

**BIHAR STATE EDUCATIONAL INFRASTRUCTURE  
DEVELOPMENT CORPORATION LTD.**



**DIRECTORS' REPORT  
2013-14**

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# Board's Report

To,

The members of BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED, Shiksha Bhawan, Bihar rastrabhasha parishad, campus, Acharya Shiv- Pujan Sahay Path, Saidpur, Patna-800004, , it is our privilege to present to you the 4<sup>th</sup> Board Report on the business and operations of the Corporation for the financial year ended 31<sup>st</sup> march, 2014 on behalf of the Board of Directors.

## 1.) STATE OF AFFAIRS

The Annual Accounts of the Company has been statutorily audited and the figures stated in audited accounts depict the true and detailed state of affairs of the company for the financial year ended 31<sup>st</sup> march 2014.

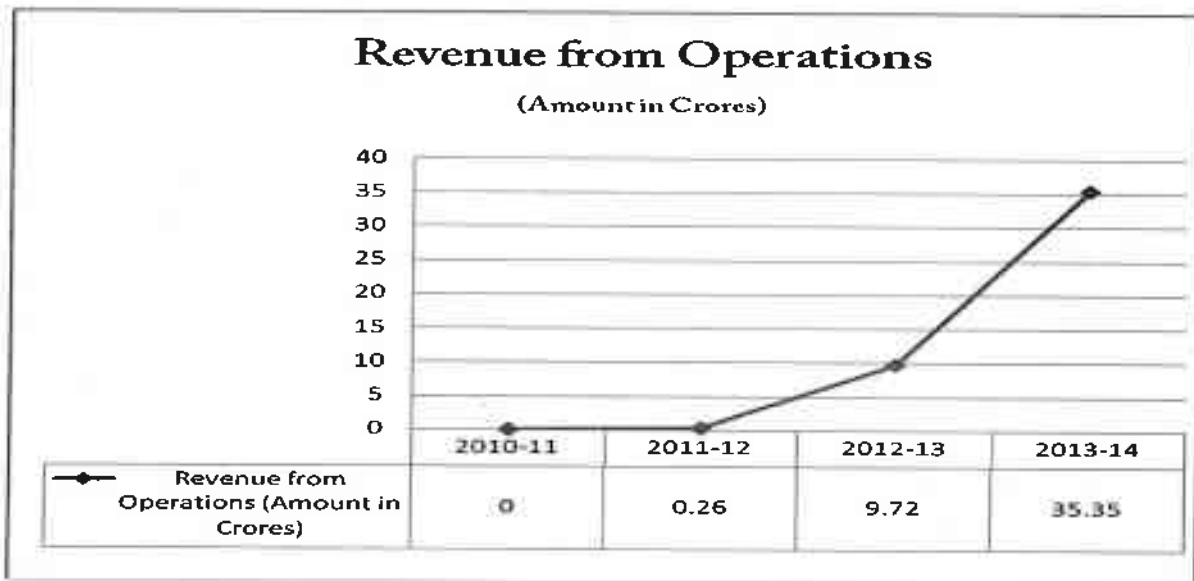
## 2.) FINANCIAL RESULTS OF THE COMPANY AS PER STATUTORILY AUDITED ACCOUNTS:

The company during the period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014, generated a total income of Rs. 40,31,75,070.00 (Rupees Forty Crore thirty one lakhs, seventy five thousand seventy only) and the total expenditure during the said period was Rs. 11,46,75,190.77/-(Rupees Eleven Crore forty six lakhs seventy five thousand one hundred ninety and seventy seven paise only) including depreciation amounting to Rs. 4,67,998.27 /-(Rupees Four lakh sixty seven thousand, nine hundred ninety eight only) and thereby leaving a profit before tax and extraordinary item Rupees Twenty eight crore, eighty four lakh, ninety nine thousand, eight hundred eighty and three paise only (Rs.28,84,99,880.03)

Whereas during previous year from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013, the total income generated was Rs. 12,14,12,738.00 (Rupees Twelve Crore two fourteen lakhs Twelve thousand seven hundred thirty eight only) and the total expenditure during the said period was Rs. 6,89,73,601.00/-(Rupees Six Crore eighty nine lakhs seventy three thousand six hundred and one only) including depreciation amounting to Rs. 4,17,873.04 /-(Rupees Four lakh seventeen thousand eight hundred seventy three only) and thereby leaving a profit before tax and extraordinary item of Rs 5,24,39,137.00/-(Rupees Five Crore twenty four lakhs thirty nine thousand one hundred thirty seven only).

