm Reg. No. 005899C

*(Signature)*  
CA Alokraj Mazumdar  
Membership No. 054587

Partner

Place: Patna

Date: 30/10/2018

For and on behalf of the board

*(Signature)*  
25/10/18  
Pramod Tiwari  
General Manager (F & A)

*(Signature)*  
25-10-18  
Sandeep Kumar R. Pudakalkatti  
Managing Director  
DIN- 07387571

*(Signature)*  
Pratyaya Amrit  
Chairman  
DIN- 01192117





**Bihar State Power Transmission Company Limited**  
**Notes to the Financial Statements for the year ended March 31, 2018**

**1. Company Information and Significant Accounting Policies**

**A. Company Information**

Bihar State Power Transmission Company Limited is a company registered under the Companies Act 1956, applicable in India in July, 2012, to which the State Govt. through the Department of Energy has vested transmission undertakings existing within the territory of Bihar of the erstwhile Bihar State Electricity Board in accordance with the Bihar State Electricity Reforms Transfer Scheme, 2012 vide notification no. 17 dated 30.10.2012. The address of the Company's registered office is Vidyut Bhawan, Bailey Road, Patna - 800021. The Company is primarily involved in the Transmission of power.

The Company is subsidiary of Bihar State Power (Holding) Company Limited which holds 100% shares in the company.

**B. Basis of preparation and presentation**

**i. Statement of Compliance**

These financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 1956 (to the extent notified and applicable), applicable provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable.

For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015. Some of the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2015, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2015.

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**ii. Basis of Measurement**

These financial statements are prepared on the accounting principles of going concern on accrual basis of accounting, under historical cost convention except for certain financial instruments which are measured at fair value.

**iii. Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in (₹) has been rounded to nearest lakhs except as stated otherwise.

**iv. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**a) An asset is current when it is:**

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**b) A liability is current when:**

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**v. Use of estimates and judgment**

The preparation of financial statements is in conformity with Ind AS which requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure/s, at the end of the reporting period. The estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### 1. Property, plant and equipment

##### 1.1 Initial recognition and measurement

The company has adopted cost model of recognition under Ind AS 16 to measure the Property, Plant and Equipment. Consequently all the items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant & Machinery or subsequently which meets the recognition criteria of Property, Plant and Equipment are capitalised and added in the carrying amount of such item. The carrying amount of spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

Stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

In the case of commissioned assets, deposit works or cost plus contracts, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

The cost of land includes provisional deposits, payments/ liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken. Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

##### 1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost

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incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

### 1.3 Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### 1.4 Depreciation/amortization

With effect from 1 April 2014, Schedule II of the Companies Act, 2013 has been notified and in accordance with part B of schedule II, the rate or useful life given in CERC regulation are applied for computing depreciation on assets. however in case of assets where no useful life is prescribed in CERC regulations, the useful life and residual value as given in part C of Schedule II of the companies Act ,2013 is followed.

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation on the assets of the transmission of electricity business is charged on straight line method following the rates and methodology notified by the CERC up to 90% of the original cost of assets after taking 10% as residual value referred below:

Asset Group	Rate
Buildings	3.34%
Hydraulic Works	5.28%
Others Civil Works	3.34%
Plant and Machinery	5.28%
Lines and Cable Network	5.28%
Vehicles	6.33%
Furniture and Fixtures	6.33%
Office Equipment	6.33%





Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

### 1.5 Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Capital works-in-progress includes the cost incurred on fixed assets that are not yet ready for the intended use and is capitalized up to the date these assets are ready to use. All expenditures incurred on project under construction are allocated on pro-rata basis to the additions made to respective project.

Claims for price variation are accounted for on their acceptance.

### 1.6 Capital Stores

Materials purchased for capital projects are classified as Capital stores and these are valued at cost.

## 2. Intangible assets and intangible assets under development

### 2.1 Initial recognition and measurement

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

In case of internally generated intangible asset, expenditure on research are recognised as an expense when it is incurred.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

### 2.2 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the

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carrying amount of intangible assets and are recognized in the statement of profit and loss.

### 2.3 Amortization

Cost of software having finite life recognized as intangible asset, is amortized on straight line method using rates maintained in CERC. Other intangible assets having finite life, where no useful life is prescribed in CERC regulations are amortized on straight line method over the asset's future economic benefits are expected to be consumed by company, If that pattern cannot be determined reliably, the straight-line method are used. An intangible asset with an indefinite useful life are not be amortised.

### 3. Impairment of tangible and intangible assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 4. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use.

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Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

#### 5. Inventories

Inventories are valued at lower of cost determined on weighted average basis or net realizable value.

The cost of inventories comprise of all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

#### 6. Cash and cash equivalents

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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**7. Government grants**

Government grants received are recognized initially as income when there is reasonable assurance that Company will comply with the conditions associated with the grant. These grants are classified as grants relating to assets and revenue based on the nature of the grant.

Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are disclosed separately as Income in the statement of Profit and Loss.

Government grants with a condition to purchase, construct or otherwise acquire long term assets are initially recognised as deferred income. Once recognised as deferred income, such grants are recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognised prospectively over the remaining life of the assets.

Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

**8. Consumer Contributions**

Consumer Contributions against which assets is created are recognized as deferred income and amortized in the proportion of depreciation every year for depreciable assets acquired.

**9. Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation (Legal or Constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are not recognized but disclosed in Notes when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

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Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

#### 10. Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

#### 11. Revenue

Company's revenues arise from sale of power, Subsidy from state government and other income. Revenue from transmission of power is regulated and governed by the applicable BERC Tariff Regulations under Electricity Act, 2003. Revenue from other income comprises interest from banks, employees etc., sale of scrap, other miscellaneous income, etc.

##### 11.1 Revenue from transmission of power

The Company records revenue from transmission of power based on tariff rates approved by the BERC, as per principles enunciated under Ind AS 18. Accordingly, the honorable BERC determines the tariff for the Company's based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on cost incurred that includes employee benefits expense, depreciation, return on equity, interest on working capital, repair & maintenance expenses, administration and general expenses and interest on loan.

Revenue from the transmission of power is measured at the fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and the recovery of the consideration is probable, the associated costs can be estimated reliably.

Delayed payment charges are accounted on actual basis.

##### 11.2 Other income

- a) Income from sale of scrap is accounted for on the basis of actual realization.
- b) Insurance claims are accounted on accrual basis.
- c) Rental Income is recognized on time proportionate basis over the period of the rent.
- d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- e) Other income except mentioned above is recognised on accrual basis except when ultimate realisation of such income is uncertain.

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- f) Amount in respect of unclaimed security deposit, earnest money deposit and misc. deposit of suppliers and contractors, stale cheques etc. which is pending for more than three years and which are not payable, is considered as income.

## 12. Employee benefits

Employee benefits include salaries & wages, General Provident Fund, Gratuity, Earned Leave Encashment, Group Saving Scheme, National Pension Scheme and other terminal benefits.

### 12.1 Defined contribution plans

Provisions towards Gratuity and Leave Encashment in respect of employees recruited by the company are made based on actuarial valuation using the projected unit credit method.

Remeasurement, comprising actuarial gains and losses, are recognised in the period in which they occur, directly in other comprehensive income. Remeasurement gains and losses are included in retained earnings in the statement

The Company pays fixed contribution to Provident Fund, Gratuity, Leave encashment at predetermined rates to BSPHCL Master Trust Employees A/c a separate trust maintained with Bihar State Power (Holding) Co. Ltd. which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. The obligation of the Company is to make such fixed contributions.

The Company also pays fixed contribution to Contributory Pension Scheme at predetermined percentage of salary of employees govern by new pension scheme to BSPHCL Master Trust Employees A/c a separate trust maintained with Bihar State Power (Holding) Co. Ltd. which inter alia pays to NSDL for investment of funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. The obligation of the Company is to make such fixed contributions.

The Company does not contribute to Group Saving Schemes but Deductions on accounts GSS from eligible employees at predetermined rate is made are also remitted to BSPHCL Master Trust Employees A/c a separate trust maintained with Bihar State Power (Holding) Co. Ltd. The obligation of the Company is to make such remittance.

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## 12.2 Short-term benefits

Short term employee benefits obligations are measured on an undiscounted basis and are expenses as the related services are provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 13. Income tax

Income tax expense for the year represents the sum of the current tax and deferred tax. Current tax expenses is recognised in profit & loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in OCI or equity.

Current tax is the expected tax payable / receivable on the taxable income / loss for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of the Income Tax act 1961. Accordingly, Minimum alternative tax (MAT) has been provided in the books during the year and has been shown under current "current tax" in the Statement of Profit & Loss

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

Deferred tax liability is generally recognized for all taxable temporary differences.

