

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2016-17



**BIHAR STATE POWER
TRANSMISSION COMPANY
LIMITED**

(A Govt. of Bihar Undertaking)

CIN - U40102BR2012SGC018889

(Registered Office: Vidyut Bhawan, Bailey Road, Patna-800001)

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH 2017

Particulars		Note No.	As At 31st March 2017	As At 31st March 2016	As At 1st April 2015
I	ASSETS				
A	Non-current assets				
i)	Property, Plant and Equipment	9	38,61,78,87,323	30,27,76,13,567	30,81,21,09,626
ii)	Capital work-in-progress	10	31,14,83,01,703	22,36,13,78,848	7,32,48,70,204
iii)	Other non-current assets	11	1,89,90,22,088	3,02,94,92,806	2,18,06,50,570
B	Current assets				
i)	Inventories	12	1,32,99,52,700	1,31,02,30,345	1,21,06,36,588
ii)	Financial assets				
-	Trade receivables	XX	-	-	-
-	Cash and cash equivalents	13	17,35,63,16,596	11,34,33,97,789	11,35,70,79,998
-	Bank balances other than (iii) above				
iii)	Others (to be specified)				
iv)	Other current assets	14	1,74,95,20,216	1,20,16,10,958	35,06,38,074
	TOTAL		92,10,10,00,628	69,52,37,24,317	53,23,59,85,060
II	EQUITY AND LIABILITIES				
A	Equity				
i)	Equity Share capital	2	30,00,00,00,000	30,00,00,00,000	2,35,00,00,000
ii)	Other equity				
-	Reserves & surplus	4	1,09,01,45,922	1,06,76,45,106	94,53,93,260
-	Share application money pending allotment	3	30,75,53,88,085	13,73,08,88,085	27,96,00,86,085
B	LIABILITIES				
i)	Non-current liabilities				
a)	Financial liabilities				
-	Borrowings	5	8,44,20,53,158	5,32,09,47,434	3,98,72,37,763
-	Trade Payables				
-	Other financial liabilities (other than those specified)				
b)	Provisions				
c)	Deferred tax liabilities (Net)				
d)	Other non-current liabilities	6	15,76,51,59,168	15,55,74,47,470	16,20,24,92,985
ii)	Current liabilities				
a)	Financial liabilities				
-	Borrowings	XX	-	-	-
-	Trade Payables				
-	Other financial liabilities				
b)	Other current liabilities	7	5,73,94,57,353	3,55,52,66,669	1,71,19,32,105
c)	Provisions	8	11,11,43,418	10,10,31,261	7,88,42,862
d)	Current Tax Liabilities (net)	8	19,76,53,524	19,04,98,292	-
	TOTAL		92,10,10,00,628	69,52,37,24,317	53,23,59,85,060

See accompanying notes to the financial statements

As per our report of even date attached

For Ajay Kishore & Co.

Chartered Accountants

(Firm Regn. No. 005809C)

CA

Partner

M. No. 055086

General Manager (F&A)