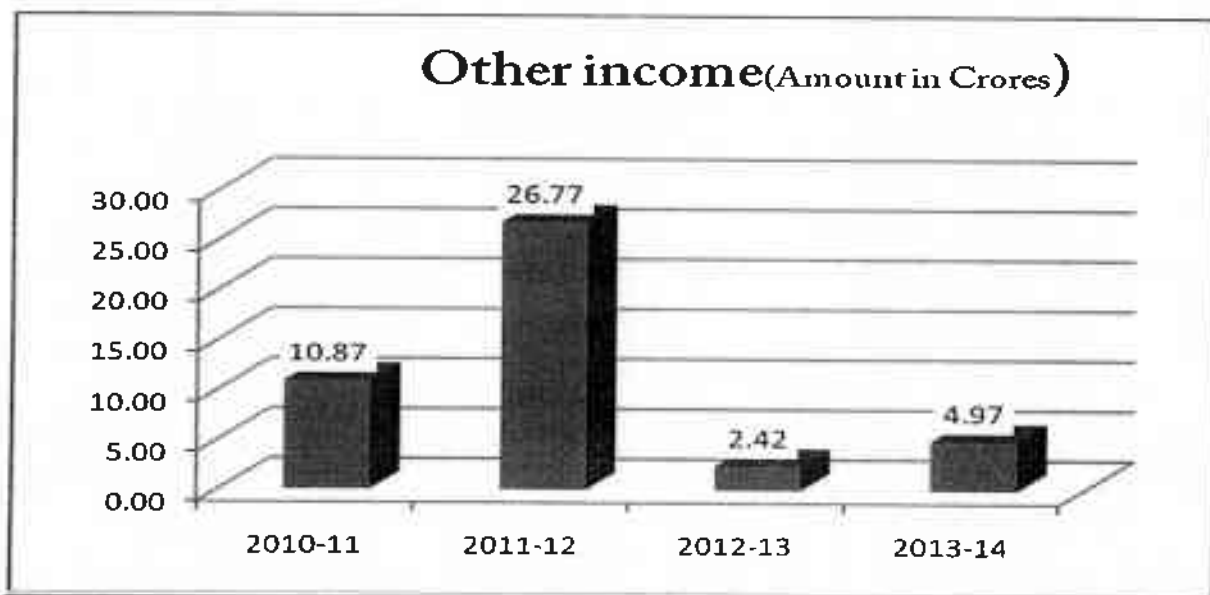
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## REVENUE FROM OPERATIONS



Company was incorporated in the month of July 2010, during the financial year 2010-11 operations of the company could not be started hence the Revenue from Operation was reported at Nil. In the Financial year 2011-12 company started the process of hiring manpower, floating tenders, etc, however the actual operation on the company started in the year 2012-13 and the company recorded revenue from operation of Rupees Twenty five lakh sixty five thousand and seven hundred eighty one only (Rs.25,65,781.00/-) in the year 2011-12 whereas in the year 2012-13 it was reported at Rupees Nine Crore seventy two lakh thirty four thousand nine hundred fifty one only (Rs.9,72,34,951.00/-) which became Rupees Thirty five crore, thirty five lakh, twenty thousand, two hundred twenty and eighty paise only (Rs.35,35,20,220.80).

