

**FINANCIAL STATEMENT  
2018-19  
BIHAR STATE POWER  
TRANSMISSION COMPANY LIMITED**



# Bihar State Power Transmission Company Limited

Balance Sheet as at 31st March, 2019

(₹ in Lakh)

Sr. No	Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	5,93,602	5,01,629
	(b) Capital work-in-progress		2,48,196	2,97,316
	(c) Investment Property			
	(d) Intangible Assets			
	(e) Financial Assets			
	(i) Investments			
	(i) Loans	3	35	61
	(ii) Others			
	(f) Other non current assets	4	9,992	1,04,397
	<b>Total Non-Current Assets</b>		<b>8,51,825</b>	<b>9,03,403</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	5	11,612	12,285
	(b) Financial Assets			
	(i) Trade receivables	6	90,829	35,469
	(ii) Cash and cash equivalents	7	1,42,504	1,51,334
	(iii) Bank Balances other than (ii) above	8	35,131	12,272
	(iv) Loans			
	(v) Others	9	309	189
	(c) Current Tax Assets	10	5,356	3,829
	(d) Other Current Assets	11	4,046	727
	<b>Total Current Assets</b>		<b>2,89,785</b>	<b>2,16,105</b>
	<b>Total Assets</b>		<b>11,41,610</b>	<b>11,19,508</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(i) Equity Share capital	12	7,24,537	3,00,000
	(ii) Other Equity	13	66,148	3,42,722
	<b>Total Equity</b>		<b>7,90,685</b>	<b>6,42,722</b>
<b>2</b>	Deferred Government Grant and Consumer	14	1,74,440	1,76,483
<b>3</b>	<b>Liabilities</b>			
<b>3.1</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	38,847	56,628
	(ii) Others			
	(b) Provisions	16	10,499	97,245
	(c) Other Non-Current Liabilities			
	(d) Deferred Tax Liabilities	17	62,164	32,866
	<b>Total Non-current liabilities</b>		<b>1,11,510</b>	<b>1,86,739</b>
<b>3.2</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings			
	(ii) Trade payables			
	(iii) Others	18	52,737	1,01,018
	(b) Provisions	19	-	7,962
	(c) Other Current Liabilities	20	12,239	4,584
	<b>Total Current Liabilities</b>		<b>64,976</b>	<b>1,13,564</b>
	<b>Total Liabilities</b>		<b>1,76,485</b>	<b>3,00,303</b>
	<b>Total Equity &amp; Liabilities</b>		<b>11,41,610</b>	<b>11,19,508</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 Ajay Kishore Jha  
Membership No. 055086  
Partner

Place: Patna

Date: 29.10.2019

For and on behalf of the board

  
Pradip Kumar  
Chief Financial Officer

  
Sandeep Kumar R. Pudakalkatti  
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, 2019

(₹ in Lakh)


Sr. No.	Particulars	Note No	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I</b>	<b>Income</b>			
a)	Revenue from operations	21	96,588	63,491
b)	Other Income	22	16,266	9,523
	<b>Total Income</b>		<b>1,12,854</b>	<b>73,014</b>
<b>II</b>	<b>Expenses</b>			
a)	Power Purchase cost		-	-
b)	Employee Benefit Expenses	23	16,284	14,074
c)	Finance Cost	24	1,976	4,270
d)	Depreciation and amortisation expense	25	29,900	23,680
e)	Other Expenses	26	8,724	6,907
	<b>Total Expenses</b>		<b>56,884</b>	<b>48,931</b>
<b>III</b>	<b>Profit (+)/ Loss (-) before tax (I - II)</b>		<b>55,970</b>	<b>24,083</b>
<b>IV</b>	<b>Tax Expense</b>			
a)	Current tax (Income Tax)		11,944	5,140
b)	Deferred tax		41,242	(2,119)
c)	MAT Credit Entitlement		(11,944)	(5,140)
<b>V</b>	<b>Profit (+)/ Loss (-) for the year (III - IV)</b>		<b>14,728</b>	<b>26,202</b>
<b>VI</b>	<b>Other comprehensive income</b>			
	other comprehensive Income			
<b>A</b>	(i) Items that will not be reclassified to profit or			
	- Actuarial Gain/(Loss)		1,278	3,843
	- Receivable From GoB/BSPHCL		(1,278)	(3,843)
	- Deferred Tax		-	-
<b>VII</b>	<b>Total Comprehensive Income for the period</b>		<b>14,728</b>	<b>26,202</b>
<b>VIII</b>	<b>Earnings per equity share:</b>			
a)	Basic		<b>0.20</b>	<b>0.87</b>
b)	Diluted		<b>0.20</b>	<b>0.87</b>


As per our report of even date attached

For, Ajay Kishore & Co.  
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Pradip Kumar  
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For and on behalf of the board

  
Sandeep Kumar R. Pudakalkatti  
Managing Director DIN-07387571

  
Pratyaya Amrit  
Chairman DIN-01192117



CA Ajay Kishore Jha  
Membership No. 055086  
Partner

Place: Patna

Date: 29.10.2019

**Bihar State Power Transmission Company Limited**  
Statement of Cash Flow

(₹ in Lakh)


Sr. No.	Particulars	2019	2018
<b>(A)</b>	<b>Cash and Cash Equivalent from Operating Activities:</b>		
	Net Profit before tax as per Profit & Loss Account	55,970	24,083
	Adjusted for:		
	Depreciation	29,900	23,680
	Interest Expenses	1,976	4,270
	Interest Income	(8,960)	(1,390)
	Deferred Income	(6,849)	(6,849)
	Prior Period Errors	35,986	-
	Tax Expenses	(53,186)	(3,021)
	Operating Profit before Working Capital Changes	54,837	40,773
	Adjusted for:		
	Change in Working Capital	(1,08,239)	(11,550)
	<b>Net Cash used in Operating Activities (A)</b>	<b>(53,402)</b>	<b>29,223</b>
<b>(B)</b>	<b>Cash and Cash Equivalent from Investing Activities:</b>		
	Investment in PPE	(1,22,372)	(1,39,358)
	Sale Proceeds of PPE	499	228
	Change in CWIP	49,119	20,544
	Realisation from Staff Loan	26	(2)
	Realisation from Other Non Current Assets	94,405	556
	Interest Income	8,960	1,390
	MAT Credit Entitlement	11,944	5,140
	<b>Net Cash from Investing Activities (B)</b>	<b>42,582</b>	<b>(1,11,502)</b>
<b>(C)</b>	<b>Cash and Cash Equivalent from Financing Activities:</b>		
	Fund Received from Consumers	4,806	22,036
	Issue of Share	97,249	54,121
	Repayment / Adjustment of Loan	(17,781)	3,237
	Settlement of Terminal Benefit Liabilities	(86,746)	4,457
	Adjustment for Deferred Tax Liabilities	29,297	(7,259)
	Finance Cost	(1,976)	(4,270)
	<b>Net Cash from Financing Activities (C)</b>	<b>24,849</b>	<b>72,321</b>
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	14,029	(9,958)
	Cash and cash equivalents at the beginning of the year	1,63,605	1,73,563
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,77,634</b>	<b>1,63,605</b>