Deferred tax asset is generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

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#### 14. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

#### 15. Material prior period errors

Pre-paid/ prior-period items up to Rs.1,000,000/- are accounted for to natural heads of account.

Material prior period(s) errors are corrected retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. However, if the error relates to a period prior to the comparative period, opening balances of the assets, liabilities and equity of the comparative period presented are restated.

#### 16. Earnings per share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### 17. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

#### 18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

##### 18.1 Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or





issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and/or interest but also from the sale of such assets. Such assets are subsequently measured at FVOCI.
- Fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortised cost or FVTOCI.

Financial assets include trade receivables, advances, security deposits, cash and cash equivalents etc and are classified for measurement at amortised cost.

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

#### **Impairment of Financial Assets:**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables under Ind AS 18.
- (e) Loan commitments which are not measured as at FVTPL.
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk

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has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

**Derecognition of Financial Assets:**

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or company transfers the contractual rights of such financial assets to receive the cash flows from the asset.

**18.2 Financial Liabilities**

Borrowings, trade payables or other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest rate method.

**Derecognition of financial liability:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

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# Bihar State Power Transmission Company Limited

Notes forming part of Balance Sheet

Note No 1  
Property Plant & Equipment (Non-current)

(Rupees in Lakhs)

Particular	Land	Buildings	Hydrolic works	Other civil works	Plant and Machinery	Lines and cables Network	Vehicles	Furniture and Fixtures	Office Equipment	Total
<b>Depreciation Rate</b>		3.34%	5.28%	3.34%	5.28%	5.28%	6.33%	6.33%	6.33%	
<b>Gross Block</b>										
Balance as at 1 April, 2016	1,38,304.71	3,513.98	0.44	12,817.54	88,173.83	59,676.16	0.00	217.37	72.11	3,02,776.14
Additions	911.10	-	-	6,296.29	54,964.26	37,019.80	-	91.16	25.22	99,307.82
Less: Disposals/Sale/Transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 31 march, 2017	1,39,215.81	3,513.98	0.44	19,113.83	1,43,138.09	96,695.96	0.00	308.53	97.33	4,02,083.96
Balance as at 31 march, 2017 Updated	1,39,215.81	3,513.98	0.44	19,113.83	1,43,138.09	96,695.96	0.00	308.53	97.33	4,02,083.96
Additions	1,541.95	-	-	15.51	49,656.71	87,902.51	-	103.46	137.71	1,39,357.85
Less: Disposals/Sale/Transfer	227.93	-	-	-	-	-	-	-	-	227.93
Balance as at 31 march, 2018	1,40,529.83	3,513.98	0.44	19,129.34	1,92,794.79	1,84,598.47	0.00	411.99	235.04	5,41,213.88
<b>Accumulated Depreciation</b>										
Balance as at 1 April, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	197.40	0.03	617.71	8,376.50	6,683.63	-	18.77	11.05	15,905.08
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 31 march, 2017	-	197.40	0.03	617.71	8,376.50	6,683.63	-	18.77	11.05	15,905.08
Balance as at 31 march, 2017 Updated	-	197.40	0.03	617.71	8,376.50	6,683.63	-	18.77	11.05	15,905.08
Depreciation expense	-	197.40	0.03	724.99	11,990.22	10,730.75	0.00	26.44	9.72	23,679.54
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 31 march, 2018	-	394.80	0.06	1,342.70	20,366.71	17,414.38	0.00	45.21	20.78	39,584.63
<b>Carrying Amount</b>										
As at 1 April, 2016	1,38,304.71	3,513.98	0.44	12,817.54	88,173.83	59,676.16	0.00	217.37	72.11	3,02,776.14
As at 31 March, 2017	1,39,215.81	3,316.58	0.41	18,496.12	1,34,761.59	90,012.33	0.00	289.76	86.28	3,86,178.87
As at 31 March, 2018	1,40,529.83	3,119.18	0.39	17,786.64	1,72,428.08	1,67,184.09	-	366.78	214.27	5,01,629.26



Note No 2

Capital Work-In-Progress(CWIP)

Particular	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
<b>Capital work in progress</b>			
Cap Wip- RSVY	5,341.01	3,698.71	808.10
Cap WIP-ADB	50,401.44	17,324.08	16,435.32
Cap WIP- BRGF	87,819.55	1,53,173.12	1,49,122.52
Cap WIP- Deposit Scheme	11,419.48	9,721.83	4,092.50
Cap WIP- IRF	1,278.45	1,182.44	463.52
Cap WIP- PSDF	5,322.31	1,948.49	-
Cap WIP- State Plan	1,35,733.49	1,30,810.56	56,772.27
<b>Total</b>	<b>2,97,315.73</b>	<b>3,17,859.23</b>	<b>2,27,694.24</b>

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**Bihar State Power Transmission Company Limited**  
Notes forming part of Balance Sheet

Note No 3

Financial Assets - Loans

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured - Considered Good			
Loans to Staff	61.03	59.44	-
<b>Total</b>	<b>61.03</b>	<b>59.44</b>	<b>-</b>

Note No 4

Other Non-Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured - Considered Good			
Advances for Capital Works	9,690.72	14,397.48	12,203.44
Deposit	1.00	1.00	1.00
Terminal Benefit receivable from GoB			
Pension	86,680.39	81,783.03	73,914.40
Gratuity	4,099.59	4,838.96	3,825.61
Leave Encashment	3,115.83	3,074.63	3,230.62
Long Term Employee benefit - Leave Encashment	809.00	857.17	708.52
<b>Total</b>	<b>1,04,396.53</b>	<b>1,04,952.27</b>	<b>93,883.58</b>

Note No 5

Inventories

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Stock of material/ Consumables at Other Stores	11,753.76	12,768.23	11,397.74
Materials/ Consumables in Transit (ICT)	524.29	524.29	524.29
Other stock	7.00	7.00	1,180.27
<b>Total</b>	<b>12,285.05</b>	<b>13,299.53</b>	<b>13,102.30</b>

Note No. 6

Financial Assets - Trade Receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Secured, Considered good		-	-
- Unsecured Considered Good	35,469.34	14,524.66	7,477.60
Less:- Provision for Doubtful dues from Consumers	-	-	-
<b>Total</b>	<b>35,469.34</b>	<b>14,524.66</b>	<b>7,477.60</b>





**Bihar State Power Transmission Company Limited**  
Notes forming part of Balance Sheet

Note No. 7

**Financial Assets - Cash And Cash Equivalents**

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash in hand	1.46	1.64	3.29
Cash imprest with staff	104.65	102.76	107.84
Cash in Transit	-	-	-
<b>Balance with bank</b>			
(i) In Bank Accounts	1,51,213.34	1,68,752.20	1,09,625.68
(ii) In Deposit Accounts (with original maturity less than three months)	-	-	-
Cheque in Transit	14.43	53.96	17.14
<b>Total</b>	<b>1,51,333.88</b>	<b>1,68,910.57</b>	<b>1,09,753.95</b>

\* The above table includes amount of INR 9,033.49 Lakh held by the company that are not available for use by the company.

Note No 8

**Financial Assets - Bank Balances (Other Than Cash And Cash Equivalents)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Deposits with banks (with original maturity more than 3 months up to 12 months)	-	-	-
(ii) Earmarked Bank Balance	12,271.53	4,652.52	3,680.03
<b>Total</b>	<b>12,271.53</b>	<b>4,652.52</b>	<b>3,680.03</b>

\* Balance of INR 1227.15 lakh is kept in separate PLA account received from BSPHCL for capital projects.

