

JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
BIHAR STATE POWER GENERATION COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind As Financial Statements of **BIHAR STATE POWER GENERATION COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (Including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

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

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Standalone Ind AS Financial Statements for the year ended



JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

31st March, 2017 (Including Opening Balance Sheets as at 01st April 2016 and 01st April 2015) are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 – Company Information and Significant Accounting Policies to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 – Company Information and Significant Accounting Policies to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The financial statements are prepared to assist BIHAR STATE POWER GENERATION COMPANY LIMITED to meet the requirements of preparation of first set of Standalone Ind AS Financial Statements.

Emphasis of Matter

1. We draw attention to Note 1 – Company Information and Significant Accounting Policies to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the company has elected to utilize the option under Ind AA 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the company's state of affairs (financial position), profit/loss (financial performance including other comprehensive income), cash flows and the changes in equity
2. We draw attention to the following matters in the notes to the financial statements together with other matters:
 - a. According to the information and explanations given to us, Share Application Money pending allotment and amounting to ₹ 468,43,00,009.00 (P.Y. ₹ 321,02,56,009.00) represents application money under the transfer scheme for which shares are to be allotted after completion of transfer scheme. However, it is not in conformity with



JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

the provisions of Section 39 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 & Companies (Acceptance of Deposit) Rules, 2014 (with amendments thereon) and allotment was to be completed within the time limit as prescribed under the provisions of the Act.

- b. Long Term Borrowings includes both Secured and Unsecured Loans from banks and financial statements amounting to ₹ 3628,12,93,429.00 (P.Y. ₹ 3223,01,39,716.00). However, the amount is subject to reconciliation and necessary provisions based on balance confirmations from banks and financial institutions as made available to us.
- c. Other Current Liabilities includes old liabilities wherein no movement and or adjustments have been observed during the current financial year and are subject to proper reconciliation and or write off based on merits of the case:

Particulars	Balance as on 31.03.2017 ₹	Balance as on 31.03.2016 ₹
Advance against Sale of Scrap	16,81,18,920.00	16,81,18,920.00
Liability to Railways for Coal Reserves	8,79,75,005.00	8,79,75,005.00

- d. Inter Company Accounts amounting to ₹ 9,09,86,16,175.00 (P.Y. ₹ 813,83,76,479.00) includes both debit and credit balances and relates to balances of Holding/Group Companies/Trust which has not been squared off during the current financial year for want of proper reconciliation. However, the Inter Company Balances has been confirmed by the management.
- e. According to the information and explanations given to us and read in reference to Note 1 – Company Information and Significant Accounting Policies – Para 1.4: Depreciation/Amortization, the company continues to provide depreciation on assets on straight line method using the rates notified by CERC together with depreciating individual assets up-to 90% of the original cost of the assets. The said policy is not in conformity with Schedule II of the Companies Act, 2013 read with Section 123 of the Companies Act, 2013 and difference on account of provision of depreciation as per management policy and as prescribed under the Companies Act, 2013 has also not been quantified and disclosed in the financial statements.



JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

- f. According to the information and explanations given to us, the title deeds of immoveable assets of the company are yet to be obtained in the name of the company.
- g. The disclosure requirements of Investments together with confirmation documents for investment in Joint Ventures amounting to ₹ 1752,49,61,125.00 (P.Y. ₹ 1183,29,61,125.00) as required under the provisions of the Companies Act, 2013 specifying nature and extent of investment so made has not been done.
- h. There has been no movement and or issues/adjustment during the year under Inventories and as observed the amounts are appearing in the financial statements since last more than 02 years. The inventories may have become obsolete/unserviceable which has not been confirmed by the management and has been valued at cost.

Particulars	Balance as on 31.03.2017 ₹	Balance as on 31.03.2016 ₹
Stock of Material at Other Stores	69,89,046.00	69,89,046.00
Materials in Transit	7,12,580.00	7,12,580.00

- i. Cash & Bank Balances include Balance in Fixed Deposit amounting to ₹ 169,56,61,384.00 (P.Y ₹ 159,41,30,793.00) against which balance confirmation is to be obtained.
- j. Short Term Loans & Advances includes Old Advances pertaining to O&M Supplies/Works and Loans to Staff which is subject to proper reconciliation and write off based on merits of the case.
- k. Other Current Assets include old outstanding amounts which are subject to reconciliation and necessary adjustment. No movements in transactions have been observed in last more than three years under certain accounts which is subject to reconciliation/ adjustment to ascertain realizations against said current assets/receivables.