As per our report of even date attached

For, Ajay Kishore & Co.  
Chartered Accountants  
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Pradip Kumar  
Chief Financial Officer

For and on behalf of the board

  
Sandeep Kumar R. Pudakalkatti  
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CA Ajay Kishore Jha  
Membership No. 055086  
Partner  
Place: Patna  
Date: 29.10.2019

**Bihar State Power Transmission Company Limited**  
**Schedule Change in Working Capital**

(₹ in Lakh)

Particulars	Year		Change Increase/ (Decrease)
	2019	2018	
<b>CURRENT ASSETS</b>			
Inventories	11,612	12,285	(673)
Trade Receivables	90,829	35,469	55,359
Other Financial Assets	309	189	120
Current Tax Assets	5,356	3,829	1,527
Other Current Assets	4,046	727	3,318
Total	1,12,151	52,500	59,651
<b>CURRENT LIABILITIES</b>			
Other Financial Liabilities	52,737	1,01,018	48,281
Provisions	-	7,962	7,962
Other Current Liabilities	12,239	4,584	(7,655)
Total	64,976	1,13,564	48,588
<b>Change In Working Capital</b>			<b>1,08,239</b>



**Bihar State Power Transmission Company Limited**  
Statement of Changes in Equity for the period ended March 31, 2019

**A. Equity Share Capital**

(₹ in Lakh)

Particulars	No of Shares	Amount
<b>Balance as at March 31, 2017</b>	<b>3,000,000,000</b>	<b>300,000</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>3,000,000,000</b>	<b>300,000</b>
Changes in equity share capital during the year	4,245,373,608	424,537
<b>Balance as at March 31, 2019</b>	<b>7,245,373,608</b>	<b>724,537</b>

**B. Other Equity**

(₹ in Lakh)

Particular	Other Equity			Other Items of OCI	Total
	Capital Reserve	Share Application Pending Allotment	Surplus in Statement of Profit & Loss		
<b>Balance as per previous IGAAP March 31, 2018</b>	-	361,674	(18,953)	-	342,722
(i) Changes in accounting policy or prior period errors	-	19,596	35,986	-	55,582
(ii) Actuarial adjustment due to Ind AS	-	-	-	-	-
(iii) Addition / Profit for the year other than item (i) to (ii)	-	77,653	14,728	-	92,381
<b>Addition during the year 2018-19</b>	-	97,249	50,714	-	147,963
(iv) Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	-	<b>97,249</b>	<b>50,714</b>	-	<b>147,963</b>
Allotment During the F.Y. 2018-19	-	(424,537)	-	-	(424,537)
<b>Balance at the end of the reporting period March 31, 2019</b>	-	<b>34,386</b>	<b>31,762</b>	-	<b>66,148</b>

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# Bihar State Power Transmission Company Limited

## Notes to the Financial Statements for the year ended March 31, 2019

### 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 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

##### 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 capitalized 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 recognized 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.

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## 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 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%
Computer & Other Accessories	15.00%

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 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 amortized.

## **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

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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. 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. Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

#### **6. 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.

#### **7. 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.

#### **8. 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 recognized as deferred income. Once recognized as deferred income, such grants are recognized in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognized prospectively over the remaining life of the assets.

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

#### **9. 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.

#### **10. 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.

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.

#### **11. 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.

#### **12. 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.

##### **12.1 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.

##### **12.2 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 recognized on accrual basis except when ultimate realization of such income is uncertain.
- 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.

#### **13. Employee benefits**

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

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### 13.1 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.

Re measurement, comprising actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Re measurement 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.

### 13.2 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.

## 14. 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

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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.

#### **15. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### **16. Material prior period errors**

Pre-paid/ prior-period items up to Rs.10,00,000/- 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.

#### **17. 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.

#### **18. Cash flow statement**

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



## 19. 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.

### 19.1 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:

- Amortized 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 amortized 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 amortized 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 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.

**19.2 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.

**20. Recent accounting pronouncements**

**Ind AS 116:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lesser. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lesser accounting requirements in AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

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The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratios i.e. Earnings before interest, tax, depreciation and amortization (EBITDA), Asset coverage, debt equity, interest coverage, etc.

#### **20.1 Critical estimates and judgments-**

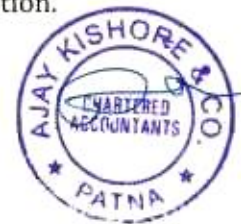
The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgment is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### **The areas involving critical estimates or judgment are:**

- (i) Estimated useful life of PPE,
- (ii) Estimation of tax expenses and tax payable,
- (iii) Probable outcome of matter included under Contingent Liabilities &
- (iv) Estimation of Defined benefit obligation.

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## Bihar State Power Transmission Company Limited

Notes forming part of Balance Sheet

Note No 2  
Property Plant & Equipment (Non-current)

Particular	Land	Buildings	Hydraulic works	Other civil works	Plant and Machinery	Lines and cables Network	Vehicles	Furniture and Fixtures	Office Equipment	Computers & Accessories	Total
<b>Depreciation Rate</b>		3.34%	5.28%	3.34%	5.28%	5.28%	6.33%	6.33%	6.33%	15.00%	
<b>Gross Block</b>											
Balance as at 31 march, 2017	139,215.81	3,513.98	0.44	19,113.83	143,138.09	96,695.96	0.00	308.53	52.95	44.38	402,083.96
Additions	1,541.95	-	-	15.51	49,656.71	87,902.51	-	103.46	90.12	47.60	139,357.85
Less: Disposals/Sale/Transfer	227.93	-	-	-	-	-	-	-	-	-	227.93
<b>Balance as at 31 march, 2018</b>	140,529.83	3,513.98	0.44	19,129.34	192,794.79	184,598.47	0.00	411.99	143.06	91.98	541,213.88
Additions	1,198.63	-	-	1,795.91	49,480.19	69,452.33	-	318.35	12.04	114.43	122,371.89
Less: Disposals/Sale/Transfer	227.93	-	-	-	35.09	1,918.57	-	-	-	2.50	2,184.09
<b>Balance as at 31 march, 2019</b>	141,500.54	3,513.98	0.44	20,925.25	242,239.89	252,132.23	0.00	730.33	155.10	203.92	661,401.68
<b>Accumulated Depreciation</b>											
Balance as at 31 march, 2017	-	197.40	0.03	617.71	8,376.50	6,683.63	-	18.77	4.05	7.01	15,995.08
Depreciation expense	-	197.40	0.03	724.90	11,990.22	10,730.75	0.00	26.44	8.81	0.91	23,679.54
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 march, 2018</b>	-	394.80	0.06	1,342.70	20,366.71	17,414.38	0.00	45.21	12.86	7.92	39,584.63
Depreciation expense	-	197.40	0.03	785.41	14,449.33	14,383.09	-	40.29	8.18	36.15	29,899.88
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-	31.59	1,653.52	-	-	-	-	1,685.10
<b>Balance as at 31 march, 2019</b>	-	592.19	0.08	2,128.11	34,284.46	30,143.95	0.00	85.50	21.03	44.07	67,799.41
<b>Carrying Amount</b>											
As at 31 march, 2017	139,215.81	3,316.58	0.41	18,496.12	134,761.59	90,012.33	0.00	289.76	48.90	37.38	386,178.87
As at 31 March, 2018	140,529.83	3,119.18	0.39	17,786.64	172,428.08	167,184.09	-	366.78	130.21	84.06	501,629.26
<b>As at 31 March, 2019</b>	141,500.54	2,921.78	0.36	18,797.14	207,454.43	221,988.27	-	644.83	134.07	159.85	593,602.27

Requirement of computerization of Fixed Assets has not been met due to lack of support for maintaining Fixed Assets Register in the existing Accounting Software deployed by the Company. However, Company has initiated necessary steps for Identification, Valuation and Preparation of Fixed Assets Register.