Note No 9

**Financial Assets - Others (Current)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest accrued on investments	131.77	154.47	857.56
Amount recoverable from employees	0.89	0.89	0.89
Other Claims and Receivables	56.18	57.20	25.38
Advance to Staff	0.04	0.34	-
<b>Total</b>	<b>188.88</b>	<b>212.90</b>	<b>883.82</b>

Note No 10 (A)

**Other Current Tax Assets**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax / deductions at source	10,945.52	4,831.07	3,725.38
<b>Total</b>	<b>10,945.52</b>	<b>4,831.07</b>	<b>3,725.38</b>

Note No 10 (B)

**Current Tax Liabilities**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions for income tax	7,116.31	1,976.54	1,904.98
<b>Total</b>	<b>7,116.31</b>	<b>1,976.54</b>	<b>1,904.98</b>
<b>Net Balance (Note 10A-Note 10B)</b>	<b>3,829.21</b>	<b>2,854.53</b>	<b>1,820.39</b>

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# Bihar State Power Transmission Company Limited

## Notes forming part of Balance Sheet

### Year Wise Tax Details

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>F.Y 2013-14</b>			
TDS	-	716.33	716.33
Advance Tax	-	-	-
Less: Provision for Income Tax	-	-	-
<b>Total (A)</b>	<b>-</b>	<b>716.33</b>	<b>716.33</b>
<b>F.Y 2014-15</b>			
TDS	1,264.41	1,264.41	1,264.41
Advance Tax	324.58	324.58	324.58
Less: Provision for Income Tax	1,636.42	1,636.42	1,636.42
<b>Total (A)</b>	<b>(47.43)</b>	<b>(47.43)</b>	<b>(47.43)</b>
<b>F.Y 2015-16</b>			
TDS	1,220.05	1,220.05	1,220.05
Advance Tax	200.00	200.00	200.00
Less: Provision for Income Tax	268.56	268.56	268.56
<b>Total (B)</b>	<b>1,151.49</b>	<b>1,151.49</b>	<b>1,151.49</b>
<b>F.Y 2016-17</b>			
TDS	1,060.69	1,060.69	-
Advance Tax	45.00	45.00	-
Less: Provision for Income Tax	71.55	71.55	-
<b>Total (C)</b>	<b>1,034.14</b>	<b>1,034.14</b>	<b>-</b>
<b>F.Y 2017-18</b>			
TDS	1,184.75	-	-
Advance Tax	5,646.00	-	-
Less: Provision for Income Tax	5,139.78	-	-
<b>Total (D)</b>	<b>1,690.97</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>3,829.17</b>	<b>2,854.53</b>	<b>1,820.39</b>

### Note No 11

#### Other Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances for O & M Supplies/Works	258.35	278.99	202.85
Advances to Staff	190.70	983.82	775.79
<b>Advance -</b>			
Entry tax	-	-	-
VAT	-	-	-
Central Sales Tax	-	-	-
Service Tax	-	-	-
BSEB Restructuring Balance	137.89	137.89	137.89
Inter Company Balances	-	-	14,049.34
Inter- Units Accounts	-	-	-
Prepaid Expenses	46.15	41.87	-
Others Receivables	94.36	14.54	1,179.29
Preliminary Expenses	-	36.22	72.43
<b>Total</b>	<b>727.46</b>	<b>1,493.32</b>	<b>16,417.59</b>

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## Bihar State Power Transmission Company Limited

### Notes forming part of Balance Sheet

Note No 12

Equity Share Capital

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>(A). Authrised</b>			
3,00,00,00,000 Equity Shares of Rs.10 each	3,00,000	3,00,000	3,00,000
<b>(B). Issued, subscribed and fully paid up</b>			
3,00,00,00,000 Equity Shares of Rs.10 each as on March 31, 2018, March 31, 2017 ,April 1st, 2016	3,00,000	3,00,000	3,00,000
<b>Total</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>3,00,000</b>

Note No 12.1- The Company has only one class of equity share, having par value of ₹ 10/- per share.

#### 12.2 Reconciliation of the number of shares outstanding: -

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	3,00,00,00,000	300000	3,00,00,00,000	300000
Add:- Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	3,00,00,00,000	3,00,000	3,00,00,00,000	30,00,00,00,000

#### 12.3 Details of the shares held by each shareholder holding more than 5% shares:-

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% held	No. of shares	% held
Bihar State Power (Holding) Company Ltd. and its nominees	3,00,00,00,000	100%	3,00,00,00,000	100%



**Bihar State Power Transmission Company Limited**  
Statement of Changes in Equity for the period ended March 31, 2018

**A. Equity Share Capital**

(Rupees in Lakh)

Particulars	No of Shares	Amount
Balance as at April 1,2016	3,00,00,00,000	30,00,00,00,000
Changes in equity share capital during the year	-	-
Balance as at March 31,2017	3,00,00,00,000	30,00,00,00,000
Changes in equity share capital during the year	-	-
Balance as at March 31,2018	3,00,00,00,000	30,00,00,00,000

**B. Other Equity**

Particular				Other Items of OCI	Total
	Capital Reserve	Share Application Pending Allotment	Surplus in Statement of Profit & Loss		
Balance as per previous IGAAP March 31, 2016		1,37,308.88	6,626.91	-	1,43,935.79
Changes in accounting policy or prior period errors			(44,114.58)	-	(44,114.58)
Actuarial adjustment due to Ind AS			(7,079.70)	-	(7,079.70)
Restated balance at the beginning of the reporting period April 01, 2016	-	1,37,308.88	(44,567.37)	-	92,741.51
(i) Changes in accounting policy or prior period errors				-	-
(ii) Actuarial adjustment due to Ind AS			(1,958.27)	-	(1,958.27)
(iii) Addition / Profit for the year other than item (i) to (ii)		1,70,245.00	1,370.65	-	1,71,615.65
Addition during the year		1,70,245.00	(587.62)		1,69,657.38
(iv) Other Comprehensive Income					-
Total Comprehensive Income		1,70,245.00	(587.62)		1,69,657.38
Balance at the end of the reporting period March 31, 2017	-	3,07,553.88	(45,154.99)	-	2,62,398.89
Balance at the beginning of the reporting period April 01, 2017		3,07,553.88	(45,154.99)		
Fund received / Profit during the year		54,120.53	26,202.48		80,323.01
Other Comprehensive Income					-
Total Comprehensive Income		54,120.53	26,202.48		80,323.01
Balance at the end of the reporting period March 31, 2018	-	3,61,674.41	(18,952.52)	-	3,42,721.89

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**Bihar State Power Transmission Company Limited**  
Notes forming part of Balance Sheet

Note No 13

Other Equity

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance	(45,154.99)	(44,567.37)	6,626.91
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss	26,202.48	(587.62)	
Less: Changes in accounting policy or prior period errors			(51,194.28)
Less:- Appropriations during the year			
<b>Closing Balance</b>	<b>(18,952.52)</b>	<b>(45,154.99)</b>	<b>(44,567.37)</b>
<b>Share Application Pending Allotment</b>			
Opening Balance	3,07,553.88	1,37,308.88	-
Add:- Funds received during the year	54,120.53	1,70,245.00	1,37,308.88
Less: Share capital Alloted			
<b>Closing Balance</b>	<b>3,61,674.41</b>	<b>3,07,553.88</b>	<b>1,37,308.88</b>
<b>Total</b>	<b>3,42,721.89</b>	<b>2,62,398.89</b>	<b>92,741.51</b>

Note No 14

Deferred Government Grant and Consumer Contribution

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Defferred Income - Non-Depreciable Assets</b>			
Opening Balance	3,644.59	3,779.57	3,779.57
Add:Fund from State Government	-	-	-
Less: Defferred Income	134.98	134.98	-
<b>Total (A)</b>	<b>3,509.60</b>	<b>3,644.59</b>	<b>3,779.57</b>
Opening Balance	1,34,821.26	1,39,667.15	1,39,667.15
Add:Fund from State Government	-	1,868.27	-
Less: Defferred Income	6,714.16	6,714.16	-
<b>Total (B)</b>	<b>1,28,107.10</b>	<b>1,34,821.26</b>	<b>1,39,667.15</b>
<b>Consumer Contribution- Defferred Income</b>			
Opening Balance	22,830.33	15,907.32	15,907.32
Add:- Addition during the Year	22,036.08	6,923.01	-
Deduction:- Amornisation of Consumer Contribution	-	-	-
<b>Total (C)</b>	<b>44,866.42</b>	<b>22,830.33</b>	<b>15,907.32</b>
<b>Total (A+B+C)</b>	<b>1,76,483.12</b>	<b>1,61,296.18</b>	<b>1,59,354.05</b>

Note No 15

Financial Liabilities - Borrowings (Non-Current)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>I. Unsecured</b>			
<b>From Government of Bihar</b>			
(a) State Govt. Plan Loan	34,054.95	34,054.95	19,595.95
<i>Interest is provisionally provided @10.50%.</i>			
(b) Loan from BSPHCL - ADB	22,573.28	19,336.51	13,551.12
<i>Interest is provisionally provided @13.00%.</i>			
<b>Sub total</b>	<b>56,628.23</b>	<b>53,391.46</b>	<b>33,147.07</b>
Less:- Current Maturities of Long Term Debts			
<b>Total</b>	<b>56,628.23</b>	<b>53,391.46</b>	<b>33,147.07</b>

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# Bihar State Power Transmission Company Limited

Notes forming part of Balance Sheet

Note No 16

Financial Liabilities - Others (Non-Current)