For and on behalf of the board

Managing Director

Chairman

Place:- Patna
Date:-



BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars		Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I. Revenue				
(a) Revenue from operations		15	2,85,65,76,682	2,27,81,39,242
(b) Other income		16	2,85,65,76,682	2,27,81,39,242
(c) Total Revenue			3,84,10,75,782	3,25,03,39,110
II. Expenses:				
(a) Employee Benefits Expense		17	1,01,90,40,757	98,98,84,718
(b) Finance Costs		18	39,41,50,192	20,70,00,810
(c) Depreciation and Amortisation Expense		19	1,59,05,08,264	1,32,79,62,468
(d) Other Expense		20	81,48,75,754	60,32,39,269
Total Expenses			3,81,85,74,967	3,12,80,87,265
III. Profit/(Loss) Before Exceptional Items and Tax (I-II)			2,25,00,816	12,22,51,846
IV. Exceptional items			-	-
V. Profit/(Loss) Before Tax (III-IV)			2,25,00,816	12,22,51,846
VI. Tax expense				
(a) Current Tax			71,55,232	2,68,55,933
(b) Deferred Tax			-	-
VII. Profit/(loss) for the period from continuing operations (V-VI)			1,53,45,584	9,53,95,913
VIII. Profit/(loss) from discontinued operations			-	-
Less: Tax Expense of discontinued operations			-	-
IX. Profit/(loss) from discontinued operations after tax			-	-
X. Profit/(loss) for the period (VII+IX)			1,53,45,584	9,53,95,913
XI. Other Comprehensive Income				
- Items that will not be reclassified to profit or loss			-	-
- Income tax relating to items that will not be reclassified to profit or loss			-	-
- Items that will be reclassified to profit or loss			-	-
- Income tax relating to items that will be reclassified to profit or loss			-	-
XII. Total Comprehensive Income for the period (X+XI)			1,53,45,584	9,53,95,913
Earnings per equity share (for continuing operations)				
a) Basic			0.01	0.03
b) Diluted			0.00	0.02
Earnings per equity share (for discontinued operations)				
a) Basic			-	-
b) Diluted			-	-
Earnings per equity share (for discontinued & continuing operations)				
a) Basic			0.01	0.03
b) Diluted			0.00	0.02

See accompanying notes to the financial statements

As per our report of even date attached

For Ajay Kishore & Co.

Chartered Accountants

(Firm Regn. No. 005599C)

CA

Partner

M. No. 05508

General Manager (F&A)

For and on behalf of the board

Managing Director

Chairman

Place:- Patna

Date:-



BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Statement of Profit & Loss	2,25,00,816	12,22,51,846
Adjustments for :		
Depreciation	1,59,05,08,264	1,32,79,62,468
Amortisation of Grants	(67,14,15,878)	(67,14,15,878)
Preliminary exp W/off	36,21,704	36,21,704
Transfer from/to Reserves	-	-
Interest Income	(16,39,70,411)	(14,78,39,034)
Interest Expenses	39,41,50,192	20,70,00,810
Operating Profit before Working Capital Changes	1,17,53,94,686	84,15,81,916
Working Capital Changes:		
(Increase)/Decrease in Inventories	(1,97,22,354)	(9,95,93,757)
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Other Current Assets	(54,79,09,258)	(85,09,72,884)
Increase)/(Decrease) in Other Current Liabilities	2,18,41,90,684	1,84,33,34,564
Increase)/(Decrease) in Provisions	1,72,67,389	21,26,86,691
Capital Grant for Capital Assets	18,68,26,717	-
Cash generated from Operations	2,99,60,47,864	1,94,70,36,530
Interest paid	(39,41,50,192)	(20,70,00,810)
Income taxes paid	-	-
Dividends paid	-	-
Net Cash from Operating Activities	2,60,18,97,672	1,74,00,35,720
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	16,39,70,411	14,78,39,034
Other non current assets	1,12,68,49,014	(85,24,63,940)
Purchase of Property, Plant & Equipments	(18,71,77,04,875)	(15,83,01,42,547)
Proceeds from Sale of Equipments	-	1,67,494
Net Cash from Investing Activities	(17,42,68,85,450)	(16,53,45,99,959)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/Decrease in long term borrowings	3,12,11,05,724	1,33,37,09,671
Increase/Decrease in Other Non-current Liabilities	69,23,00,859	2,63,70,363
Proceeds from issuance of Share Capital	-	27,65,00,00,000
Equity Capital Pending Allotment	17,02,45,00,000	(14,22,91,98,000)
Net Cash from Financing Activities	20,83,79,06,583	14,78,08,82,034
Net Increase in Cash & Cash Equivalents (A+B+C)	6,01,29,18,807	(1,36,82,208)
Opening balance of Cash and Cash Equivalents	11,34,33,97,789	11,35,70,79,998
Closing balance of Cash and Cash Equivalents:	17,35,63,16,596	11,34,33,97,789
Consisting of:		
Cash in hand	1,64,038	3,29,010
Cash Imprests with Staff	1,02,83,875	1,07,83,926
-Balance with bank in current accounts	17,34,04,72,463	11,33,05,71,322
-Cheques in transit	53,96,220	17,13,531
Cash in transit	-	-
	17,35,63,16,596	11,34,33,97,789

As per our report of even date attached

For Ajay Kishore & Co.