Note No 2

### Capital Work-In-Progress(CWIP)

Particular	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2017
<b>Capital work in progress</b>			
Cap Wip- RSVY	6,929	5,341	3,699
Cap WIP-ADB	50,984	50,401	17,324
Cap WIP- BRGF	51,268	87,820	153,173
Cap WIP- Deposit Scheme	12,182	11,419	9,722
Cap WIP- IRF	5,069	1,278	1,182
Cap WIP- PSDF	5,500	5,322	1,948
Cap WIP- State Plan	116,265	135,733	130,811
<b>Total</b>	248,196	297,316	317,859



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

**Note No 3**

**Financial Assets - Loans**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured - Considered Good</b>		
Loans to Staff	35	61
<b>Total</b>	<b>35</b>	<b>61</b>

**Note No 3A**

**Financial Assets - Others**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured - Considered Good</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No 4**

**Other Non-Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured - Considered Good</b>		
Advances for Capital Works	9991	9691
Deposit	1	1
<b>Terminal Benefit receivable from GoB*</b>	-	-
Pension	-	86680
Gratuity	-	4100
Leave Encashment	-	3116
Long Term Employee benefit - Leave Encashment	-	809
<b>Total</b>	<b>9,992</b>	<b>104,397</b>

\* Vide resolution No. 67-03, dated January 24, 2019 read with BSPHCL Letter No. 164, dated January 24, 2019, terminal benefits obligation has been centralized at the level of BSPHCL. Hence all balances transferred to BSPHCL in FY 2018-19

**Note No 5**

**Inventories**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stock of material/ Consumables at Other Stores	11080	11754
Materials/ Consumables in Transit (ICT)	524	524
Other stock	7	7
<b>Total</b>	<b>11,612</b>	<b>12,285</b>

\* Requirement of valuation of inventories and it's classification in capital and spare inventory has not been met due to lack of support for maintaining Inventory Register in the existing Accounting Software deployed by the company.

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

**Note No. 6**

**Financial Assets - Trade Receivables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
- Secured, Considered good		
- Unsecured Considered Good	90829	35469
Less:- Provision for Doubtful dues from Consumers	-	-
<b>Others</b>		
-Secured, Considered Good	-	-
-Unsecured, Considered Good	-	-
<b>Total</b>	<b>90,829</b>	<b>35,469</b>

**Note No. 7**

**Financial Assets - Cash And Cash Equivalents**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Cash in hand</b>	3	1
Cash imprest with staff	2772	105
Cash in Transit	-	-
<b>Balance with bank</b>		
(i) In Bank Accounts	139699	151213
(ii) In Deposit Accounts (with original maturity less then three months)	-	-
Cheque in Transit	30	14
<b>Total</b>	<b>142,504</b>	<b>151,334</b>

**Note No 8**

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Deposits with banks (with original maturity more than 3 months)		
(ii) Earmarked Bank Balance	35131	12272
<b>Total</b>	<b>35,131</b>	<b>12,272</b>

\* Balance of INR 35131 lakh is kept in separate PLA account received from BSPHCL of Directly by Government of Bihar for capital projects.

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

**Note No 9**

**Financial Assets - Others (Current)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest accrued on investments	-	132
Amount recoverable from employees	1	1
Other Claims and Receivables	307	56
Advance to Staff	0.34	0.04
<b>Total</b>	<b>309</b>	<b>189</b>

**Note No 10 (A)**

**Other Current Tax Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax / deductions at source	24416	10946
<b>Total</b>	<b>24,416</b>	<b>10,946</b>

**Note No 10 (B)**

**Other Current Tax Liabilities**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provisions for income tax	19060	7116
<b>Total</b>	<b>19,060</b>	<b>7,116</b>
<b>Net Balance (Note 10A-Note 10B)</b>	<b>5,356</b>	<b>3,829</b>

**Note No 11**

**Other Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances for O & M Supplies/Works	309	258
Advances to Staff	59	191
<b>Advance -</b>		
Entry tax	-	-
VAT	-	-
Central Sales Tax	-	-
Service Tax	-	-
BSEB Restructuring Balance	3538	138
Balances with Banks	132	46
Others Receivables	8	94
<b>Total</b>	<b>4,046</b>	<b>727</b>

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

**Note No 12**

**Equity Share Capital**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(A).Authorised</b>		
8,10,00,00,000 Equity Shares of Rs.10 each as on March 31, 2019 & 3,000,000,000 Equity Shares of Rs.10 each as on March 31, 2018	810,000	300,000
<b>(B).Issued, subscribed and fully paid up</b>		
724,53,73,608 Equity Shares of Rs. 10 each as on March 31, 2019 & 3,000,000,000 Equity Shares of Rs.10 each as on March 31, 2018	724,537	300,000
<b>Total</b>	<b>724,537</b>	<b>300,000</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 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	3,000,000,000	300,000	3,000,000,000	300,000
Add:- Shares issued during the year	4,245,373,608	424,537	-	-
<b>Equity Shares at the end of the year</b>	<b>7,245,373,608</b>	<b>724,537</b>	<b>3,000,000,000</b>	<b>300,000</b>

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% held	No. of shares	% held
Bihar State Power (Holding) Company Ltd. and its nominees	7,245,373,608	100%	3,000,000,000	100%

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

**Note No 13**  
**Other Equity**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	(18,953)	(45,155)
Add:- Profit/(Loss) during the year as per Statement of Profit &	14,728	26,202
Add: Changes in accounting policy or prior period errors	35,986	-
Less:- Appropriations during the year	-	-
<b>Closing Balance</b>	<b>31,762</b>	<b>(18,953)</b>
<b>Share Application Pending Allotment</b>		
Opening Balance	361,674	307,554
Add:- Funds received during the year	97,249	54,121
Less: Share capital Alloted	424,537	-
<b>Closing Balance</b>	<b>34,386</b>	<b>361,674</b>
	-	-
<b>Total</b>	<b>66,148</b>	<b>342,722</b>