(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Total</b>	-	-	-

Note No 16

Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Terminal Benefits Liabilities</b>			
<b>Company</b>			
Pension	10,425.00	9,287.93	7,535.70
Gratuity	885.71	607.20	252.52
Leave Encashment			
<b>Government</b>			
Pension	79,836.59	76,706.49	69,028.80
Gratuity	3,704.23	3,719.62	2,912.16
Leave Encashment	2,393.37	2,466.90	2,609.90
<b>Total</b>	<b>97,244.89</b>	<b>92,788.14</b>	<b>82,339.07</b>

Note No 17

Tax Expense

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
<b>Current income tax</b>		
Current year	5,139.78	71.55
Less: MAT Credit	(5,139.78)	(71.55)
Sub Total (A)	-	-
<b>Deferred tax expense</b>		
Deffered tax liability / (asset)	(2,119.10)	(1,201.23)
Sub Total (B)	(2,119.10)	(1,201.23)
<b>Total</b>	<b>(2,119.10)</b>	<b>(1,201.23)</b>

Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Acturial (Gain)/ Loss	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Profit before tax	24,083.38	(1,788.85)
Enacted tax Rate	21.34%	21.34%
Computed Expected Tax Expenses	5,139.78	(381.77)
Deffered Tax	(2,119.10)	(1,201.23)
MAT Credit	(5,139.78)	(71.55)
<b>Tax Expenses for the year</b>	<b>(2,119.10)</b>	<b>(1,654.55)</b>

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# Bihar State Power Transmission Company Limited

Notes forming part of Balance Sheet

## Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred Tax Liability</b>			
Property, plant and equipment	67,042.20	60,995.50	57,143.77
<b>Sub Total</b>	<b>67,042.20</b>	<b>60,995.50</b>	<b>57,143.77</b>
<b>Deferred tax Assets</b>			
Unabsorb Depreciation	23,107.55	15,469.65	11,145.86
Gratuity	309.50	210.14	87.39
Pension	3,642.91	3,214.37	2,607.95
<b>Sub Total</b>	<b>27,059.97</b>	<b>18,894.16</b>	<b>13,841.20</b>
<b>Net Deferred Tax Liabilities</b>	<b>39,982.24</b>	<b>42,101.34</b>	<b>43,302.56</b>
MAT Credit Entitlement	7,116.31	1,976.54	1,904.98
<b>Total</b>	<b>32,865.92</b>	<b>40,124.80</b>	<b>41,397.58</b>

## Note No 18

### Financial Liabilities - Others (Current)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest accrued and due on capital fund	26,114.02	19,175.30	14,114.81
Interest Accured on borrowing from State Govt. and ADB	27,094.20	17,068.13	9,890.63
Terminal Benefits Liabilities	501.54	597.50	596.78
Staff Related Liability	1,160.00	1,108.06	1,007.30
Deposits and Retentions from Suppliers and Customers	41,150.76	50,383.99	27,694.28
Audit Fee Payable	995.01	993.68	993.20
Liability to Supplies/Works	3,955.78	5,006.55	5,288.96
Other Liability	46.60	210.27	139.97
<b>Total</b>	<b>1,01,017.92</b>	<b>94,543.48</b>	<b>59,725.92</b>

## Note No 19

### Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Terminal Benefits Liabilities</b>			
Pension	6,104.43	5,076.55	4,885.60
Gratuity	1,134.73	1,119.34	913.45
Leave Encashment	722.46	607.73	620.72
<b>Total</b>	<b>7,961.63</b>	<b>6,803.62</b>	<b>6,419.77</b>

## Note No 20

### Other Current Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Dues	541.62	159.65	267.37
Entry Taxes	49.16	155.76	685.71
Inter Unit Accounts	1,412.33	1,402.34	1,411.59
Inter Company Balances	2,581.15	1,933.68	-
<b>Total</b>	<b>4,584.27</b>	<b>3,651.43</b>	<b>2,364.67</b>

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**Bihar State Power Transmission Company Limited**  
Notes forming part of Balance Sheet

Note No 21

Revenue from Operation

(Rupees in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I.Revenue from Transmission Charges</b>		
Revenue from NBPDC	26,032.18	11,206.21
Revenue from SBPDCL	32,296.48	16,577.79
<b>Total</b>	<b>58,328.67</b>	<b>27,784.00</b>
Less: - Discount Allowed	1.07	-
<b>Net Operating Income</b>	<b>58,327.59</b>	<b>27,784.00</b>
<b>II.Other operating income</b>		
Supervision Charges	4,166.64	524.50
Other Transmission Charges	454.53	161.90
SLDC Income	542.00	-
<b>Total other operating income</b>	<b>5,163.17</b>	<b>686.41</b>
<b>Grand Total</b>	<b>63,490.76</b>	<b>28,470.41</b>

Note No 22

Other Income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Interest Income</b>		
Intrest on staff Loan & Advances	0.05	0.03
Interest from Banks	1,320.37	1,639.67
Interest from income tax refund	69.76	-
<b>Total</b>	<b>1,390.18</b>	<b>1,639.70</b>
<b>Other Income</b>		
Income from scrap sale	824.15	1,319.62
Miscellaneous Receipts	79.08	80.69
Application fee Received	0.60	2.90
Lease Rental Income	23.80	87.91
Terminal Benefits from GoB	356.27	2,450.39
Deferred Income	6,849.14	6,849.14
<b>Total</b>	<b>8,133.04</b>	<b>10,790.66</b>
<b>Total</b>	<b>9,523.22</b>	<b>12,430.36</b>

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# Bihar State Power Transmission Company Limited

## Notes forming part of Balance Sheet

### Note No 23

#### Employee Benefit Expenses

(Rupees in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries	8,817.40	3,874.43
Over Time	-	444.46
Dearness Allowance	1,149.83	4,376.44
Other Allowance	953.95	343.47
Medical Expenses Re-imburement	44.24	29.58
Staff welfare Expenses	15.10	12.86
Terminal Benefits	3,093.31	5,517.83
<b>Total</b>	<b>14,073.85</b>	<b>14,599.07</b>

### Note No 24

#### Finance Cost

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Interest on Capital Liabilities</b>		
(a) Interest on State Government Loans	3,142.51	2,606.33
(b) Interest on PFC Loans	-	131.08
(c) Interest on ADB Loans	1,126.56	1,203.79
<b>Total Interest on Capital Liabilities (a+b+c)</b>	<b>4,269.07</b>	<b>3,941.21</b>
<b>Other Interest and Finance charges</b>		
Other Interest & Bank Charges	1.14	0.30
	<b>1.14</b>	<b>0.30</b>
<b>Total</b>	<b>4,270.21</b>	<b>3,941.50</b>

### Note No 25

#### Depreciation and Amortisation Expense

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation	23,679.54	15,905.08
<b>Total</b>	<b>23,679.54</b>	<b>15,905.08</b>

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# Bihar State Power Transmission Company Limited

## Notes forming part of Balance Sheet

Note No 26

Other Expenses

(Rupees in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Repairs and Maintenance of Assets</b>		
Plant and Machinery	1,858.65	2,857.29
Building	361.43	184.98
Civil Works	286.75	625.99
Hydraulic Works	-	27.33
Line Cable Net Works	745.53	1,005.29
Vehicles	0.12	0.50
Furniture and Fixture	0.45	20.40
Office Equipment	16.26	1.90
<b>Administration and General Expenses</b>		
Rent, Rates & Taxes	156.95	141.83
Insurance	240.43	209.80
Telephone charges, Postage & Telex Charges	43.14	40.64
Legal Charges.	45.11	3.84
Audit Fees	2.51	1.63
Consultancy Charges	114.22	23.57
Director's Sitting Fee	0.74	0.28
Interest on Statutory Dues	0.16	-
Technical Fees	-	13.22
Holding Charges	1,028.91	685.51
Other Professional Charges	0.65	1.27
Conveyance & Travel	378.88	332.17
<b>Other Expenses</b>		
Fees & Subscription	70.31	266.82
Books & Periodicals	3.22	1.63
Printing & Stationary	29.45	22.76
Advertisement	60.05	128.21
Expenditure on CSR	102.49	66.79
Loss on Fire/Theft of Stock	-	-
Electricity Charges	707.52	991.02
Entertainment Charges	18.82	15.42
Commission for sale of scrap	29.00	45.21
Home Guard/ Security Guard	463.32	410.15
Miscellaneous Expenses	103.77	80.58
Freight	1.11	0.17
Other Purchase related Expenses	-	1.55
Crop compensation	0.84	-
<b>Other Expenses</b>		
Preliminary Expenses	36.22	36.22
<b>Total</b>	<b>6,907.00</b>	<b>8,243.97</b>