Chartered Accountants

(Firm Regn. No. 005508)

CA 
 Partner
 M. No. 05508
 General Manager (F&A)

For and on behalf of the board


 Managing Director


 Chairman

Place:- Patna

Date:-



Statement of changes in equity for the period ended 31 March 2017

A. Equity share capital:

Equity shares of Rs.10/- each issued, subscribed and fully paid :	No. of Shares	Amount in Rs.
At 01st April, 2015	23,50,00,000	2,35,00,00,000
Changes in equity share capital	2,76,50,00,000	27,65,00,00,000
At 31st March, 2016	3,00,00,00,000	30,00,00,00,000
Changes in equity share capital	-	-
At 31st March, 2017	3,00,00,00,000	30,00,00,00,000

B. Other Equity:

For the year ended 31st March, 2017

	Opening balance as at 1 Apr 2016	Total Comprehensive Income for the Year	Transfer to/from Retained Earnings	Any other changes(to be specified)	Closing balance as at 31 Mar 2017
Share Application money pending for allotment	13,73,08,88,085	-	-	17,02,45,00,000	30,75,53,88,085
Equity component of compound financial instruments	-	-	-	-	-
Reserves & Surplus					
Capital Reserve	40,49,54,256	-	-	-	40,49,54,256
Securities Premium Reserve	-	-	-	-	-
Other Reserv (Specify name)	-	-	-	-	-
Retained Earning	66,26,90,850	1,53,45,584	71,55,232	-	68,51,91,666
Other reserves (Reserve Under-RPO Obligation)	-	-	-	-	-
Total reserves	14,79,85,33,191	1,53,45,584	71,55,232	17,02,45,00,000	31,84,55,34,007

For the year ended 31st March, 2016

	Opening balance as at 1 Apr 2015	Total Comprehensive Income for the Year	Transfer to/from Retained Earnings	Any other changes(to be specified)	Closing balance as at 31 Mar 2016
Share Application money pending for allotment	27,96,00,86,085	-	-	(14,22,91,98,000)	13,73,08,88,085
Equity component of compound financial instruments	-	-	-	-	-
Reserves & Surplus					
Capital Reserve	40,49,54,256	-	-	-	40,49,54,256
Securities Premium Reserve	-	-	-	-	-
Other Reserv (Specify name)	-	-	-	-	-
Retained Earning	54,04,39,004	9,53,95,913	2,68,55,933	-	66,26,90,850
Other reserves (Reserve Under-RPO Obligation)	-	-	-	-	-
Total reserves	28,90,54,79,345	9,53,95,913	2,68,55,933	(14,22,91,98,000)	14,79,85,33,191

As per our report of even date attached

For Ajay Kishore & Co.

Chartered Accountants

Firm Regd. No.: 005899X

For and on behalf of the Board of Directors of BSPTCL



Partner

Membership No.: 0550




General Manager (F&A)



Managing Director



Chairman

Place:

Date:

Any part of the reserves presented under Equity Instruments through other comprehensive income which is realised in cash shall be disclosed separately.

@ - Debit balance of Statement of Profit and loss shall be shown as a negative figure under the head 'Retained Earnings'.

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 2 Share Capital

Particulars	As At 31st March 2017	As At 31st March 2016
(a) Authorised 3,00,00,00,000 Equity Shares of Rs.10 each	30,00,000,000	30,00,000,000
(b) Issued, subscribed and fully paid up 3,00,00,00,000 Equity Shares of Rs.10 each	30,00,000,000	30,00,000,000
Total	30,00,000,000	30,00,000,000

2.1 The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible to one vote per share held.

2.2 Reconciliation of the number of shares outstanding:-

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	3,00,000,000	30,00,000,000	2,35,000,000	2,35,00,000,000
Add:- Shares issued during the year	-	-	2,765,000,000	27,650,000,000
Equity Shares at the end of the year	3,00,000,000	30,00,000,000	3,00,000,000	30,00,000,000

2.3 Details of shares held by the Holding Company:-

100% Shares are held by the holding company Bihar State Power (Holding) Company Limited and its nominees.