**Note No 14**  
**Deferred Government Grant and Consumer Contribution**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Dererred Income - Non-Depreciable Assets</b>		
Opening Balance	3,510	3,645
Add: Fund from State Government	-	-
Less: Deffered Income	135	135
<b>Total (A)</b>	<b>3,375</b>	<b>3,510</b>
<b>Dererred Income - Depreciable Assets</b>		
Opening Balance	128,107	134,821
Add: Fund from State Government	-	-
Less: Deffered Income	6,714	6,714
<b>Total (B)</b>	<b>121,393</b>	<b>128,107</b>
<b>Consumer Contribution- Deferred Income</b>		
Opening Balance	44,866	22,830
Add:- Addition during the Year	4,806	22,036
Deduction- Amortisation of Consumer Contribution	-	-
<b>Total (C)</b>	<b>49,672</b>	<b>44,866</b>
<b>Total (A+B+C)</b>	<b>174,440</b>	<b>176,483</b>

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

**Note No 15**

**Financial Liabilities - Borrowings (Non-Current)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>I. Unsecured</b>		
<b>From Government of Bihar</b>		
<b>(a) State Govt. Plan Loan</b>	-	34,055
<i>Interest is provisionally provided @10.50%.</i>	-	-
<b>(b) Loan from BSPHCL - ADB</b>	38,847	22,573
<i>Interest is provisionally provided @13.00%.</i>	-	-
<b>Sub total</b>	38,847	56,628
Less:- Current Maturities of Long Term Debts	-	-
<b>Total</b>	<b>38,847</b>	<b>56,628</b>

**Note No 16**

**Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Terminal Benefits Liabilities</b>		
<b>Company</b>		
Pension	11,042	10,425
Gratuity	795	886
Leave Encashment	(1,338)	-
<b>Government</b>		
Pension	-	79,837
Gratuity	-	3,704
Leave Encashment	-	2,393
<b>Total</b>	<b>10,499</b>	<b>97,245</b>

**Note No 17**

**Tax Expense recognised in Statement of profit and loss**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Current income tax</b>		
Current year	11,944	5,140
Less: MAT Credit	11,944	5,140
<b>Sub Total (A)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax expense</b>		
Deffered tax liability / (asset)	(41,242)	(2,119)
<b>Sub Total (B)</b>	<b>(41,242)</b>	<b>(2,119)</b>
<b>Total</b>	<b>(41,242)</b>	<b>(2,119)</b>

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

**Reconciliation of effective tax rates**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit before tax	55,970	24,083
Enacted tax Rate	21.34%	21.34%
Computed Expected Tax Expenses	11,944	5,140
Deffered Tax	(41,242)	(2,119)
MAT Credit	(11,944)	(5,140)
<b>Tax Expenses for the year</b>	<b>(41,242)</b>	<b>(2,119)</b>

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred Tax Liability</b>		
Property, plant and equipment	85,909	67,042
<b>Sub Total</b>	85,909	67,042
<b>Deferred tax Assets</b>		
Unabsorb Depreciation	549	23,108
Gratuity	278	310
Pension	3,858	3,643
<b>Sub Total</b>	4,685	27,060
<b>Net Deferred Tax Liabilities</b>	81,224	39,982
MAT Credit Entitlement	19,060	7,116
<b>Total</b>	<b>62,164</b>	<b>32,866</b>

**Note No 18**

**Financial Liabilities - Others (Current)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest accrued and due on capital fund	-	26,114
Interest Accured on borrowing from State Govt. and ADB	12,145	27,094
Terminal Benefits Liabilities	661	502
Staff Related Liability	1,253	1,160
Deposits and Retentions from Suppliers and Customers	33,418	41,151
Audit Fee Payable	995	995
Liability to Supplies/Works	4,075	3,956
Other Liability	191	47
<b>Total</b>	<b>52,737</b>	<b>101,018</b>

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

**Note No 19**

**Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Terminal Benefits Liabilities</b>		
Pension	-	6,104
Gratuity	-	1,135
Leave Encashment	-	722
<b>Total</b>	-	<b>7,962</b>

**Note No 20**

**Other Current Liabilities**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	728	542
Entry Taxes	-	49
Inter Unit Accounts	1,402	1,412
Inter Company Balances	10,108	2,581
<b>Total</b>	<b>12,239</b>	<b>4,584</b>

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

**Note No 21**

**Revenue from Operation**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I.Revenue from Transmission Charges</b>		
Revenue from NBPDC	42,971	26,032
Revenue from SBPDCL	50,445	32,296
<b>Total</b>	93,416	58,329
Less: - Discount Allowed	(26)	1
<b>Net Operating Income</b>	<b>93,442</b>	<b>58,328</b>
<b>II.Other operating income</b>		
Supervision Charges	1,403	4,167
Other Transmission Charges	1,307	455
SLDC Income	435	542
	-	-
<b>Total other operating income</b>	<b>3,146</b>	<b>5,163</b>
<b>Grand Total</b>	<b>96,588</b>	<b>63,491</b>

*Provision for transmission charges or reversal of transmission charges for earlier years have been made as per tariff order of Hon'ble BERC on dated 15.02.2019*

**Note No 22**

**Other Income**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Interest Income</b>		
Interest on staff Loan & Advances	0.06	0.05
Interest from Banks	8,773	1,320
Interest from income tax refund	187	70
<b>Total (A)</b>	<b>8,960</b>	<b>1,390</b>
<b>Other Income</b>		
Income from scrap sale	265	824
Miscellaneous Receipts	164	79
Application fee Received	4	1
Lease Rental Income	24	24
Terminal Benefits from GoB	-	356
Deferred Income	6,849	6,849
<b>Total (B)</b>	<b>7,306</b>	<b>8,133</b>
<b>Total (A+B)</b>	<b>16,266</b>	<b>9,523</b>

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

**Note No 23**

**Employee Benefit Expenses**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries	10,883	8,817
Over Time	302	-
Dearness Allowance	981	1,150
Other Allowance	1,649	954
Medical Expenses Re-imburement	64	44
Staff welfare Expenses	26	15
Terminal Benefits	2,379	3,093
<b>Total</b>	<b>16,284</b>	<b>14,074</b>

**Note No 24**

**Finance Cost**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Interest on Capital Liabilities</b>		
(a) Interest on State Government Loans	-	3,143
(b) Interest on PFC Loans	-	-
(c) Interest on ADB Loans	1,975	1,127
<b>Total Interest on Capital Liabilities (a+b+c)</b>	<b>1,975</b>	<b>4,269</b>
<b>Other Interest and Finance charges</b>		
Other Interest & Bank Charges	1	1
<b>Total Other Interest &amp; Bank Charges</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>1,976</b>	<b>4,270</b>

**Note No 25**

**Depreciation and Amortisation Expense**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation	29,900	23,680
<b>Total</b>	<b>29,900</b>	<b>23,680</b>

**Note No 26**

**Other Expenses**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Repairs and Maintenance of Assets</b>		
Plant and Machinery	2,433	1,859
Building	209	361
Civil Works	361	287
Hydraulic Works	0	-
Line Cable Net Works	628	746
Vehicles	1	0
Furniture and Fixture	0	0
Office Equipment	10	16
<b>Total (A)</b>	<b>3,643</b>	<b>3,269</b>