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2018

1 Disclosure of Prior Period Error

1.1 Extract from Balance Sheet

(Rupees in Lakh)

Particulars	March 31, 2018 Ind AS Figures	March 31, 2017 Ind AS Figures	March 31, 2017 Ind AS Figures before Prior Period Errors Adjustment*	April 01, 2016 Ind AS Figures	April 01, 2016 Ind AS Figures before Prior Period Errors Adjustment*
PPE and CWIP	7,98,944.98	7,04,038.11	7,04,038.11	5,30,470.38	5,30,470.38
Inter Company Balances	2,581.15	1,933.53	3,249.98	14,049.34	15,175.22
Terminal Benefits receivable from GOB	93,895.81	89,696.62	-	80,970.63	-
Interest accrued on investments	131.77	154.47	-	857.56	703.09
Other Assets	2,23,954.17	2,19,175.11	2,19,175.11	1,51,141.75	1,51,141.75
<b>Total Assets</b>	<b>11,19,507.88</b>	<b>10,14,997.84</b>	<b>9,26,463.19</b>	<b>7,77,489.65</b>	<b>6,97,490.43</b>
Retained Earning	(18,952.52)	(45,154.99)	6,851.92	(44,567.37)	6,626.91
Other Equity Balance	6,61,674.41	6,07,553.88	6,07,553.88	4,37,308.88	4,37,308.88
<b>Total Equity</b>	<b>6,42,721.89</b>	<b>5,62,398.89</b>	<b>6,14,405.80</b>	<b>3,92,741.51</b>	<b>4,43,935.79</b>
Deposits and Retentions from Suppliers and Customers	41,150.76	50,383.99	50,384.10	27,694.28	27,694.39
Deferred Income - Grant for Land	3,509.60	3,644.59	4,049.54	3,779.57	4,049.54
Deferred Tax Liability	39,982.24	42,101.34	(0.00)	43,302.56	-
Provision	1,04,397.52	98,734.59	-	88,050.32	-
Staff Related Liability	1,160.00	1,108.06	1,110.05	1,007.30	1,009.29
Statutory Dues	541.62	159.65	159.66	267.37	267.38
Other Liability	2,86,044.24	2,56,466.75	2,56,354.05	2,20,646.74	2,20,534.04
<b>Total Liability</b>	<b>4,76,785.99</b>	<b>4,52,598.96</b>	<b>3,12,057.40</b>	<b>3,84,748.14</b>	<b>2,53,554.64</b>
<b>Total Equity and Liability</b>	<b>11,19,507.88</b>	<b>10,14,997.84</b>	<b>9,26,463.19</b>	<b>7,77,489.65</b>	<b>6,97,490.43</b>

\* The above figures have been reclassified to conform to Ind AS presentation requirements.

1.2 Extract from the Statement of Profit & Loss

Particulars	March 31, 2017 Ind AS Figures	March 31, 2017 Ind AS Figures before Prior Period Errors Adjustment*
Revenue from Operation	28,470.41	28,470.41
Other Income	12,430.36	12,295.38
Depreciation	15,905.08	15,905.08
Employee Benefit Expense	14,599.07	12,640.79
Administrative Expenses	8,243.97	8,166.10
All Other expenses	3,941.50	3,941.50
<b>Profit before Tax</b>	<b>(1,788.85)</b>	<b>112.31</b>
Tax	(1,201.23)	(2,119.10)
Profit after tax	(587.62)	2,231.40
OCl(Other Comprehensive Income)	-	-
<b>Total Income</b>	<b>(587.62)</b>	<b>2,231.40</b>
EPS	(0.02)	0.07

\* The above figures have been reclassified to conform to Ind AS presentation requirements.

1.3 Year wise details of Prior Period Error				
S.No.	Particular	April 1, 2016	March 31, 2017	March 31, 2018
(i)	Deferred Income - Grant for Land	269.97	134.98	-
(ii)	Deposits and Retentions from Suppliers	0.11	-	-
(iii)	Staff Related Liability	1.99	-	-
(iv)	Interest accrued on investments	154.47	-	-
(v)	Statutory Dues	0.01	-	-
(vi)	Provision	7,079.70	1,958.27	-
(vii)	Deferred Tax Liability	43,302.56	1,201.23	-
(viii)	Inter Company Balances	1,125.87	190.57	-
(ix)	Admin Expenses	112.70	-	-

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2018

(Rupees in Lakh)

1.4 Prior Period Error Adjustment				
S. No.	Particular	April 1, 2016	March 31, 2017	March 31, 2018
(i)	Deferred Income	269.97	134.98	-
(ii)	Deposits and Retentions from Suppliers and Customers	0.11	-	-
(iii)	Staff Related Liability	1.99	-	-
(iv)	Interest accrued on investments	154.47	-	-
(v)	Statutory Dues	0.01	-	-
(vi)	Admin Expenses	112.70	-	-
	<b>Total</b>	<b>539.26</b>	<b>134.98</b>	<b>-</b>

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## Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

### 2 Disclosures in respect of Ind AS 107 - Financial Instruments

#### Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories are as follows:

(Rupees in Lakh)

Particulars	Total carrying value as at March 31, 2018	Financial assets/liabilities at FVTPL as at March 31, 2018	Financial assets/liabilities at fair value through OCI as at March 31, 2018	Amortized cost as at March 31, 2018	Total fair value as at March 31, 2018
<b>Financial Assets:</b>					
Trade Receivables	35,469.34			35,469.34	
Cash And Cash Equivalents	1,63,605.41			1,63,605.41	
Interest accrued on investments	131.77			131.77	
Loans to Staff	61.03			61.03	
Others	57.11			57.11	
<b>Total Financial Assets</b>	<b>1,99,324.65</b>			<b>1,99,324.65</b>	
<b>Financial Liabilities:</b>					
Long term borrowings	56,628.23			56,628.23	
Interest Accrued on borrowing from State Govt. and ADB	-			-	
Deposits and Retentions from Suppliers and Customers	41,150.76			41,150.76	
Interest accrued and due on capital fund	26,114.02			26,114.02	
Liability to Supplies/Works	3,955.78			3,955.78	
Staff Related Liability	1,661.55			1,661.55	
Audit Fee Payable	995.01			995.01	
Other Liability	46.60			46.60	
<b>Total Financial Liabilities</b>	<b>1,30,551.96</b>			<b>1,30,551.96</b>	

(Rupees in Lakh)

Particulars	Total carrying value as at March 31, 2017	Financial assets/liabilities at FVTPL as at March 31, 2017	Financial assets/liabilities at fair value through OCI as at March 31, 2017	Amortized cost as at March 31, 2017	Total fair value as at March 31, 2017
<b>Financial Assets:</b>					
Trade Receivables	14,524.66			14,524.66	
Cash And Cash Equivalents	1,73,563.09			1,73,563.09	
Interest accrued on investments	154.47			154.47	
Loans to Staff	59.44			59.44	
Others	58.43			58.43	
<b>Total Financial Assets</b>	<b>1,88,500.60</b>			<b>1,88,500.60</b>	
<b>Financial Liabilities:</b>					
Long term borrowings	53,391.46			53,391.46	
Interest Accrued on borrowing	-			-	
Deposits and Retentions from Suppliers and Customers	50,383.99			50,383.99	
Interest accrued and due on capital fund	19,175.30			19,175.30	
Liability to Supplies/Works	5,006.55			5,006.55	
Staff Related Liability	1,705.56			1,705.56	
Audit Fee Payable	993.68			993.68	
Other Liability	210.27			210.27	
<b>Total Financial Liabilities</b>	<b>1,30,866.80</b>			<b>1,30,866.80</b>	

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**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2018

(Rupees in Lakh)

Particulars	Total carrying value as at April 01, 2016	Financial assets/liabilities at FVTPL as at April 01, 2016	Financial assets/liabilities at fair value through OCI as at April 01, 2016	Amortized cost as at April 01, 2016	Total fair value as at April 01, 2016
<b>Financial Assets:</b>					
Trade Receivables	7,477.60			7,477.60	
Cash And Cash Equivalents	1,13,433.98			1,13,433.98	
Interest accrued on investments	857.56			857.56	
Loans to Staff	-			-	
Others	26.27			26.27	
<b>Total Financial Assets</b>	<b>1,21,795.40</b>			<b>1,21,795.40</b>	
<b>Financial Liabilities:</b>					
Long term borrowings	33,147.07			33,147.07	
Interest Accrued on borrowing	-			-	
Deposits and Retentions from Suppliers and Customers	27,694.28			27,694.28	
Interest accrued and due on capital fund	14,114.81			14,114.81	
Liability to Supplies/Works	5,288.96			5,288.96	
Staff Related Liability	1,604.07			1,604.07	
Audit Fee Payable	993.20			993.20	
Other Liability	139.97			139.97	
<b>Total Financial Liabilities</b>	<b>82,982.37</b>			<b>82,982.37</b>	