Particulars	Balance as on 31.03.2016 ₹	Balance as on 31.03.2015 ₹
Advance VAT	8,85,856.00	8,85,856.00



JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Central Sales Tax	7,428.00	7,428.00
Amount Recoverable from Employees/ Ex-Employees	68,20,918.00	68,20,918.00
Security Deposit	1,18,06,840.00	1,18,03,840.00

- i. Note: 5 of Notes to Financial Statements in respect of balances of Receivables, Payables, Loans & Advances including Inter Company Transactions which are subject to confirmation and reconciliation. According to the information and explanations given to us, most of the balances pertain to erstwhile Bihar State Electricity Board period and effect of reconciliation and consequential adjustment is yet to quantified and accounted for.
- m. Note: 7 of Notes to Financial Statements in respect of allocation of liabilities relating to Provident Fund, Gratuity, Leave Encashment etc. on the basis of allocation given by the holding company is also subject to reconciliation.
- n. The effect of all matters as stated herein above has not been quantified and as such, we are unable to comment on the final effect of the transactions on the financial statements.

Our opinion is not modified in respect of these matters.

Other Matter

The financial information for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 01st April 2015 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 29th September, 2015 and 28th September, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company to the extent described in Note 1 – Company Information and Significant Accounting Policies on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters



Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013 (report on directions and sub directions) issued by Comptroller & Auditor General of India ("CAG"), we give in the "Annexure- A", a statement on the matters specified in the said directions and sub directions.
2. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the "Annexure - B" a statement on the matters specified in paragraphs 3 and 4 of the said order.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and, except for the matters described in Emphasis of Matters paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, subject to the extent of matters as stated in "Emphasis of Matter".
 - e. The provisions of section 164(2) of the Companies Act, 2013 is not applicable to a Government Company as per Notification No. F. No. 1/2/2014-CL-V dated 5th June, 2015 issued by the Ministry of Corporate Affairs.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-C";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

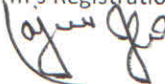


JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position as per information and explanations given to us and impact of pending litigations, if any, has not been disclosed in the standalone Ind AS financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as per information and explanations given to us and impact of foreseeable losses on long term contracts, if any, has not been disclosed in the standalone Ind AS financial statements;
- (iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Jha & Associates
Chartered Accountants
[Firm's Registration No. 01195C]


[CA. Rajeev Kumar Jha]
Partner
[Membership No. 079294]



Place: PATNA
Date: 22nd September, 2017

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in sub - paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to BIHAR STATE POWER GENERATION COMPANY LIMITED for the year ended March 31, 2017.

Directions under section 143(5) of Companies Act 2013:

1. Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available:

According to the information and explanations given to us, the company does not hold clear title/lease deeds for freehold and or leasehold land in respect of all its immoveable properties as appearing in the financial statements. However, according to the information and explanations given to us, land area and value of land has been incorporated in the financial statements based on value as certified by the District Magistrate and is available with the company.

2. Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved:

According to the information and explanations given to us, there have been no cases of waiver/ write off of debts/loan/interest etc. during the current financial year.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities:

According to the information and explanations given to us, there are no inventories lying with third parties but Material in Transit amounting to ₹ 7,12,580.00 is appearing in the financial statements since last more than 02 years which is subject to confirmation. The company has not received assets as Gifts/Grants from Government or other authorities during the current financial year.

No Sub – Directions under section 143(5) of Companies Act 2013 issued if any, has been brought to our notice for reporting and compliance thereon.

For Jha & Associates
Chartered Accountants
[Firm's Registration No. 01195C]


[CA. Rajeev Kumar Jha]
Partner
[Membership No. 079294]
Place: PATNA
Date: 22nd September, 2017



"ANNEXURE – B" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Clause (g) of sub - paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to BIHAR STATE POWER GENERATION COMPANY LIMITED for the year ended March 31, 2017.