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

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Administration and General Expenses</b>		
Rent, Rates & Taxes	143	157
Insurance	684	240
Telephone charges, Postage & Telex Charges	49	43
Legal Charges.	53	45
Audit Fees	4	3
Consultancy Charges	85	114
Director's Sitting Fee	1	1
Interest on Statutory Dues	0	0
Holding Charges	1,318	1,029
Other Professional Charges	9	1
Conveyance & Travel	591	379
<b>Total (B)</b>	<b>2,936</b>	<b>2,012</b>
<b>Other Expenses</b>		
Fees & Subscription	27	70
Books & Periodicals	2	3
Printing & Stationary	27	29
Advertisement	347	60
Expenditure on CSR	167	102
Electricity Charges	874	708
Entertainment Charges	27	19
Commission for sale of scrap	27	29
Home Guard/ Security Guard	605	463
Miscellaneous Expenses	43	104
Freight	1	1
Crop compensation	-	1
Preliminary Expenses	-	36
<b>Total (C)</b>	<b>2,146</b>	<b>1,626</b>
<b>Total (A+B+C)</b>	<b>8,724</b>	<b>6,907</b>

*As directed by the Government of Bihar, the Company is in the process of obtaining all land records owned by it and paid Malgajari Tax on the land finalized during the year.*

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

**1 Disclosures in respect of Prior Period Items**

**Year wise details of Prior Period Error**

(₹ in Lakh)

S.No.	Particulars	Booked in FY 2018-19	FY 2017-18	Prior to FY 2017-18
1	Interest on State Govt. Fund	11,559	3,143	8,417
2	Acrtiation of Interest on Capital Fund	26,114	6,939	19,175
3	Income Tax & Interest	1,767	-	1,767
4	Electricity Charges	169	-	169
5	Interest on Advance Tax Default	90	90	-
<b>Total</b>		<b>39,609</b>	<b>10,081</b>	<b>29,528</b>

**1.1 Extract from the Statement of Profit & Loss**

S.No.	Particulars	March 31, 2018 Ind AS Figures	March 31, 2018 Ind AS Figures before Prior Period Errors Adjustment*
1	Revenue from Operation	63,491	63,491
2	Other Income	35,807	9,523
3	Depreciation	23,680	23,680
4	Employee Benefit Expense	14,074	14,074
5	Finance Cost	(7,289)	4,270
6	All Other expenses	8,764	6,907
<b>Profit before Tax</b>		<b>60,069</b>	<b>24,083</b>

**Note:**

During the year Company has booked income of Rs. 115.58 Crore in respect of interest expenses wrongly shown in Profit & loss Account during the FY 2014-15 to 2017-18 on Equity Fund. It has been rectified on the base of qualification no. 3 in Statutory Auditor's report for FY 2017-18. The Company has taken various legal and professional opinion in this regard and after their confirmation, management decided to pay income tax and interest thereon. Same has been shown above as prior period adjustment

In compliance with Board Resolution No. 67-05, dated January 24, 2019 read with Letter No.-1458, dated June 21, 2019 issued by the Energy Department, Government of Bihar, the following accounting treatment has been made in the Standalone Financial Statements in respect of interest earned on capital fund lent to the Company by the Government of Bihar -

Interest earned on Capital Fund during the BSEB period: The Company has recognized the entire interest transferred by BSPHCL (which was lying in the books of BSPHCL as a "liability" during the earlier financial years) as Income;

Interest earned on Capital Fund post formation of the Company: Since the entire interest earned up to March 31, 2018 on Capital Fund after the formation of the Company has been disallowed by Income Tax department in Tax Assessment, it has been recognized as General reserve of the Company and Interest earned for the year 2018-19 has been recognized as Income.

The Income Tax Department has levied interest u/s 234B and 234C amounting to Rs. 89,56,578 for FY 2017-18 on account of Non-Compliance of Advance Tax provisions. Interest amount has been recovered by the IT Department from refund claimed by the Company. Therefore, recovered interest Rs. 89,56,578 has been appropriated in Profit & Loss Account of the Company.

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

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:

(₹ in Lakh)

Particulars	Total carrying value as at March 31, 2019	Financial assets/liabilities at FVTPL as at March 31, 2019	Financial assets/liabilities at fair value through OCI as at March 31, 2019	Amortized cost as at March 31, 2019	Total fair value as at March 31, 2019
<b>Financial Assets:</b>					
Trade Receivables	90,829			90,829	
Cash And Cash Equivalents	177,635			177,635	
Interest accrued on investments	-			-	
Loans to Staff	35			35	
Others	309			309	
<b>Total Financial Assets</b>	<b>268,807</b>			<b>268,807</b>	
<b>Financial Liabilities:</b>					
Long term borrowings	38,847			38,847	
Interest Accured on borrowing from State Govt. and ADB	12,145			12,145	
Deposits and Retentions from Suppliers and Customers	33,418			33,418	
Interest accrued and due on capital fund	-			-	
Liability to Supplies/Works	4,075			4,075	
Staff Related Liability	1,914			1,914	
Audit Fee Payable	995			995	
Other Liability	191			191	
<b>Total Financial Liabilities</b>	<b>91,584</b>			<b>91,584</b>	

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			35,469	
Cash And Cash Equivalents	163,606			163,606	
Interest accrued on investments	132			132	
Loans to Staff	61			61	
Others	57			57	
<b>Total Financial Assets</b>	<b>199,326</b>			<b>199,326</b>	
<b>Financial Liabilities:</b>					
Long term borrowings	56,628			56,628	
Interest Accured on borrowing	27,094			27,094	
Deposits and Retentions from Suppliers and Customers	41,151			41,151	
Interest accrued and due on capital fund	26,114			26,114	
Liability to Supplies/Works	3,956			3,956	
Staff Related Liability	1,662			1,662	
Audit Fee Payable	995			995	
Other Liability	47			47	
<b>Total Financial Liabilities</b>	<b>157,646</b>			<b>157,646</b>	

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

(₹ in Lakh)

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

Particulars	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets:</b>				
Trade Receivables	90,829	90,829	35,469	35,469
Cash And Cash Equivalents	177,635	177,635	163,606	163,606
Interest accrued on investments	-	-	132	132
Loans to Staff	35	35	61	61
Others	309	309	57	57
<b>Total Financial Assets</b>	<b>268,807</b>	<b>268,807</b>	<b>199,326</b>	<b>199,326</b>
<b>Financial Liabilities:</b>				
Long term borrowings	38,847	38,847	56,628	56,628
Interest Accrued on borrowing	12,145	12,145	27,094	27,094
Deposits and Retentions from Suppliers and Customers	33,418	33,418		
Interest accrued and due on capital fund	-	-	41,151	41,151
Liability to Supplies/Works	4,075	4,075	26,114	26,114
Staff Related Liability	1,914	1,914	3,956	3,956
Audit Fee Payable	995	995	1,662	1,662
Other Liability	191	191	995	995
Other Liability			47	47
<b>Total Financial Liabilities</b>	<b>91,584</b>	<b>91,584</b>	<b>157,646</b>	<b>157,646</b>

(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.