3 Fair value of financial assets and financial liabilities measured at amortized cost

(Rupees in Lakh)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets:</b>						
Trade Receivables	35,469.34	35,469.34	14,524.66	14,524.66	7,477.60	7,477.60
Cash And Cash Equivalents	1,63,605.41	1,63,605.41	1,73,563.09	1,73,563.09	1,13,433.98	1,13,433.98
Interest accrued on investments	131.77	131.77	154.47	154.47	857.56	857.56
Loans to Staff	61.03	61.03	59.44	59.44	-	-
Others	57.11	57.11	-	-	-	-
<b>Total Financial Assets</b>	<b>1,99,324.65</b>	<b>1,99,324.65</b>	<b>1,88,301.66</b>	<b>1,88,301.66</b>	<b>1,21,769.13</b>	<b>1,21,769.13</b>
<b>Financial Liabilities:</b>						
Long term borrowings	56,628.23	56,628.23	53,391.46	53,391.46	33,147.07	33,147.07
Interest Accrued on borrowing	-	-	-	-	-	-
Deposits and Retentions from Suppliers and Customers	41,150.76	41,150.76	50,383.99	50,383.99	27,694.28	27,694.28
Interest accrued and due on capital fund	26,114.02	26,114.02	19,175.30	19,175.30	14,114.81	14,114.81
Liability to Supplies/Works	3,955.78	3,955.78	5,006.55	5,006.55	5,288.96	5,288.96
Staff Related Liability	1,661.55	1,661.55	1,705.56	1,705.56	1,604.07	1,604.07
Audit Fee Payable	995.01	995.01	993.68	993.68	993.20	993.20
Other Liability	46.60	46.60	210.27	210.27	139.97	139.97
<b>Total Financial Liabilities</b>	<b>1,30,551.96</b>	<b>1,30,551.96</b>	<b>1,30,866.80</b>	<b>1,30,866.80</b>	<b>82,982.37</b>	<b>82,982.37</b>

- 3.1 (i) The carrying amount of current financial instruments such as trade receivables, other assets, cash and cash equivalents and other liabilities are considered to be the same as their fair values, due to their short-term nature.

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## Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

### 4 Financial risk management

#### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk- Interest rate	Long term borrowings at fixed rate of interest	Sensitivity analysis	The company obtains borrowings at fixed rate of interest.
Credit risk	Cash and cash equivalent, trade receivables, financial instruments.	Ageing analysis Credit rating	Majority of receivable are on account of government undertaking. They are unsecured but considered good.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash and cash equivalent.

#### a) Market Risk

##### Interest rate risk

The company obtains borrowings at fixed rate of interest. Hence, company is not exposed to change in interest rates. Company's borrowings are denominated in INR currency during March 31, 2018 and March 31, 2017.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(Rupees in Lakh)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	-	-	-
Fixed rate borrowings	56,628	53,391	33,147
<b>Total borrowings</b>	<b>56,628</b>	<b>53,391</b>	<b>33,147</b>

##### Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarizes the impact of increase/decrease in interest rates on Profit or loss.

(Rupees in Lakh)

Particulars	Impact on profit before tax	
	March 31, 2018	March 31, 2017
Interest rates- increase by 50 Bsc Pts	---	
Interest rates- decrease by 50 Bsc Pts	---	

#### b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

#### i) Trade Receivables

The company has outstanding trade receivables amounting to 3,54,69,33,694.00 (March 31, 2018), 1,45,24,66,069.00 (March 31, 2017) and 74,77,59,950.00 as at (April 1, 2016). Trade receivables are typically unsecured and are derived from revenue earned from customers.

##### Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

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## Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

(Rupees in Lakh)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Gross Amount	Impairment	Gross Amount	Impairment	Gross Amount	Impairment
Not due						
Past due less than six months				---NIL---		
Past due more than six months						
<b>Total</b>						

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

The company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

### ii) Other financial assets

The Company held cash and cash equivalents of INR 15,13,33,88,195.00 March 31, 2018, INR 16,89,10,56,636.00 March 31, 2017 and INR 10,97,53,94,789.00 April 01, 2016). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

### c) Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations.

Company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, other payable arising during the normal course of business as at each reporting date. Company maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

Company assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The amount disclosed in the table is the contractual undiscounted cash flows. The table includes both principal & interest cash flows.

(Rupees in Lakh)

Particulars	Less than 6 months	6 months to 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2018</b>					
Short Term Borrowing					-
Long Term Borrowing*				56,628.23	56,628.23
Security Deposit	41,150.76				41,150.76
Other financial liability	32,772.96				32,772.96
<b>Total</b>					

\* Repayment terms and Condition of borrowing is not defined.

<b>As at March 31, 2017</b>					
Short Term Borrowing					-
Long Term Borrowing				53,391.46	53,391.46
Security Deposit	50,383.99				50,383.99
Other financial liability	27,091.36				27,091.36
<b>Total</b>					
<b>As at April 1, 2016</b>					
Short Term Borrowing					-
Long Term Borrowing				33,147.07	33,147.07
Security Deposit	27,694.28				27,694.28
Other financial liability	22,141.02				22,141.02
<b>Total</b>					

\*The above figures are shown at their original carrying amount excluding Ind AS Adjustment

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**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2018

**5 Capital Management**

**a) Risk Management:**

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits to other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following ratio:

Net debt (total borrowings) divided by  
Total 'Equity' as shown in the balance sheet.

The debt-equity ratio of the Company is as follows :

(Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Long term debt (net of cash and cash equivalent)	56,628.23	53,391.46
Equity (including capital reserve)	6,42,721.89	5,62,398.89
Debt-Equity Ratio	0.09	0.09

**b) Dividend**

(Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Dividend distributed		
Dividend declared but not paid		

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# Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

## 6 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipment's as borrowing cost is INR 5,757.00 lakh & INR 7,447.86 lakh for the year ended March 31, 2018 & March 31, 2017 respectively as per policy of borrowing cost as mentioned in significant accounting policies. The interest is capitalized using the capitalization rate of 27.47% for FY 2017-18.

## 7 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

The company has assessed that there is no impairment of Fixed Assets being classified under major heads such as Land, Building, Plant and Machinery, Lines & Cables, etc.

## 8 Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

General description of various defined employee's benefits schemes are as under:

### a) Gratuity:

Gratuity liability of the company is funded and managed by Bihar State Electricity Employee Master Trust through LIC. It is computed on last drawn qualifying salary. Benefits of normal retirement is governed by the payment of Gratuity Act, 1972 as amended.

### b) Leave Encashment:

Leave Encashment represents earned leave liability. It is computed on last drawn qualifying salary. Yearly accrual is 30 days a year restricted to maximum upto 300 days during the service. Leave Encashment liability of the company is funded and managed by Bihar State Electricity Employee Master Trust through LIC.

### c) Pension:

Pension liability include superannuation pension and family pension. Family Pension of 60% of the original pension. Pension of 50% limited on last salary subject to 20 years service and pro-rata for lesser service and Dearness Allowance as per scale indicated. For spouse, Pension is encash in 7 years or date when the spouse would have attained age of 67 years whichever is earlier. Pension liability of the company is funded and managed by Bihar State Electricity Employee Master Trust through LIC.