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

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% held	No. of shares	% held
Bihar State Power (Holding) Company Ltd. (Holding Company) (BSPHCL) and its nominees	3,00,000,000	100.00%	3,00,000,000	100.00%

Note 3 Share Application Money Pending Allotment

Particulars	Account Code No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Equity Capital pending allotment		30,755,388,085	13,730,888,085	27,960,086,085
Total		30,755,388,085	13,730,888,085	27,960,086,085

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 4 Reserves & surplus

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Capital Reserves				
Opening Balance		404,954,256	404,954,256	-
Add: Addition during the Year		-	-	404,954,256
Closing Balance	A	404,954,256	404,954,256	404,954,256
Surplus in Statement of Profit & Loss				
Opening Balance		662,690,850	540,439,004	(241,921,904)
Add: Profit during the year as per Statement of Profit & Loss		15,345,584	25,395,913	780,717,814
Add: Adjustments for prior period		-	-	1,643,094
Add: MAT Credit Entitlement		7,155,232	26,855,933	-
Closing Balance	B	685,191,666	662,690,850	540,439,004
Total	(A+B)	1,090,145,922	1,067,645,106	945,393,260

Note 5 Financial Liabilities- Borrowings

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Unsecured				
(a) State Govt. Plan Loan		3,405,495,000	1,959,595,000	1,959,595,000
(b) Interest Accrued and Due on Capital Fund		2,986,721,459	1,992,498,661	1,066,255,493
(c) ADB Loan		2,049,836,699	1,368,853,773	961,387,270
Total		8,442,053,158	5,320,947,434	3,987,237,763

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 6 Other Non-Current Liabilities

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Deposit for Work to be Done	47	1,750,457,535	1,058,156,676	1,031,786,313
Security Deposit from Consumers	48.2			
Total	A	1,750,457,535	1,058,156,676	1,031,786,313
-Grant for capital assets(Deferred Income)				
Opening Balance		14,499,290,794	15,170,706,672	16,244,091,754
Add:Addition during the Year		186,826,717.00	-	2,985,052
Less: Transfer to Capital Reserve		-	-	(404,954,256)
Less: Amortisation during the year		(671,415,878)	(671,415,878)	(671,415,878)
Closing Balance	B	14,014,701,633	14,499,290,794	15,170,706,672
Total	(A+B)	15,765,159,168	15,557,447,470	16,202,492,985

Note XX Financial Liabilities- Short term borrowings

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
<u>Unsecured</u>				
Short term Loan from Banks	50.1			
Bank Overdrafts	50.2			
Total				

Note 7 Other current liabilities

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Current Maturities of Long Term Debts				
Advance against Sale of Scrap	40.2	-	-	
Liability to Supplies/Works	42.1 & 42.2	500,768,655	528,896,225	611,643,295
Deposits and Retentions from Suppliers and Contractors	46.1 & 28.930	5,038,410,215	2,769,439,085	916,727,684
Statutory Dues payable to Government.	46.3	15,827,302	26,635,337	15,657,909
Entry tax Payable		15,576,333	68,571,437	52,218,460
Liability for Expenses	46.4	99,367,593	99,319,863	99,177,743
Other Liabilities and Provisions.	46.9	9,757,057	2,727,113	16,507,015
Payable to Master Trust		59,750,199	59,677,610	-
Total		5,739,457,353	3,555,266,669	1,711,932,105

Note 8 Current Liabilities- Provisions

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Staff related liabilities & provisions		111,143,418	101,031,261	78,842,862
Current Tax Liabilities		197,653,524	190,498,292	-
Total		308,796,942	291,529,553	78,842,862

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 10

Capital work in progress

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Capital Work-in-progress	14	31,148,301,703	22,361,378,848	7,324,870,204
Total		31,148,301,703	22,361,378,848	7,324,870,204

Note 11

Other Non-Current Assets

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Investments		245,418,916	1,597,518,458	1,598,591,433
Advances to Contractors/Suppliers		1,438,539,166	1,220,443,870	557,405,247
Deposits		13,788,778	13,788,778	13,788,778
Preliminary Expenses		3,621,704	7,243,408	10,865,112
MAT Credit Entitlement		197,653,524	190,498,292	-
Total		1,899,022,088	3,029,492,806	2,180,650,570