**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:

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings		
Fixed rate borrowings	38,847	56,628
<b>Total borrowings</b>	<b>38,847</b>	<b>56,628</b>

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**Bihar State Power Transmission Company Limited.**  
**Notes to accounts for year ended March 31, 2019**

**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.

Particulars	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Interest rates- increase by 50 Bsc Pts	---NIL---	
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 Rs. 9,08,28,71,373 (March 31, 2019) & 3,54,69,33,694.00 (March 31, 2018). 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:

Particulars	March 31, 2019		March 31, 2018	
	Gross Amount	Impairment	Gross Amount	Impairment
Not due	---NIL---			
Past due less than six months				
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 14,21,65,13,808.00 March 31, 2019 & INR 15,13,33,88,195.00 March 31, 2018. 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.

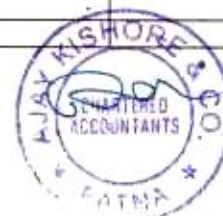
Company assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

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.

(₹ 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, 2019</b>					
Short Term Borrowing	-	-	-	-	-
Long Term Borrowing*	-	-	-	38,847	-
Security Deposit	33,418	-	-	-	-
Other financial liability	19,319	-	-	-	-

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

(₹ 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	
Security Deposit	41,151				
Other financial liability	59,867				

**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 :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Long term debt (net of cash and cash equivalent)	38,847	56,628
Equity (including capital reserve)	790,685	642,722
<b>Debt-Equity Ratio</b>	<b>0.05</b>	<b>0.09</b>

**b) Dividend**

(₹ in Lakh)

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

**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 for the year ended March 31, 2018 as per policy of borrowing cost as mentioned in significant accounting policies.

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

The company has not assessed impairment of Fixed Assets being classified under major heads such as Land, Building, Plant and Machinery, Lines & Cables, etc.

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**Bihar State Power Transmission Company Limited**  
Notes forming part of the Financial Statements

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

General description of the Company's Defined Employees Benefit Schemes are as under:

**(a) Gratuity:**

Gratuity liability of the Company is funded and managed by the Bihar State Electricity Employee Master Trust through LIC. It is computed on

**(b) Leave Encashment:**

Leave Encashment represents Earned Leave Liability. It is computed on the last drawn qualifying salary. Yearly accrual is 30 days per annum

**(c) Pension:**

Pension liability of the Company includes Superannuation Pension and Family Pension. Family Pension is equivalent to 60% of the Original

**Summary of Membership Data**

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
No. of regular Employees	1,781.00	1,763.00	1,781.00	1,763.00
Total Monthly Salary (Lakh)	937.34	858.51	937.34	858.51
Average past services (years)	11.00	11.00	11.26	11.40
Average age (years)	38.00	38.00	37.44	37.71
Average remaining working life (years)	22.00	22.00	22.56	22.29
Weighted average duration				
Leave balance considered on valuation date			125,831.00	282,999.00

**Summary of Membership Data**

Particulars	Pension	
	March 31, 2019	March 31, 2018
<b>In Service Employees</b>		
No. of Employees	555.00	594.00
Average past services (years)	26.34	26.63
Average age (years)	50.89	51.30
Average remaining working life (years)	9.11	8.70
Weighted average remaining working life		
<b>Retired Employees</b>		
No. of Retired Employees	1,107.00	1,101.00
Average age (years)	68.37	68.11
<b>Spouse</b>		
No. of Spouse	419.00	382.00
Average age (years)	66.11	65.85

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

Particulars	March 31, 2019	March 31, 2018
Method used	Projected Unit Credit (PUC) Method	Projected Unit Credit (PUC) Method
Discount rate	7.77%	7.73%
Rate of salary increase	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 Indian Assured Lives Mortality (2006 - 08)	100% of Indian Assured Lives Mortality (2006 - 08)

*(Signature)*



**Bihar State Power Transmission Company Limited**  
Notes forming part of the Financial Statements

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance

**Change in Benefit Obligation**

*(₹ in Lakhs)*

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present value of obligation as at the beginning of the period	1,815.55	1,955.66	12,522.61	1,314.73	1,215.80	10,875.25
Acquisition adjustment	-	198.67	-	-	181.94	-
Interest Cost	140.14	151.41	971.22	128.59	120.68	395.93
Service Cost	160.12	-	171.51	113.34	-	145.21
Past Service Cost including curtailment Gains/Losses	-	-	-	-	-	-
Benefits Paid	(23.89)	(14.13)	(46.09)	-	-	-
Total Actuarial (Gain)/Loss on Obligation	261.10	(63.48)	471.88	258.89	437.25	1,106.22
<b>Present value of obligation as at the End of the period</b>	<b>2,353.01</b>	<b>2,228.12</b>	<b>14,091.12</b>	<b>1,815.55</b>	<b>1,955.66</b>	<b>12,522.61</b>

**Reconciliation of Opening & Closing of Plan Assets**

*(₹ in Lakhs)*

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Fair Value of Plan Assets at end of prior year	929.83	2,764.66	2,097.61	707.53	2,072.96	1,587.32
Difference in Opening Value	-	-	-	-	-	-
Employer Contribution	509.69	457.11	687.76	124.47	397.25	288.76
Expected Interest Income / Return on Assets	91.12	232.02	187.91	33.06	155.87	25.93
Employer Direct Benefit Payments	-	-	-	-	-	-
Plan Participant's Contributions	-	-	-	-	-	-
Transfer In / Acquisitions	-	-	-	-	-	-
Transfer Out / Divestures	-	-	-	-	-	-
Benefits Pay-outs from Employer	-	-	-	-	-	-
Benefits Payouts from Plan	(23.89)	(14.13)	(46.09)	-	-	-
Settlements by Fund Manager	-	-	-	-	-	-
Admin Expenses / Taxes paid from Plan Assets	-	-	-	-	-	-
Effect of Change in Exchange Rates	-	-	-	-	-	-
Insurance Premiums for Risk Benefits	-	-	-	-	-	-
Actuarial Gain / (Loss)	51.60	126.52	121.92	64.78	138.58	195.61
Fair Value of Assets at the End	1,558.35	3,566.19	3,049.10	929.83	2,764.66	2,097.61
Actual Return on Plan Assets	142.72	358.54	309.83	97.84	294.45	221.53

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**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2019

<b>Net Asset/(Liability) Recognized in Balance Sheet</b>						
(₹ in Lakhs)						
Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present Value of Funded Obligation	2,353.01	2,226.12	14,091.12	1,815.55	1,955.66	12,522.61
Fair Value of Plan Assets	1,558.35	3,566.19	3,049.10	929.83	2,764.66	2,097.61
Present Value of Unfunded Obligation	-	-	-	-	-	-
Funded Status [Surplus/(Deficit)] - Para 64(a) of Ind AS-19	(794.66)	1,338.07	(11,042.02)	(885.71)	809.00	(10,425.00)
Unrecognised Past Service Costs	-	-	-	-	-	-
Amount not Recognised as an Asset [Limit in Para 64(b) of Ind AS-19]	-	-	-	-	-	-
Net Liability	(794.66)	1,338.07	(11,042.02)	(885.71)	809.00	(10,425.00)
Recognised in Balance Sheet	(794.66)	1,338.07	(11,042.02)	(885.71)	809.00	(10,425.00)
<b>Net Balance Sheet Asset / Liability recognised at the end of the period</b>	<b>(794.66)</b>	<b>1,338.07</b>	<b>(11,042.02)</b>	<b>(885.71)</b>	<b>809.00</b>	<b>(10,425.00)</b>
Present Value of Encashment Obligation	-	-	-	-	-	-
Present Value of Availment Obligation	-	-	-	-	-	-