### Summary of Membership Data

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
No. of regular Employees	1,763.00	1,723.00	1,763.00	1,723.00
Total Monthly Salary (Lakh)	858.51	726.94	858.51	726.94
Average past services (years)	11.38	12.29	11.38	12.29
Average age (years)	37.71	38.68	37.71	38.68
Average remaining working life (years)	22.29	21.32	22.29	21.32
Weighted average duration	20.78	19.88	20.78	19.88

### Summary of Membership Data

Particulars	Pension	
	March 31, 2018	March 31, 2017
<b>In Service Employees</b>		
No. of Employees	594.00	682.00
Average past services (years)	26.63	26.76
Average age (years)	51.30	51.39
Average remaining working life (years)	8.70	8.61
Weighted average remaining working life	8.39	8.28
<b>Retired Employees</b>		
No. of Retired Employees	1,101.00	1,051.00
Average age (years)	68.11	67.90
<b>Spouse</b>		
No. of Spouse	382.00	371.00
Average age (years)	65.85	63.65



**Bihar State Power Transmission Company Limited**

Notes to accounts for year ended March 31, 2018

**Actuarial Assumption of Gratuity, Leave Encashment and Pension**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Method used	Projected Credit Unit (PCU)	Projected Credit Unit (PCU)	Projected Credit Unit (PCU)
Discount rate	7.73%	7.38%	7.88%
Rate of salary increase	Basic 3% and DA as per Govt. Rules	Basic 3% and DA as per Govt. Rules	Basic 3% and DA as per Govt. Rules
Mortality basis for regular & active employees including disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Change in Present Value of Obligation (Net Defined Benefit Obligation)

Particulars	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018	Gratuity (Non Funded) March 31, 2017	Earned Leave (Non Funded) March 31, 2017	Pension (Non Funded) March 31, 2017	Gratuity (Non Funded) April 1, 2016	Earned Leave (Non Funded) April 1, 2016	Pension (Non Funded) March 31, 2016
Defined benefit obligation - Beginning of the year	5,446.16	2,217.46	91,070.97	4,078.13	2,522.10	81,450.09	-	-	-
Total service cost	397.66	484.65	1,156.14	1,847.84	351.08	1,227.28	4,716.19	4,048.50	82,745.43
Net Interest Cost (Income)	401.93	163.65	6,721.04	321.36	198.74	6,418.27	-	-	-
Re-measurements	140.72	516.60	3,702.20	44.78	98.18	6,230.83	-	-	-
Contribution paid to the fund	(1,401.17)	(1,075.54)	(5,544.95)	(845.95)	(952.64)	(4,255.50)	(638.05)	(1,526.41)	(1,295.34)
<b>Defined benefit obligation - End of the year</b>	<b>4,985.30</b>	<b>2,306.83</b>	<b>97,105.39</b>	<b>5,446.16</b>	<b>2,217.46</b>	<b>91,070.97</b>	<b>4,078.13</b>	<b>2,522.10</b>	<b>81,450.09</b>

Rupees in Lakh

**Change in Benefit Obligation**

Particulars	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018	Gratuity (Non Funded) March 31, 2017	Earned Leave (Non Funded) March 31, 2017	Pension (Non Funded) March 31, 2017	Gratuity (Non Funded) April 1, 2016	Earned Leave (Non Funded) April 1, 2016	Pension (Non Funded) March 31, 2016
Present value of obligation as at the beginning of the period	6,113.22	4,355.81	92,820.02	4,716.19	4,048.50	82,745.43	-	-	-
Acquisition adjustment	-	-	-	-	-	-	-	-	-
Interest Cost	451.16	321.46	6,850.12	371.64	319.02	6,520.34	-	-	-
Service Cost	397.66	484.65	1,156.14	335.66	351.08	1,227.28	177.84	241.55	1,187.12
Past Service Cost including curtailment Gains/Losses	-	-	-	1,512.18	-	-	4,538.35	3,806.95	81,558.31
Benefits Paid	(781.35)	(605.66)	(4,920.27)	(903.53)	(597.53)	(3,996.69)	-	-	-
Total Actuarial (Gain)/Loss on Obligation	189.33	653.24	3,794.65	81.08	234.73	6,323.66	-	-	-
<b>Present value of obligation as at the End of the period</b>	<b>6,370.01</b>	<b>5,209.50</b>	<b>99,700.67</b>	<b>6,113.22</b>	<b>4,355.81</b>	<b>92,820.02</b>	<b>4,716.19</b>	<b>4,048.50</b>	<b>82,745.43</b>

Rupees in Lakh





**Bihar State Power Transmission Company Limited**

Notes to accounts for year ended March 31, 2018

**Amount Recognized in Statement of Balance Sheet**

Particulars	March 31, 2018		March 31, 2017		March 31, 2017		April 1, 2016		March 31, 2016	
	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Pension (Non Funded)
Present value of DBO/LTEB	6,370.01	5,209.50	99,700.67	6,113.22	4,355.81	92,820.02	4,716.19	4,048.50	82,745.43	
Fair Value of Plan Assets	1,384.71	2,902.67	2,595.28	667.06	2,138.35	1,749.06	638.05	1,526.41	1,295.34	
Net Assets/(Liabilities) recognise in Balance Sheet	(4,985.30)	(2,306.83)	(97,105.39)	(5,446.16)	(2,217.46)	(91,070.97)	(4,078.13)	(2,522.10)	(81,450.09)	

Rupees in Lakh

Particulars	March 31, 2018		March 31, 2017		March 31, 2017		April 1, 2016		March 31, 2016	
	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Pension (Non Funded)
Current	1,134.73	722.46	6,104.43	1,119.34	607.73	5,076.55	913.45	620.72	4,885.60	
Non-Current	4,589.94	2,393.37	90,261.59	4,326.82	2,466.90	85,994.42	3,164.68	2,609.90	76,564.49	
<b>Total</b>	<b>5,724.67</b>	<b>3,115.83</b>	<b>96,366.02</b>	<b>5,446.16</b>	<b>3,074.63</b>	<b>91,070.97</b>	<b>4,078.13</b>	<b>3,230.62</b>	<b>81,450.09</b>	

**Amount Recognized in Statement of Profit and Loss**

Rupees in Lakh

Particulars	March 31, 2018		March 31, 2017		March 31, 2017		April 1, 2016		March 31, 2016	
	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Pension (Non Funded)
Current service cost	397.66	484.65	1,156.14	1,847.84	351.08	1,227.28	4,716.19	4,048.50	82,745.43	
Net Interest cost	401.93	163.65	6,721.04	321.36	198.74	6,418.27	-	-	-	
Actuarial (gain)/loss on obligations	-	516.60	-	-	98.18	-	-	-	-	
<b>Cost Recognized in P&amp;L (A+B+C)</b>	<b>799.58</b>	<b>1,164.90</b>	<b>7,877.18</b>	<b>2,169.20</b>	<b>648.00</b>	<b>7,645.55</b>	<b>4,716.19</b>	<b>4,048.50</b>	<b>82,745.43</b>	

**Amount recognized in Other Comprehensive Income (OCI)**

Rupees in Lakh

Particulars	March 31, 2018		March 31, 2018		March 31, 2017		April 1, 2016		March 31, 2016	
	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Gratuity (Non Funded)	Earned Leave (Non Funded)	Pension (Non Funded)	Pension (Non Funded)
Net cumulative unrecognised actuarial gain/(loss) opening year on PBO	(81.08)	-	(3,794.65)	(189.33)	-	(6,323.66)	-	-	-	
Actuarial gain/(loss) for the year on Assets	36.30	-	92.45	48.61	-	92.83	-	-	-	
<b>Unrecognised actuarial gain/(loss) for the year</b>	<b>(44.78)</b>	<b>-</b>	<b>(3,702.20)</b>	<b>(140.72)</b>	<b>-</b>	<b>(6,230.83)</b>	<b>-</b>	<b>-</b>	<b>-</b>	



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**Bihar State Power Transmission Company Limited**

Notes to accounts for year ended March 31, 2018

10 Disclosure in respect of Indian Accounting Standard (Ind AS)-20 "Accounting for Government Grants and Disclosure of Government Assistance"

The break-up of total grant in aid received for various purposes is as under:-

*(Rupees in Lakh)*

Grant received for	2017-18	2016-17
Capital Grant	-	1,868.27

(i) Capital Grant & Subsidies (Unutilised)

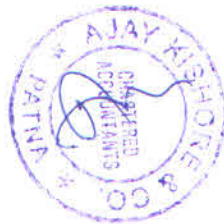
Particulars	2017-18	2016-17
Opening balance	1,868.27	-
Add: Additions during the year	-	1,868.27
Less: Utilised / transferred during the year	-	-
Less: Refund of Grant	-	-
<b>Closing balance (A)</b>	<b>1,868.27</b>	<b>1,868.27</b>

\* Refer Note 17 INR 3,73,600,000 not received from government/ government underaking. Hence not considered in above table.