Note 12

Inventories

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Stock of Material at Other Stores	22.60 & 22.63	1,242,747,402	1,223,025,047	1,123,431,290
Materials in Transit (ICT)	22.68 & 22.69	86,504,919	86,504,919	86,504,919
Other Stock		700,379	700,379	700,379
Total		1,329,952,700	1,310,230,345	1,210,636,588

Note XX Trade Receivables- Current

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>				
-Secured, Considered Good (Secured against security deposit)				
-Unsecured, Considered Good				
Less Provision for Doubtful dues from Consumers.	23.9	-	-	-
<u>Others</u>				
-Secured, Considered Good (Secured against security deposit)				
-Unsecured, Considered Good				
Total		-	-	-

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 13 Cash & Cash Equivalents

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Cash & Cash Equivalents				
Cash in Hand	24.1	164,038	329,010	241,473
Cash Imprests with Staff	24.2	10,283,875	10,783,926	10,778,127
Balance with Banks		17,340,472,463	11,330,571,322	11,345,560,021
Cheque in Transit		5,396,220	1,713,531	500,377
Cash in Transit	24.5 & 24.6	-	-	-
Total		17,356,316,596	11,343,397,789	11,357,079,998

(The above balance with Banks include amount transferred to auto sweep a/c)

Note 14 Other Current Assets

Particulars	Account Code No.	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Amount recoverable from Employees	28.4	88,935	88,935	88,935
Other Claims and Receivables	28.7&28.8	5,415,734	2,537,969	19,971,553
Accrued Interest on Investments		-	70,308,520	61,642,205
Receivable From Master Trust		-	-	115,663,830
Receivable from Inter Company		1,121,290,652	540,345,422	(93,719,855)
Advances for O & M Supplies/Works		27,898,850	20,284,636	31,676,254
Loans and Advances to Staff		103,998,489	77,579,055	9,985,079
Loans and Advances-others		7,720,878	117,928,848	7,255,697
Advance Income Tax / deductions at source		483,106,679	372,537,573	198,074,376
Total		1,749,520,216	1,201,610,958	350,638,074

Note 15 Revenue from operations

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I.Revenue from Transmission Charges:-			
Revenue from NBPDC		1,120,621,330	937,440,000
Revenue from SBPDCL		1,657,778,666	1,294,560,000
		2,778,399,996	2,232,000,000
Less: Discount Allowed		-	10,959,800
Net Operating Income		2,778,399,996	2,221,040,200
II.Other operating income			
Supervision Charges		61,986,350	56,835,042
Other Transmission Charges		16,190,336	264,900
Total other operating income		78,176,686	57,099,042
Total (I+II)		2,856,576,682	2,278,139,242

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 16 Other Income

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Interest Income			
Interest on Staff Loan & Advances	62.210 to 62.218	3,098	8,788
Income from Investment (Fixed Deposit)	62.219 to 62.239	-	-
Interest from Banks (Other than Fixed Deposit)	62.270	163,967,313	147,830,246
		163,970,411	147,839,034
Other Income			
Income from Scrap Sale	62.2	131,962,484	80,142,404
Miscellaneous Receipts	62.91	8,069,155	9,706,105
Application Fee Received		290,000	-
Prior Period Items (Net)	62.921	-	59,228,797
Lease Rental Income		8,791,172	3,867,650
Deferred Income		671,415,878	671,415,878
		829,528,689	824,360,834
Total		984,499,100	972,199,868

Note 17 Employee Benefits Expense

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Salaries	75.1	387,442,715	418,872,897
Over Time	75.2	44,445,611	22,704,777
Dearness Allowance	75.3	437,643,947	402,549,254
Other Allowance	75.4	34,346,956	32,045,690
Medical Expenses Re-imbursement	75.611	2,958,410	3,943,762
Staff Welfare Expenses	75.7	1,285,632	1,700,094
Terminal Benefits	75.8	110,917,486	108,068,244
Total		1,019,040,757	989,884,718