Assumption on March 31, 2019: Discount Rate as per Para 144 of Ind AS-19: 7.77%

<b>Current &amp; Non-Current Bifurcation &amp; Funded Status</b>						
(₹ in Lakhs)						
Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present Value of Benefit Obligation - Current	1,030.80	369.45	906.42	795.25	324.27	876.02
Present Value of Benefit Obligation - Non-current	1,322.22	1,856.67	13,104.71	1,020.20	1,631.39	11,645.99
Funded Status [Surplus / (Deficit)] - Current	237.88	-	1,046.63	885.71	-	10,425.00
Funded Status [Surplus / (Deficit)] - Non-current	556.78	-	9,995.34	-	-	-

<b>Reconciliation of Net Balance Sheet Liability</b>						
(₹ in Lakhs)						
Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Net Balance Sheet / (Liability) recognised at the beginning	(885.71)	809.00	(10,425.00)	(687.20)	857.17	(9,287.93)
Amount recognised in Accumulated Other Comprehensive Income / (Loss) at the beginning of the period	(194.11)	-	(910.61)	-	-	-
(Accrued) / Prepaid benefit cost (before adjustment) at the beginning of the period	(691.60)	809.00	(9,514.39)	(687.20)	857.17	(9,287.93)
Net Periodic Benefit (Cost) / Income for the period excluding Para 64(b) of Ind AS-19	(209.14)	71.95	(954.81)	(208.87)	(445.41)	(515.22)
Employer Contribution	509.69	457.11	687.76	124.47	397.25	288.76
Employers' Direct Benefits Payments	-	-	-	-	-	-
Amount not recognised as an Asset [Limit in Para 64(b) of Ind AS-19] - Opening Figure of March 31, 2018	-	-	-	-	-	-
(Accrued) / Prepaid benefit cost [Before Adjustment] at the end of the Period	(391.05)	1,338.07	(9,781.45)	(691.60)	809.00	(9,514.39)
Amount recognised in Accumulated Other Comprehensive Income / (Loss) at the end of the period	(403.61)	-	(1,260.57)	(194.11)	-	(910.61)
Acquisition / Divestitures / Transfer	-	-	-	-	-	-
Effect of the Limit in Para 64(b) of Ind AS-19	-	-	-	-	-	-
<b>Net Balance Sheet Asset / Liability recognised at the end of the period</b>	<b>(794.66)</b>	<b>1,338.07</b>	<b>(11,042.02)</b>	<b>(885.71)</b>	<b>809.00</b>	<b>(10,425.00)</b>

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**Bihar State Power Transmission Company Limited**  
Notes to accounts for year ended March 31, 2019

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

*(₹ in Lakhs)*

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Current service cost	160.12	198.67	171.51	113.34	181.94	145.21
Net Interest cost	49.02	(270.62)	783.30	95.53	263.47	756.06
Actuarial (gain)/loss on obligations						
<b>Cost Recognized in P&amp;L (A+B+C)</b>	<b>209.14</b>	<b>(71.95)</b>	<b>954.81</b>	<b>208.87</b>	<b>445.41</b>	<b>901.27</b>

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

*(₹ in Lakhs)*

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Opening Cumulative Other Comprehensive Income	194.11	-	524.55	-	-	-
Actuarial Loss / (Gain) on DBO	261.10	(63.48)	471.88	258.89	437.25	641.76
Actuarial Loss / (Gain) on Assets	(51.60)	(126.52)	(121.92)	(64.78)	(138.58)	(117.21)
Amortization Actuarial Loss / (Gain)		(190.00)			298.66	
Net increasing in OCI	209.50	-	349.97	194.11	-	524.55
<b>Total Recognised in Other Comprehensive Income</b>	<b>403.61</b>	<b>-</b>	<b>874.52</b>	<b>194.11</b>	<b>-</b>	<b>524.55</b>

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**Bihar State Power Transmission Company Limited**  
Notes forming part of the Financial Statements

**Sensitivity Analysis**

Assumption	Gratuity			Earned Leave			Pension		
	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO
<b>As at March 31, 2019</b>									
Discount Rate $\pm$ 100 Basis Points	-7.04%	2,187.28	(165.74)	-8.01%	2,049.67	(178.46)	-4.15%	13,506.25	(584.77)
Salary Growth Rate $\pm$ 100 Basis Points	8.31%	2,548.44	195.43	9.67%	2,443.52	215.39	4.56%	14,733.81	642.69
Attrition Rate $\pm$ 100 Basis Points	-5.86%	2,215.09	(137.93)	-8.10%	2,047.58	(180.54)	-3.94%	13,535.66	(555.46)
Mortality Rate $\pm$ 10% IP	0.37%	2,361.75	8.73	5.29%	2,346.08	117.96	1.09%	14,244.66	153.54
	-42.00%	2,343.11	(9.90)	-6.06%	2,093.00	(135.13)	-1.17%	13,926.20	(164.92)
	0.02%	2,353.50	0.49	0.14%	2,231.29	3.17	0.06%	14,099.78	8.65
<b>As at March 31, 2018</b>									
Discount rate	+0.5%	(48.37)	-	+0.5%	(48.96)	-	+0.5%	(9,549.74)	-
Medical Cost Rate	-0.5%	52.06	-	-0.5%	53.32	-	-0.5%	9,662.03	-
Salary growth rate	+0.5%	-	-	+0.5%	-	-	+0.5%	9,719.53	-
	-0.5%	-	-	-0.5%	-	-	-0.5%	(9,584.73)	-
	+0.5%	39.35	-	+0.5%	53.44	-	+0.5%	9,719.53	-
	-0.5%	(40.49)	-	-0.5%	(49.51)	-	-0.5%	(9,584.73)	-

**Category of investment in Plan Assets**

Category of Investment	% of fair value of plan assets
Funds managed by Insurer	100%

**Change in Plan Assets**

**Maturity Profile of Deferred Benefit Obligation (at Discounted Values / Present Values)**

Year	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
0 to 1 Year	197.40	146.17	849.43	248.42	271.22	766.73
1 to 2 Year	168.40	112.47	870.67	197.21	200.52	818.07
2 to 3 Year	147.98	108.85	900.27	183.40	125.98	832.43
3 to 4 Year	119.64	88.84	923.67	168.54	126.79	867.20
4 to 5 Year	83.91	63.69	949.54	112.19	92.76	905.52
5 to 6 Year				38.79	46.47	944.96
6 Year onwards	1,635.67	1,708.11	9,597.55	867.00	1,091.93	7,387.69
Payouts above 10 years						

The Company's liability towards long-term defined employee benefits - leave encashment, gratuity and pension have been determined through Actuarial Valuation by Independent Actuaries using the Projected Unit Cost Method Vide Board Resolution No. 67-03, dated January 24, 2019 read with BSPHCL Letter No. 164, dated January 25, 2019, BSPHCL has set-up a dedicated Pension Section for centralized disbursement of terminal benefit obligations of the entire Group including BSPHCL. Accordingly, for facilitating proper comparison of the Company's Financial Statements on a year-on-year basis, the Company has recast its Terminal Benefit Obligations for the Financial Year 2017-18 as per the latest Actuarial Report, dated August 06, 2019, duly factoring the changes having taken place on account of the aforesaid Centralization



*(Signature)*



**Bihar State Power Transmission Company Limited.**  
**Notes to accounts for year ended March 31, 2019**

**9 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"**

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segment, and are as set out in the significant accounting policies.