## OTHER INCOME

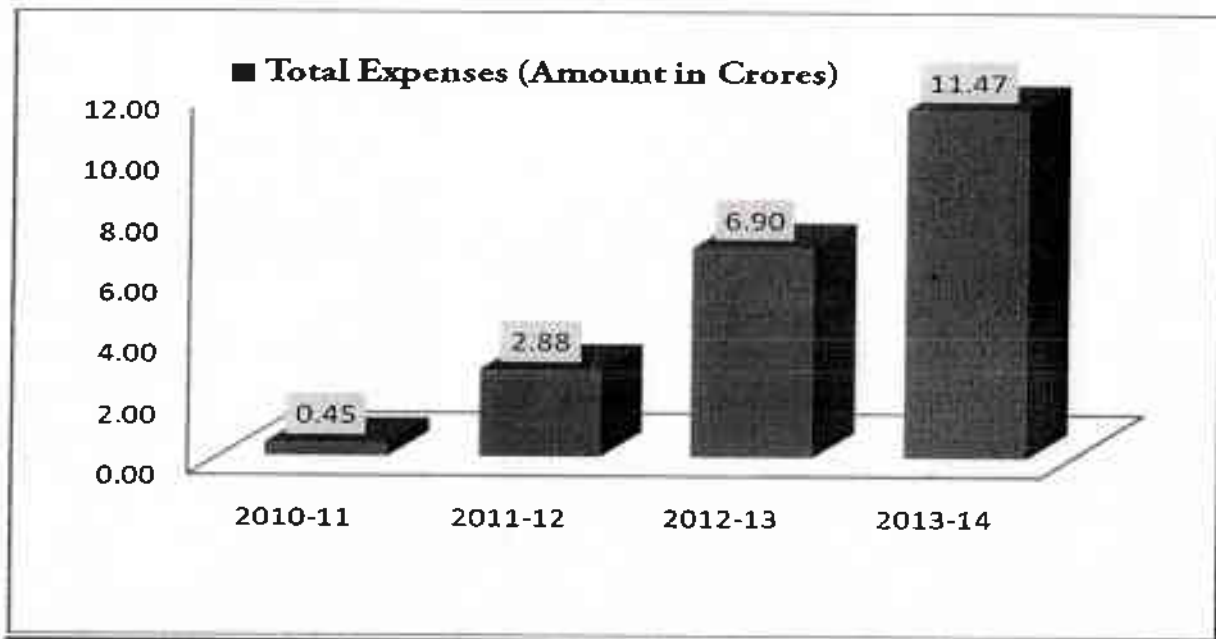


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In the year of Incorporation i.e 2010-11 the Company reported an Income of Rupees Ten Crore eighty seven lakh twenty nine thousand one hundred twenty five and thirty paise only(Rs.10,87,29,125.30/-) from Other Sources, and in the year 2011-12 the same was Twenty Six Crore seventy seven lakh one thousand two hundred thirty four and ninety five paise only( Rs.26,77,01,234.95/-) which is basically attributable to the Interest Income earned by the Company by depositing the funds with the Banks. However during the Financial Year 2012-13 the Company received a Letter from Planning and Development Department, Government of Bihar, providing guidelines for treatment of interest accrued on the fund for projects, i.e it should be treated as a part of the project amount, accordingly the interest earned on the projects were credited to the Project themselves instead of taking in to profit of the Company, this resulted in the Sharpe decline in the other Income which was recorded at Rupees Two Crore forty one lakh seventy seven thousand eighty seven only( Rs.2,41,77,787.00/-) which is attributable mainly to the Cost of BOQ and interest on the Share capital and free reserve money deposited with the Banks, in consistence adherence to the aforesaid guideline other income in the year 2013-14 was reported to Rupees Four Crore ninety six lakh fifty four thousand eight hundred fifty only ( Rs.4,96,54,850.00).