- (i) (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have not been physically verified by the management at the year end, and as such, we are unable to comment on material and or other discrepancies, if any, pertaining to the verification of the said fixed assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are not held in the name of the Company. However, according to the information and explanations given to us, land area and value of land has been incorporated in the financial statements based on value as certified by the District Magistrate and is available with the company.
- (ii) As explained to us, the inventory has not been physically verified during the year at reasonable intervals and also at the year-end by the management. As such, we are unable to comment on material discrepancies, if any noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has done investments, guarantee, securities as contained under the provisions of section 185 and 186 of the Act. However, the amounts are subject to reconciliation and confirmation by the respective entities.
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under are not applicable.



JHA & ASSOCIATES
CHARTERED ACCOUNTANTS

- (vi) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, income tax, sales tax, value added tax, service tax, cess and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities. However, the amounts as appearing in the financial statements are subject to reconciliation.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, value added tax, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there were no disputed amounts in respect of sales tax, value added tax, service tax, cess and other material statutory dues in arrears other than income tax which was paid under dispute amounting to ₹ 13,81,723.00 as on 31st March, 2017.
- (viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest on loans or borrowing dues to banks and financial institutions.
- (ix) According to the information and explanations given to us, we report that the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) in the current financial year. Accordingly, paragraph 3 (ix) of the Order is not applicable
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Company.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial



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CHARTERED ACCOUNTANTS

remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Jha & Associates
Chartered Accountants
[Firm's Registration No. 01195C]



[CA. Rajeev Kumar Jha]
Partner
[Membership No. 079294]



Place: PATNA
Date: 22nd September, 2017

“ANNEXURE – C” TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Clause (g) of sub - paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to BIHAR STATE POWER GENERATION COMPANY LIMITED for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BIHAR STATE POWER GENERATION COMPANY LIMITED (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the



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CHARTERED ACCOUNTANTS

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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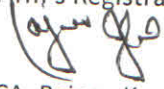
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanation given to us, the company is yet to establish its internal financial control over financial reporting as stated and prescribed in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. As such, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal controls were operating effectively as on March 31, 2017. In our opinion, and based on the extent of audit tests applied in the course of audit of the standalone financial statements of the company, and the disclaimer does not affect our opinion on the standalone Ind AS financial statements of the Company.

For Jha & Associates
Chartered Accountants
[Firm's Registration No. 01195C]


[CA. Rajeev Kumar Jha]
Partner



Place: PATNA
Date: 22nd September, 2017

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Compliance Certificate

We have conducted the audit of accounts of BIHAR STATE POWER GENERATION COMPANY LIMITED for the year ended 31st March, 2017 in accordance with the directions/sub – directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub – directions issued to us.



For Jha & Associates
Chartered Accountants
Firm's Registration No. 01195C

A handwritten signature in blue ink, appearing to read "Rajeev Kumar Jha".

[CA. RAJEEV KUMAR JHA]

Partner

Membership Number: 079294

Dated: 22.09.2017

BIHAR STATE POWER GENERATION COMPANY LIMITED

FINANCIAL STATEMENT

FOR THE F.Y. 2016-17



2017



VIDYUT BHAWAN, BAILEY ROAD, PATNA

Bihar State Power Generation Company Ltd

BALANCE SHEET as on 31.03.2017

Particulars	Note No.	As at 31 March 2017	As at 31st March 2016	As at 31st March 2015
ASSETS				
Non-current assets				
Property, Plant & Equipment	6	37555,39,361	20021,56,499	19990,85,298
Capital Work in Progress		653147,08,542	573124,69,338	456851,21,372
Other Non Current Assets		-	-	-
Investment in Joint Ventures	7	175249,61,125	118327,61,125	86791,56,985
		865952,09,028	711473,86,962	563633,63,655
Current assets				
Inventories	8	5042,25,631	1344,80,710	1003,77,867
Financial Assets		-	-	-
- Trade receivables		-	-	-
- Cash and Cash Equivalents	9	66845,21,009	36393,93,698	41399,31,326
Loans	10	9436,57,697	9444,73,282	8961,30,800
Other Current Assets	11	1789,31,005	932,21,246	520,61,684
		83113,35,342	48115,68,935	51885,01,677
Total Assets		949065,44,369	759589,55,898	615518,65,332
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2	210542,23,950	210542,23,950	34400,00,000
Other Equity		-	-	-
- Reserves & Surplus	3	178406,89,662	90105,02,858	268459,24,771
- Share Application Money Pending Allotment		46843,00,009	32102,56,009	-
		388949,13,612	300647,26,808	302859,24,771
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	4	362812,93,429	322301,39,716	63478,21,281
Other Non Current Liabilities		-	-	-
		362812,93,429	322301,39,716	63478,21,281
Current Liabilities				
Financial Liabilities				
- Borrowings		-	-	-
- Trade Payables		-	-	-
Other Current Liabilities	5	150460,37,319	104538,33,365	249181,19,280
		150460,37,319	104538,33,365	249181,19,280
Total Equity & Liabilities		949065,44,369	759589,55,899	615518,65,332