Note 18 Finance costs

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Interest on Capital Liabilities			
(a) Interest on State Government Loans	78.1	260,633,002	206,883,953
(b) Interest on PFC Loans		13,108,485	-
(c) Interest on ADB Loans		120,379,147	-
Total Interest on Capital Liabilities		394,120,634	206,883,953
Other Interest and Finance charges			
Interest on security deposit from staff		-	-
Interest to Group Saving Scheme		-	-
Other Interest & Bank Charges		29,558	116,857
		29,558	116,857
Total		394,150,192	207,000,810

Note 19 Depreciation & Amortisation Expenses

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Depreciation	77.1 to 77.2	1,590,508,264	1,327,962,468
Less:- Transferred to prior period expenses		-	-
Total		1,590,508,264	1,327,962,468

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Note 20 Other Expenses

Particulars	Account Code No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
<u>Repairs and Maintenance of Assets</u>			
Plant and Machinery	74.1	285,729,023	294,919,882
Building	74.2	18,498,457	11,872,955
Civil Works	74.3	62,598,555	20,437,051
Hydraulic Works	74.4	2,733,342	351,342
Line Cable Net Works	74.5	100,528,766	33,786,408
Vehicles	74.6	49,979	25,597
Furniture and Fixture	74.7	2,039,873	20,605
Office Equipment	74.8	189,757	294,775
		472,367,752	361,708,616
<u>Administration and Other Expenses</u>			
Rent, Rates & Taxes	76.101 to 76.102	14,183,415	626,873
Insurance	76.104 to 76.106	20,979,733	7,055,757
Telephone charges, Postage & Telex Charges	76.111 to 76.113	4,063,794	4,266,604
Legal Charges	76.121	383,746	339,987
Audit Fees	76.122	162,630	247,320
Consultancy Charges	76.123	2,357,109	771,147
Director's Sitting Fee		28,000	10,000
Interest on Income Tax Paid		-	3,586,582
Technical Fees	76.124	1,322,430	6,647,916
Holding Charges		49,493,900	72,933,344
Other Professional Charges	76.125	127,195	1,031,753
Conveyance & Travel	76.131 to 139	33,217,279	25,807,266
<u>Other Expenses</u>	76.151 to 76.190		
Fees & Subscription		26,682,087	12,946,415
Books & Periodicals		163,092	98,189
Printing & Stationary		2,276,371	2,627,419
Advertisement		12,821,449	19,151,944
Expenditure on CSR		3,621,566	144,452
Loss on Fire/Theft of Stock		-	24,231,117
Electricity Charges		99,102,119	9,798,445
Entertainment Charges		1,541,568	1,596,203
Commission for sale of scrap		4,520,931	2,849,727
Home Guard/ Security Guard		41,015,159	36,675,720
Miscellaneous Expenses		8,057,854	3,712,376
Freight	76.210 to 76.220	16,540	710,749
Other Purchase related Expenses	76.230 to 76.299	155,300	41,643
		326,293,266	237,908,950
<u>Miscellaneous losses and write-offs</u>			
Miscellaneous losses and write-offs	79.5	-	-
Preliminary Expenses W/off		3,621,704	3,621,704
Prior Period Exp.	79.7	12,593,032	-
		16,214,736	3,621,704
Total		814,875,754	603,239,269

BIHAR STATE POWER TRANSMISSION CO. LTD.
PROPERTY, PLANT EQUIPMENT AND PROVISION FOR DEPRECIATION

NOTE 9
(Figures in Rupees)