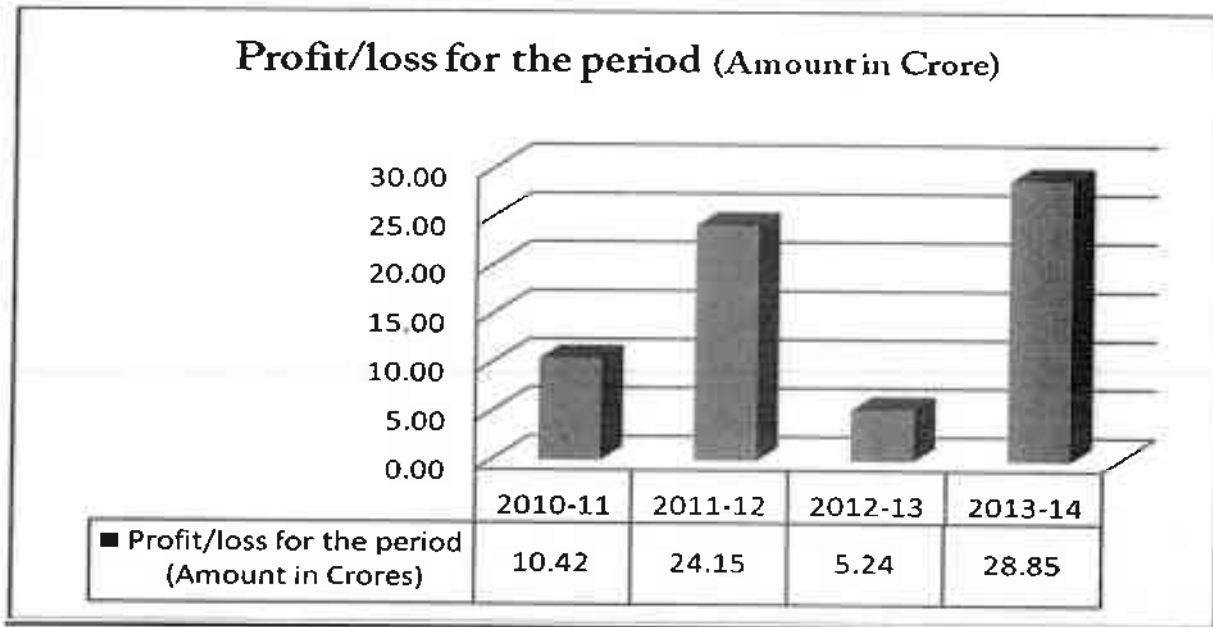
**TOTAL EXPENSES**



With the increase in the scale of the operation of the company a corresponding gradual increase in the amount of Total Expenses was reported which amounted to Rupees Forty Five lakh fifteen thousand seven hundred eighty three and fifty paise only( Rs. 4515783.50/-) in the year 2010-11, Rupees Two Crore eighty seven lakh ninety two thousand two hundred seventy nine and fifty two paise only(

Rs.28792279.52/-) in the year 2011-12, Rupees Six crore eighty nine lakh seventy three thousand six hundred one and four paise only(Rs.68973601.04/-) in the year 2012-13 whereas the same was reported at Rupees Eleven Crore forty six lakh seventy five thousand one hundred ninety and seventy seven paise only (Rs.11,46,75,190.77).