The company is primarily engaged in single segment business of Transmission of Power and SLDC functions.

**9.1 Entity-Wide Disclosures-**

**1. Information about major customers**

(₹ in Lakh)

Customer Name	Segment 1	
	Year ended March 31, 2019	Year ended March 31, 2018
Customer I	42,971	26,032
Customer II	50,445	32,296

Above two customer contribute more than 85% of entity revenue.

**2. Geographical Information**

Revenue from external customers by location of operations and information about its non current assets by location of assets are as follow

(₹ in Lakh)

Area	Revenue from external customers	
	31-03-19	31-03-18
India (Bihar)	96,588	63,491
<b>Total</b>	<b>96,588</b>	<b>63,491</b>

\* Non-current assets for this purpose consist of property, plant

**3. Revenue from major products**

Revenue from external customers for each product and service are as follow:-

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Transmission	96,588	63,491

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**Bihar State Power Transmission Company Limited.**

Notes to accounts for year ended March 31, 2019

- 10 Disclosure in respect of Indian Accounting Standard (Ind AS)-20 "Accounting for Government  
The break-up of total grant in aid received for various purposes is as under: -

(₹ in Lakh)

Grant received for	2018-19	2017-18
Capital Grant	566.40	-

**(i) Capital Grant & Subsidies (Unutilised)**

Particulars	2018-19	2017-18
Opening balance	1,868.27	1,868.27
Add: Additions during the year	566.40	-
Less: Utilised / transferred during the year	-	-
Less: Refund of Grant	-	-
<b>Closing balance (A)</b>	<b>2,434.67</b>	<b>1,868.27</b>

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

Particulars	2018-19	2017-18
Opening balance	(13,698.29)	(6,849.14)
Add: Additions during the year	-	-
Less :-Loss on Assets Acquired out of	-	-
Less :-Depreciation on Assets Acquired out of	6,849.14	6,849.14
<b>Closing balance (B)</b>	<b>(20,547.43)</b>	<b>(13,698.29)</b>
<b>Gross Total (A+B)</b>	<b>(18,112.76)</b>	<b>(11,830.02)</b>

Particulars	2018-19	2017-18
Current Portion	6,849	6,849
Non-Current Portion	(24,962)	(18,679)

- 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
Sandeep Kumar R. Pudakalkatti	MD BSPTCL
Sanjeevan Sinha	Director BSPTCL
Renuka Kushwaha	Women Director , 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

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

**b. Compensation of key management personnel**

(₹ in Lakh)

Particulars	RENUKA KUSHWAHA		HARE RAM PANDAY	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Sitting Fee	1	1	-	-
Remuneration	-	-	22	2
Short-term benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>2</b>

Particulars	UTTAM KUMAR	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sitting Fee	-	-
Remuneration	31	-
Short-term benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>31</b>	<b>-</b>

**c. Transactions with Related Parties**

(₹ in Lakh)

Particulars	Holding Company	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Grant received from holding during the year	-	-
Loan received during the year	16,274	3,237
Sale of power	-	-
Share of Holding Expenses	-	-
Investment made during the year	-	-
<b>Total</b>	<b>16,274</b>	<b>3,237</b>

**d. Outstanding balances arising from loan transaction**

Particulars	Holding Company	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Loan Payable:	38,847	22,573
Interest Payable:	12,145	15,535
<b>Total</b>		

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

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

As lessee

a) Finance Lease

- **Net carrying value of leased business asset**

(₹ in Lakh)

Particular	Gross Carrying value of Assets	Accumulated Depreciation	Net Carrying value of Assets	Dep. of Year
<b>For March 31, 2019</b>	---NIL---			
Lease hold Land				
<b>For March 31, 2018</b>				
Lease hold Land				

Operating Lease

- **Future minimum lease payments under non-cancellable operating leases**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than 1 year	23.56	24.20
Later than 1 year and not later than 5 years	24.00	21.82
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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	14728	26202
Earnings used in calculation of basic earnings per share(A)	14728	26202
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	72454	30000
<b>Basic EPS(A/B)</b>	<b>0.22</b>	<b>0.87</b>

**ii) Diluted EPS**

Diluted EPS amounts are

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	14728	26202
Earnings used in calculation of basic earnings per share (A)	14728	26202
Profit attributable to equity holders of the owner adjusted for the effect of dilution	72454	30000
Weighted average number of Equity shares adjusted for the effect of dilution (B)	72454	30000
<b>Diluted EPS(A/B)</b>	<b>0.22</b>	<b>0.87</b>

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**Bihar State Power Transmission Company Limited.**  
Notes to accounts for year ended March 31, 2019

**14 Quantitative details of Transmission lines, GSS, Bays and Personnel**

Particulars	Quantity
Total No. of GSS	142 Nos
Total Line length	15608 CKT KM
Total No. of Bays	
220 KV	177 Nos
132 KV	1128 Nos
33 KV	1348 Nos
Total No. of Regular Employees	1781 Nos

**15 Quantitative details of Pending Cases**

(₹ in Lakh)

Particulars	No. of Cases Pending		Contingent Liability	
	As on 31.03.2019	As on 31.03.2018	As on 31.03.2019	As on 31.03.2018
CWJC	87	99	N.A.	N.A.
MJC	7		N.A.	N.A.
LPA	4		N.A.	N.A.
SLP	1		N.A.	N.A.
Income Tax	1	2	1138	5560
Service Tax	1	1	51	51

Note: CWJC, MJC, LPA and SLP pending are mostly related to Service Matters. Amount relatable to such cases is not quantifiable.

**16 Contingent Assets:** No Contingent Assets reported as on Balance Sheet date.

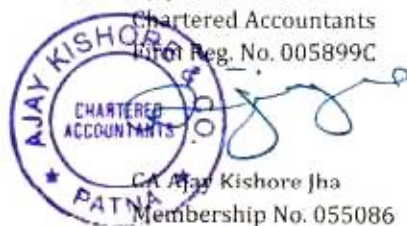
**17 Assets hypotecated as security**

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

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<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



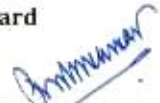
CA Ajay Kishore Jha  
Membership No. 055086  
Partner


Place: Patna

Date: 29.10.2019

For and on behalf of the board

  
Pradip Kumar  
Chief Financial Officer

  
Sandeep Kumar R. Pudakalkatti  
Managing Director DIN-07387571

  
Pratyaya Amrit  
Chairman DIN-01192117