GROSS BLOCK								
SL NO.	Asset Group	Accounts Code	As on 31st March 2016	Addition 2016-17	Deduction 2016-17	Reclassification 2016-17	As on 31st March 2017	
1	Land and land rights	10.1	13,83,04,70,746	9,11,09,807			13,92,15,80,553	
2	Buildings	10.2	59,10,11,630	-			59,10,11,630	
3	Hydraulic Works	10.3	3,06,716	-			3,06,716	
4	Others Civil Works	10.4	1,54,07,68,399	62,96,28,643			2,17,03,97,042	
5	Plant and Machinery	10.5	13,19,16,49,100	5,49,64,25,766			18,68,80,74,866	
6	Lines and Cable Network	10.6	10,81,32,58,520	3,70,19,79,900			14,51,52,38,420	
7	Vehicles	10.7	45,26,985	-			45,26,985	
8	Furniture and Fixtures	10.8	3,11,05,451	91,15,588			4,02,21,039	
9	Office Equipment	10.9	92,49,157	25,22,315			1,17,71,472	
10	Unallocated							
	SUB-TOTAL		40,01,23,46,704	9,93,07,82,020	-	-	49,94,31,28,724	
11	Capital expenditure resulting in an assets not belonging to Board	11.1						
12	Spare Units/Service Units	11.2						
13	Capital spare at generating station	11.3						
14	Assets taken over from Licensees pending final valuation	11.5						
	GRAND TOTAL		40,01,23,46,704	9,93,07,82,020	-	-	49,94,31,28,724	

BIHAR STATE POWER TRANSMISSION CO. LTD.
PROPERTY, PLANT EQUIPMENT AND PROVISION FOR DEPRECIATION

NOTE 9
(Figures in Rupees)

NOTE- 9 / SCHEDULE-19
(Figures in Rupees)

SL NO.	Asset Group	Accounts Code	PROVISION FOR DEPRECIATION					NET BLOCK	
			As on 31st March 2016	Depreciation for the 2016-17	Adjustment or Deduction 2016-17	Reclassification/Provision for Prior Period 2016-17	As on 31st March 2017	As on 31st March 2017	As on 31st March 2016
1	Land and land rights	10.1	-	-	-	-	-	13,92,15,80,553	13,83,04,70,746
2	Buildings	10.2	23,96,13,965	1,97,39,788	-	-	25,93,53,753	33,16,57,877	35,13,97,665
3	Hydraulic Works	10.3	2,62,626	2,767	-	-	2,65,393	41,323	44,090
4	Others Civil Works	10.4	25,90,14,260	6,17,70,744	-	-	32,07,85,004	1,84,96,12,038	1,28,17,54,139
5	Plant and Machinery	10.5	4,37,42,66,117	83,76,49,592	-	-	5,21,19,15,709	13,47,61,59,157	8,81,73,82,983
6	Lines and Cable Network	10.6	4,84,56,42,375	66,83,62,879	-	-	5,51,40,05,254	9,00,12,33,166	5,96,76,16,145
7	Vehicles	10.7	45,26,979	-	-	-	45,26,979	6	6
8	Furniture and Fixtures	10.8	93,68,308	18,77,174	-	-	1,12,45,482	2,89,75,557	2,17,37,143
9	Office Equipment	10.9	20,38,507	11,05,320	-	-	31,43,827	86,27,645	72,10,650
10	Unallocated								
	SUB-TOTAL		9,73,47,33,137	1,59,05,08,264	-	-	11,32,52,41,401	38,61,78,87,323	30,27,76,13,567
11	Capital expenditure resulting in an assets not belonging to Board	11.1							
12	Spare Units/Service Units	11.2							
13	Capital spare at generating station	11.3							
14	Assets taken over from Licensees pending final valuation	11.5							
	GRAND TOTAL		9,73,47,33,137	1,59,05,08,264	-	-	11,32,52,41,401	38,61,78,87,323	30,27,76,13,567

BIHAR STATE POWER TRANSMISSION CO. LTD.				
STATEMENT SHOWING TRANSMISSION LOSS				
Sl.No	Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016	STATEMENT - 9
1	Total Power Intake	23977916298	22590229827	
2	Total Power Outgo	22841024473	21485354637	
3	Transmission Loss	1136891825	1104875190	
	As a percentage of total loss	4.74	4.89	

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Background

Bihar State Power Transmission Company Limited is a company limited by shares registered under the Companies Act, 1956 in June, 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 4th Floor, Vidyut Bhawan, Bailey Road, Patna - 800021. The Company is primarily involved in the transmission of power within the state of Bihar.

NOTE 1 :Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

A. Basis of preparation of financial statements: -

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS.

(ii) Historical cost convention

The Financial Statements have been prepared on going concern basis, under historical cost basis and on accrual basis. The Company's business operations are governed by the Electricity Act, 2003.