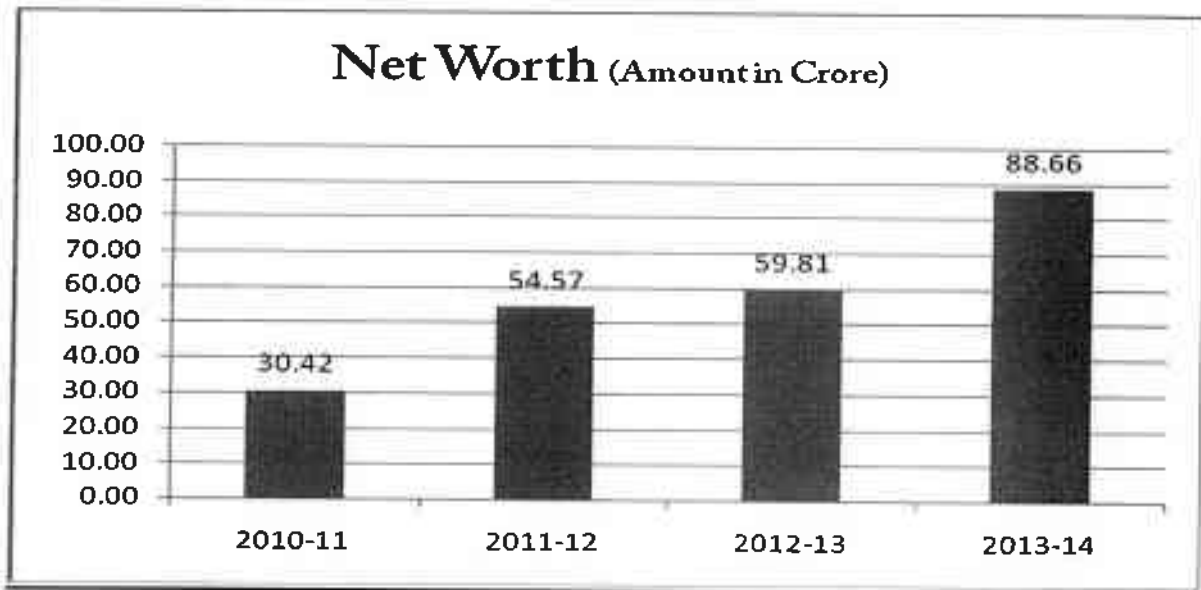
**PROFIT AND LOSS**



Profit and Loss for the year 2010-11 was Rupees Ten Crore forty two lakh thirteen thousand three hundred and forty one and eighty paise only( Rs.10,42,13,341.80/-), for the year 2011-12 it was Rupees Twenty Four Crore fourteen lakh seventy four thousand seven hundred thirty six and forty three paise only ( Rs.24,14,74,736.43/-) , however, in the year 2012-13 due to change in the Accounting Policy regarding recognition of the Interest on the project fund as per the guidelines of the Planning and Development Department, GoB, company recorded a steep decline in the amount of profit and amounted to Rupees Five Crore twenty four lakh thirty nine thousand one hundred thirty six and ninety six paise only( Rs.5,24,39,136.96/-) however, in the period under reporting company recorded a profit of Rupees Twenty eight crore, eighty four lakh, ninety nine thousand, eight hundred eighty and three paise only (Rs.28,84,99,880.03)

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## NET WORTH



Company Started its business in the year 2010-11 with a capital of Rupees Twenty Crore only (Rs.20,00,00,000.00/-) and during the year earned a profit of Rupees Ten Crore forty two lakh thirteen thousand three hundred and forty one and eighty paise only( Rs.10,42,13,341.80/-), thereby attaining the net worth of Rupees Thirty Crore forty two lakh thirteen thousand three hundred and forty one and eighty paise only( Rs.30,42,13,341.80/-), in the year 2011-12 profit was reported at Rupees Twenty Four Crore fourteen lakh seventy four thousand seven hundred thirty six and forty three paise(Rs.24,14,74,736.43/-) only and the entire profit was ploughed back in the business, thereby attaining the net worth of Rupees Fifty four Crore fifty six lakh eighty eight thousand and seventy eight ( Rs.54,56,88078.00/-)only.

In the year 2012-13 also management did not recommended any divided and entire profit for the year i.e. Rupees Five Crore twenty four lakh thirty nine thousand one hundred thirty six and ninety six paise only( Rs.5,24,39,136.96/-) was ploughed back into the business of the company thereby, bringing the net worth of the company at Rupees Fifty Nine Crore Eighty One Lakh Twenty Seven Thousand, Two Hundred and Fifteen Only ( Rs.59,81,27,215.00/-).

Adhering to the objective of wealth maximization company's management decided to plough back the entire profit earned during the period under reporting (2013-14) thereby rendering the net worth of the company to Rupees Eighty eight crore, sixty six lakh, twenty seven thousand, ninety five and three paise only ( Rs.88,66,27,095.03/-).

#### **4.) DECLARATION OF DIVIDEND**

The Board of Directors of the company does not propose any dividend in the current year 2013-14.