Significant accounting policies 1
 Notes to the financial statements 16
 The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Jha & Associates
Chartered Accountants

Firm Registration Number: 01195C



[CA. Rajeev Kumar Jha]

Partner

Membership Number: 079294

Place:- Patna

Date:- 22.09.2017




 (Pradip Kumar)

General Manager (F&A)

For and on behalf of the Company


 (R. Lakshmanan)

Managing Director

DIN: 06908182



(Pratyaya Amrit)

Chairman

DIN: 01192117

Bihar State Power Generation Company Ltd

Statement of Profit & Loss for the year ended 31 March 2017

Particulars	Note No.	For the year ended 31 March 2017	For the period ended 31 March 2016
I. Revenue			
(a) Revenue from operations	12	5136,18,591	-
Less:- Electricity Duty		-	-
		5136,18,591	-
(b) Other income	13	1336,12,645	-
(c) Revenue Subsidies and Grants			-
Total Revenue		6472,31,236	-
II. Expenses:			
(a) Cost of Fuel		5100,92,057	-
(b) Employee benefits expense	14	247,29,311	-
(c) Finance costs		-	-
(d) Depreciation & Amortization expenses	6	957,53,897	-
(e) Other expenses	15	348,68,506	-
(f) Prior period items (net)			-
Total Expenses		6654,43,771	-
III. Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(182,12,536)	-
IV. Exceptional items		-	-
V. Profit/(Loss) before extraordinary items and tax (III-IV)		(182,12,536)	-
VI. Extraordinary items		-	-
VII. Profit/(loss) before tax (V-VI)		(182,12,536)	-
VIII. Tax expense			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
IX. Profit/(loss) for the year (VII-VIII)		(182,12,536)	-
X. Basic and Diluted Earnings per equity share (Face value of Rs. 10/- each):			
(1) Basic		(0.01)	
(2) Diluted		(0.01)	
Significant accounting policies	1		
Notes to the financial statements	16		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Jha & Associates
Chartered Accountants**

Firm Registration Number: 01195C



[CA. Rajeev Kumar Jha]
Partner

Membership Number: 079294



(Pradip Kumar)
General Manager (F&A)

For and on behalf of the Company



(R. Lakshmanan)
Managing Director
DIN: 06908182



(Pratyaya Amrit)
Chairman
DIN: 01192117

Place:- Patna
Date:- 22.09.2017



Notes to the Financial Statements

For the year ended March 31, 2017

1. Company Information and Significant Accounting Policies

A. Reporting entity Bihar State Power Generation Company Limited is a subsidiary of Bihar State Power (Holding) Company registered under the Companies Act, 1956, created under Bihar State Electricity Reforms Transfer Scheme, 2012 vide notification no. 17 dated 30.10.2012.

1. Statement of Compliance

These separate financial statements are prepared ongoing concern basis, under historical cost convention and on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. These are the Company's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

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

These financial statements were authorized for issue by Board of Directors on 22nd September 2017.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

2. Functional and presentation currency

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

3. Current and non-current classification

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

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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.

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.

Deferred tax assets/liabilities are classified as non-current.

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.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e.; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. 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.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In the case of assets ready to use, 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.

Generation system assets are considered 'Ready for intended use', for the purpose of capitalization, after test charging/ successful commissioning of the systems/ assets and on completion of stabilization period wherever technically required.

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

1.2. Subsequent costs

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

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 generation 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%

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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.

2. 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 advances against turnkey project, 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 of construction division are allocated to the projects on pro-rata basis to the additions made to respective project.

Claims for price variation are accounted for on their acceptance.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

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.

3.2. 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.