(ii) Capital Reserve for Assets acquired out of Capital Grants & Subsidies (Utilised)

Particulars	2017-18	2016-17
Opening balance	(6,849.14)	-
Add: Additions during the year	-	-
Less :-Loss on Assets Acquired out of Grant/subsidies	-	-
Less :-Depreciation on Assets Acquired out of Grant/subsidies	6,849.14	6,849.14
<b>Closing balance (B)</b>	<b>(13,698.29)</b>	<b>(6,849.14)</b>
<b>Gross Total (A+B)</b>	<b>(11,830.02)</b>	<b>(4,980.88)</b>

Particulars	2017-18	2016-17
Current Portion	6,849.14	6,849.14
Non-Current Portion	(18,679.16)	(11,830.02)



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**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2018

**11 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

Disclosures for Other than Govt. Related Entities

a. Name of Related Parties and description of relationship:

Name	Designation
Pratyaya Amrit	CMD BSPHCL
Raju Lakshmanan	Director BSPTCL
Renuka Kushwaha	Women Director , BSPTCL
Sandeep Kumar R. Pudukkatti	MD BSPTCL
Shiva Shankar Mishra	Director BSPTCL
Hare Ram Panday	Director BSPTCL
Uttam Kumar	Director BSPTCL
Bihar State Power Holding Company Limited	Holding Company
North Bihar Power Distribution Company Limited	Sister Concern
South Bihar Power Distribution Company Limited	Sister Concern
Bihar State Power Generation Company Limited	Sister Concern

b. Compensation of key management personnel

(Rupees in Lakh)

Particulars	RENUKA KUSHWAHA		HARE RAM PANDAY	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Sitting Fee	0.74	0.28		-
Remuneration	-	-	2.10	
Short-term benefits	-	-		-
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
<b>Total</b>	-	-	-	-

**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2018

c. Transactions with Related Parties

(Rupees in Lakh)

Particulars	Bihar State Power Transmission Company Limited	
	2017-18	2016-17
Grant received from holding during the year		
Loan received from holding during the year	3,237.00	5,785.00
Share of Holding Expenses	734.00	495.00
Investment made during the year by Holding		
<b>Total</b>	<b>3,971.00</b>	<b>6,280.00</b>

d. Outstanding balances arising from loan transaction

Particulars	Subsidiaries		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Loan Payable:</b>			
Bihar State Power Holding Company Limited - ADB Loan	22,573.28	19,336.51	13,551.12
<b>Interest Payable:</b>			
Bihar State Power Holding Company Limited - ADB Loan	15,535.18	8,651.62	4,080.45

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## Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

### 12. Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

As lessee

a) Finance Lease

- Net carrying value of leased business asset

(Rupees in Lakh)

Particular	Gross Carrying value of Assets	Accumulated Depreciation	Net Carrying value of Assets	Depreciation of Year
For March 31, 2018				
Lease hold Land				
For March 31, 2017				
Lease hold Land		---NIL---		
For April 01, 2016				
Lease hold Land				

Operating Lease

- Future minimum lease payments under non-cancellable operating leases

(Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
Not later than 1 year	24.20	23.71	22.00
Later than 1 year and not later than 5 years	21.82	43.01	69.81
More Than 5 Years	-	-	-

Agreement entered between Power Grid and BSPTCL. Property is obtained for the purpose of utilisation of optic fibre line. Lease tenure is of 5 years starting from february 10, 2015 to february 09, 2020. Yearly rental of INR 2,379,986 as on March, 2018 subject to esclation of 10% after every two year.

### 13. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

i) Basic EPS

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year.

(Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	26,202	(588)
Earnings used in calculation of basic earnings per share(A)	26,202	(588)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	3,00,00,00,000	3,00,00,00,000
Basic EPS(A/B)	0.87	(0.02)

ii) Diluted EPS

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the entity (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	26,202.48	(587.62)



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## Bihar State Power Transmission Company Limited

Notes to accounts for year ended March 31, 2018

Earnings used in calculation of basic earnings per share	26,202.48	(587.62)
Profit attributable to equity holders of the owner adjusted for the effect of dilution (A)	3,00,00,00,000	3,00,00,00,000
Weighted average number of Equity shares adjusted for the effect of dilution (B)	3,00,00,00,000	3,00,00,00,000
Diluted EPS(A/B)	0.87	(0.02)

### 14 Assets hypothecated as security

The carrying amount of assets hypothecated as security for current & non current borrowings are:

(Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at 1st April 2016
<b>Current</b>			
<b>Financial Assets</b>			
First Charge			
<b>Non-Financial Assets</b>			
Hypothecation		--NIL--	
<b>Total Current assets</b>			
<b>Non Current</b>			
Hypothecation			
<b>Total Non Current assets</b>			

For: Ajay Kishore & Co.  
Chartered Accountants  
Firm Reg. No. 005899C

*Alok*  
A Alokraj Mazumdar  
Membership No. 054587  
Partner

Place: Patna

Date: 30/10/2018

For and on behalf of the board

*Pramod*  
Pramod Tiwari  
25/10/18  
General Manager (F& A)

*Sandeep*  
Sandeep Kumar R. Pudukalkatti  
Managing Director  
DIN- 07387571

*Pratyaya*  
Pratyaya Amrit  
Chairman  
DIN- 01192117



## Bihar State Power Transmission Company Limited

Computation of DTA/DTL  
April 01, 2016:

Tax Rate 34.608%

Adjustment	Asset / liability	Carrying amount		Temp. difference	(DTA) / DTL
		IND AS	Tax Base		
#1 - Provision for Pension	Liability	75,35,69,520		(75,35,69,520)	(26,07,95,339)
#2 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#3 - Provision for Gratuity	Liability	2,52,52,167.00		(2,52,52,167)	(87,39,270)
#4 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#5 - Provision for Medical Leave	Liability			-	-
#6 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#7 - Property, plant and equipments	Asset	16,98,17,06,449	46,99,85,059	16,51,17,21,390	5,71,43,76,539
#8 - Unabsorb Business Loss	Asset	-	-	-	-
#9 - Unabsorb Depreciation	Asset	-	3,22,06,01,340	(3,22,06,01,340)	(1,11,45,85,712)
<b>(DTA)/DTL as per IND AS as on March 31, 2016</b>					<b>4,33,02,56,218</b>
Less: DTL Already recognised as on March 31, 2016					-
<b>(DTA)/DTL as per IND AS to be created as on March 31, 2016</b>					<b>4,33,02,56,218</b>

March 31, 2017:

Tax Rate 34.608%

Adjustment	Asset / liability	Carrying amount		Temp. difference	(DTA) / DTL
		IND AS	Tax Base		
#1 - Provision for Pension	Liability	92,87,93,259		(92,87,93,259)	(32,14,36,771)
#2 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#3 - Provision for Gratuity	Liability	6,07,20,484.00		(6,07,20,484)	(2,10,14,145)
#4 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#5 - Provision for Medical Leave	Liability			-	-
#6 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#7 - Property, plant and equipments	Asset	25,73,08,50,283	8,10,61,69,095	17,62,46,81,188	6,09,95,49,666
#8 - Unabsorb Business Loss	Asset				
#9 - Unabsorb Depreciation	Asset		4,46,99,64,271	(4,46,99,64,271)	(1,54,69,65,235)
<b>(DTA)/DTL as per IND AS as on March 31, 2017</b>					<b>4,21,01,33,514</b>
					<b>(12,01,22,703)</b>

March 31, 2018:

Tax Rate 34.944%

Adjustment	Asset / liability	Carrying amount		Temp. difference	(DTA) / DTL
		IND AS	Tax Base		
#1 - Provision for Pension	Liability	1,04,24,99,884.00		(1,04,24,99,884)	(36,42,91,159)
#2 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#3 - Provision for Gratuity	Liability	8,85,71,487.00		(8,85,71,487)	(3,09,50,420)
#4 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#5 - Provision for Medical Leave	Liability			-	-
#6 - Re-measurement losses/ (gains) on defined benefit plans	Liability			-	-
#7 - Property, plant and equipments	Asset	37,16,98,58,331	17,98,42,45,689	19,18,56,12,643	6,70,42,20,482
#8 - Unabsorb Business Loss	Asset	-	-	-	-
#9 - Unabsorb Depreciation	Asset	-	6,67,69,39,126	(6,67,69,39,126)	(2,31,07,55,093)
<b>(DTA)/DTL as per IND AS as on March 31, 2018</b>					<b>3,99,82,23,809</b>

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Bihar State Power Transmission Company Limited.

Notes to accounts for year ended March 31, 2018

Contingent Liabilities:

(Amount in Lakh)

S. No.	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(i)	Income Tax Authorities - Accretion of interest on Capital Fund	4,422	4,422	4,422
(ii)	Income Tax Authorities - Disallowance of Capital Expenses	1,138	-	-
(iii)	Service Tax Liability on supervision charges	51	-	-
	<b>Total</b>	<b>5,611</b>	<b>4,422</b>	<b>4,422</b>

In addition to above table contingent liability includes 99 numbers of cases related to establishment expenses. Amount relateable to mentioned cases is not quantifiable.

Contingent Assets: No contingent assets reported as on balance sheet date.