## 5.) SECURED LOAN

The company has not borrowed any secured loan from any Bank, Financial Institutions or other parties.

## 6.) ALLOTMENT OF SHARES AND RECEIPT OF DEPOSITS

The company during the year under reporting has not allotted any shares, debentures and / or other securities of the company and further, the company during the said year has not accepted any deposit from public.

## 7.) REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

The provision of sections 217 (1) (e) of the Companies Act, 1956 in respect of the report on the conservation of energy, Technology absorption is not applicable to the company. The Company has not revived / utilised any foreign currency during the year under reporting.

## 8.) BOARD OF DIRECTORS

As the company was incorporated on 16<sup>th</sup> July, 2010, the board was constituted with the eight directors as follows:

Sl. NO	Member of the Board	Status in Board
(a)	Development Commissioner, Govt. Of Bihar	Chairman
(b)	Principal Secretary, Human Resource Development, Govt of Bihar	Director
(c)	Secretary, Human Resource Development Department, Govt of Bihar	Director
(d)	Project Director, Bihar Education Project	Director
(e)	Principal Secretary / Secretary, Public Health Engineering Department, Govt. Of Bihar	Director
(f)	Principal Secretary /Secretary, Building Construction Department, Govt of Bihar	Director
(g)	Principal Secretary, /Secretary, Health & family Welfare Depart,	Director
(h)	Principal Secretary / Secretary, Finance	Director

The number of Director of the company shall not be less than five and it shall not be more than eleven. The directors shall be appointed by the Governor by name from and amongst the following <sup>or</sup> and the individuals holding the following posts, from time-to-time shall be deemed to be directors of the company, unless directed otherwise by the Governor of Bihar.

*P. S. Singh*

Following were the Directors during the period under reporting, (FY-2013-14)

Name of Director	Designation	Appointment	Cessation
SHRI PHOOL SINGH	Director	01-09-2012	31-05-2013
SHRI ALOK KUMAR SINHA	Director	01-06-2013	01-07-2014
SHRI RAMESHWAR SINGH	Director	04-08-2011	-
SHRI AMARJEET SINHA	Director	04-08-2011	09-06-2014
SHRI VYAS JEE	Director	08-06-2012	30-08-2013
SHRI DEEPAK KUMAR	Director	30-08-2013	07-11-2014
SHRI RAVINDRA PANWAR	Director	16-07-2010	06-08-2013
SHRIMATI ANSHULI ARYA	Director	06-08-2013	-
SHRI CHANCHAL KUMAR	Director	28-08-2012	-
SHRI RAHUL SINGH	Director	08-06-2012	10-11-2014
SHRI SANJIWAN SINHA	Managing Director	20-04-2011	-

### **9.) PARTICULARS OF EMPLOYEES**

There are no employees of the company receiving or entitled or receive a remuneration exceeding the limits mentioned in section 217 (2A) of the companies Act, 1956 read with companies (Particular of Employees) Rules 1975.

### **10.) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under the new section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> march 2014, all applicable accounting standards had been followed along with proper explanations relating to material departures:
- (ii) That the Director's had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review:
- (iii) That the Director's had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:
- (iv) That the Director's had prepared the accounts for the financial year ended 31<sup>st</sup> March 2014 on a going concern basis.



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**11.) DIRECTOR'S INTEREST IN OTHER FIRMS/ COMPANIES**

The company being the wholly owned State Government Company, the directors of the company are nominated by the governor of Bihar and as such they hold the post as Nominee Directors and therefore this clause is not applicable.

**12.) AUDITORS**

M/s. Agrawal Anil & Associates, Chartered Accountants who are the Statutory Auditors of the Company, duly appointed by the office of the Comptroller and Auditor General of India.