Based on the nature of business, the company has ascertained its operating cycle as 12 months for the purposes of classification of assets and liabilities as current and non-current.

B. Use of Estimates:-

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

C. Segment Reporting :-

The Company has only one activity namely "Transmission of Power". Moreover the company's operations are mainly confined within the State of Bihar and the company does not have material earnings outside Bihar or outside India.

D. Revenue Recognition :-

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below:-

(i) *Revenue from transmission of power*

Revenue from transmission of power is recognized on accrual basis of energy transmitted in accordance with the tariff orders awarded by honorable Bihar Electricity Regulatory Commission (BERC) as applicable to the DISCOMS.

(ii) *Other Income*

- (a) Income from sale of scrap and insurance claims are accounted for on the basis of actual realization.
- (b) Other income except mentioned above is recognized on accrual basis except when ultimate realization of such income is uncertain.
- (iii) 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.
- (iv) Interest income generated on funds received & kept in the bank under different schemes of the government during the period has been treated as liability to be repayable on demand by the government.

E. Government Grants:-

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

On acquisition of Non-depreciable assets, the cost of asset acquired is transferred from Grant account to Capital Reserve and kept intact.

F. Income Tax:-

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Accordingly, Minimum Alternate Tax (M.A.T) has been provided in the books during the year and has been shown under 'Current Tax' in the Statement of Profit and Loss.

Deferred tax asset/liability is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty except for carried forward losses and unabsorbed depreciation which is recognized on virtual certainty that the asset will be realized in future.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

G. Impairment of Assets:-

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication of impairment exists, recoverable amount of the assets is estimated. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss amount. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount so reassessed.

H. Cash and cash equivalents:-

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I. Inventories:-

Inventories are valued as under :

- (i) Consumable stores and spares, construction stores, mandatory spares of consumable nature are valued on the basis of purchase cost. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.
- (ii) Scrap – on Book value or Net Realizable Value (NRV) whichever is lower.

J. Property, plant and equipment:-

Freehold land is carried at historical cost. The cost of land includes provisional deposits, payments/ liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Methods

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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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 referred below:

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

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

K. Intangible assets:-

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

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.

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.

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

L. Capital works-in-progress: -

- (i) 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 put to use. All expenditures of construction division are allocated to the projects on pro-rata basis to the additions made to respective project.
- (ii) Claims for price variation are accounted for on their acceptance.

M. Borrowings:-

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. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

N. Provisions and contingent Liabilities :

A provision is recognized when the company has a present obligation 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 based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation on the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the schedule of contingent liability on the basis of judgment of the management/ independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

O. Employee Benefits :

- (i) Provident fund – The contribution to Provident Fund is transferred to BSPHCL Master Trust Employees A/c maintained with Bihar State Power (Holding) Co. Ltd.
- (ii) Gratuity – The liability of gratuity is accounted on the basis of demand based on actuarial valuation raised by Master Trust and transfer of demanded amount to BSPHCL Master Trust Employees A/c maintained with Bihar State Power (Holding) Co. Ltd.
- (iii) Leave encashment - The benefit of encashment of leave is given to the employees of the company on retirement. The company accounts for leave encashment liability to its employees vide its service on the basis of actuarial valuation / demand of the Master Trust and transfer to BSPHCL Master Trust Employees A/c maintained with Bihar State Power (Holding) Co. Ltd.
- (iv) Leave Travel concession – Expenditure on leave travel concession to eligible employees is recognized on the basis of actual reimbursement.
- (v) Group Saving Schemes – Deductions on accounts GSS from eligible employees are also remitted to BSPHCL Master Trust Employees A/c maintained with Bihar State Power (Holding) Co. Ltd.

P. Contributed equity:-

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Q. Earnings per share:-

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company.

- By the weighted average number of equity shares outstanding during the financial year.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

R. First-time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

As per our report of even date attached

For Ajay Kishore & Co.

Chartered Accountants

(Firm Regn. No. **005889C**)

CA

Partner

M. No. **055006**

Place:- Patna

Date:-



[Signature]
22/9/17
General Manager
(F&A)

For and on behalf of the board

[Signature]
Managing Director

Chairman