**13.) AUDITORS'S REPORT**

The Report of the Statutory Auditors on the Accounts of the Company, for the Financial year ended on 31<sup>st</sup> March 2014, has been received and the same was also sent to the Comptroller and Auditor General of India, for their Comments, and the Accountant General (Audit) Bihar, on behalf of the Comptroller and Auditor General of India has issued non review certificate, dated 01-01-2015. Further, Opinion of Statutory Auditors contained in para 6 of their report, appertains to the policies / principles, facts already disclosed by the management in the Significant accounting policies and notes on Accounts.

**14.) INTERNAL CONTROL SYSTEM**

The company's Internal control system comprises audit and compliance by internal Auditors. The Internal auditors M/s Chanakya Ashok & Company, Chartered Accountants, Patna independently evaluate the adequacy of Internal controls and verification of the majority of the transactions in value terms.

**15.) AUDIT COMMITTEE :**

As per the section 292A of the Companies Act, 1956 the Board of the Directors have duly constituted a Audit Committee vide the Agenda No.4 of the 6<sup>th</sup> Meeting of the Board of Directors held on 9<sup>th</sup> February 2012. Composition of the Audit Committee of the Board of Directors is as follows:

Sl No.	Designation	Chairman/Member
1	Principal Secretary, Finance Department, GoB	Member
2	Principal Secretary, Human Resource Department/Education Dept, GoB	Member
3	Secretary, Human Resource Department/Education Dept, GoB	Member
4	Managing Director, BSEIDC Ltd, Patna	Member

Meetings of the Audit held during the period under reporting are as follows:

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Date of Meeting	Directors Present			Others Present
16/12/2013	<b>Shri Rameshwar Singh</b> (Principle Secretary, Financia Dept. GoB)	<b>Shri Amarjeet Sinha</b> (Principle Secretary, Financia Dept. GoB)	<b>Shri Sanjiwan Sinha</b> (Managing Director)	1.) Shri Simrat Singh (Stat.Auditor) 2.) Shri Chankya Shree( Internal Auditor) 3.) Shri Ranjan Kumar Mishra(S.A.O) 4.) Shri Nimesh Anand(C.S.)
27/03/2014	<b>Shri Rameshwar Singh</b> (Principle Secretary, Financia Dept. GoB)		<b>Shri Sanjiwan Sinha</b> (Managing Director)	1.) Shri Simrat Singh (Stat.Auditor) 2.) Shri Chankya Shree( Internal Auditor) 3.) Shri Ranjan Kumar Mishra(S.A.O) 4.) Shri Nimesh Anand(C.S.)
19/09/2014	<b>Shri Rameshwar Singh</b> (Principle Secretary, Financia Dept. GoB)		<b>Shri Sanjiwan Sinha</b> (Managing Director)	1.) Shri Simrat Singh (Stat.Auditor) 2.) Shri Chankya Shree( Internal Auditor) 3.) Shri Ranjan Kumar Mishra(S.A.O) 4.) Shri Nimesh Anand(C.S.)
22/12/2014	<b>Shri Rameshwar Singh</b> (Principle Secretary, Financia Dept. GoB)	<b>Shri R.K. Mahajan</b> (Principle Secretary, Financia Dept. GoB)	<b>Shri Sanjiwan Sinha</b> (Managing Director)	1.) Shri A.K. Agarwal (Stat.Auditor) 2.) Shri Chankya Shree( Internal Auditor) 3.) Shri Ranjan Kumar Mishra(S.A.O) 4.) Shri Nimesh Anand(C.S.)

*P. Singh*

16.) ACKNOWLEDGMENT

The Board of Director's hereby records its deep appreciation of the valuable services and dedicated efforts of the members of the Bihar State Educational Infrastructure Development Corporation Limited during the year 2013-14. The Board also wishes to thank the Government of Bihar, regulatory and statutory authorities for their valuable guidance and support. The Board is also grateful to the Corporation's Bankers, Investors, Customers, Consultants, Technology licensors, Contractors and Vendors for their continued support and confidence reposed in the Corporation.

For and on behalf of the Board,

*Nimisha Anand J.*

Company  
Secretary

*[Signature]*  
Managing  
Director

*[Signature]*  
Director

Dated:13/01/2015  
Place: Patna