3.3. Amortization

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.

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. 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.

5. Inventories

Inventories have been valued as under:

- (i) Consumable stores and spares, construction stores, mandatory spares of consumable nature – on weighted average method.
- (ii) Scrap – on Book value or Net Realizable Value (NRV) whichever is lower.

6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks including sweep in balance and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

7. Government grants

Government grants received are recognized initially as income when there is reasonable assurance that Company will comply with the conditions associated with the grant.

Grants and Subsidies received for the specific assets are disclosed as Other Non Current Liabilities until assets is created. Grants and Subsidies against which assets is created including Consumer contributions are disclosed as Capital reserve and amortized in proportion of depreciation every year for depreciable assets acquired. On acquisition of Non-depreciable assets, the cost of asset acquired is transferred from Grant account to Capital Reserve and kept intact.

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 deducted from the related expenses.

8. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

9. 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.

10. Foreign currency transactions

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

11. Revenue

Company's revenues arise from sale of power and other income. Revenue from sale of power is mostly regulated and governed by the applicable BERC Tariff Regulations under Electricity Act, 2003. Revenue from other income comprises interest from banks, employees, contractors etc., surcharge received from customers for delayed payments, sale of scrap, other miscellaneous income, etc.

11.1. Revenue from sale of power

The Company's operations are regulated under the Electricity Act, 2003. Accordingly, the 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 Fuel cost, 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 sale of power is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of power is accounted for based on tariff rates approved by the honorable Bihar Electricity Regulatory Commission (BERC). Revenue from sale of power is recognized once the electricity has been delivered to the customer. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

Rebates allowed to beneficiaries as early payment incentives and Power factor are deducted from the amount of revenue.

11.2 Other income

- a) Income from sale of scrap and insurance claims are accounted for on the basis of actual realization.
- b) Rental Income is recognized on time proportionate basis over the period of the rent.
- c) Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- d) Other income except mentioned above is recognized on accrual basis except when ultimate realization of such income is uncertain.
- e) Amount in respect of unclaimed security deposit, earnest money deposit and misc. deposit of suppliers and contractors, stale cheques etc. which is pending for more than three years and which are not payable, is considered as income.

12. Employee benefits

12.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution to Provident Fund, Gratuity and 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.

12.2. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Income tax receivables' where there is a debit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

14. Provision for Bad and Doubtful Debts

As per practice in the previous year, a provision for bad and doubtful debts is made against amount of arrears, i.e. Sundry Debtors excluding the arrears with the Govt. Departments/ Undertakings and also four months average assessment in case of other consumers.

15. Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

16. Operating segments

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

The Group has separate activity for each company based on the dominant source, nature of risks and returns and the internal organization and management structure and the company does not have material earnings outside Bihar or outside India. Accordingly, the reporting under Ind AS 108 is not applicable.

17. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

18. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

19. 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.

20. Cash flow statement

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

21. 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.

21.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit

or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost, as cost represents the appropriate estimate of fair value in case of these investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

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- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial assets that are debt instruments and are measured as at FVTOCI.
- Lease receivables under Ind AS 17.
- Trade receivables under Ind AS 18.
- Loan commitments which are not measured as at FVTPL.
- 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.

21.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and

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fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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.

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

D. Use of estimates and management judgments

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The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets of the generation of electricity business is determined by the CERC.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, other than the assets of generation of electricity business which are governed by CERC and are adjusted prospectively, if appropriate.

2. Revenues

The Company records revenue from sale of power based on tariff rates approved by the BERC, as per principles enunciated under Ind AS 18.

3. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments.

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

Note 2 Share Capital

Particulars	31st March 2017		31st March 2016		31st March 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(a) Authorized	30000,00,000	300000,00,000	3000,00,000	30000,00,000	5000,00,000	50000,00,000
(b) Issued, subscribed and fully paid up	21054,22,395	210542,23,950	21054,22,395	210542,23,950	3440,00,000	34400,00,000
Total	21054,22,395	210542,23,950	21054,22,395	210542,23,950	3440,00,000	34400,00,000

2.2 Reconciliation of the number of shares outstanding: -

Particulars	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of year	21054,22,395	210542,23,950	3440,00,000	34400,00,000	21,00,000	210,00,000
Add:- Shares issued during the year	-	-	17614,22,395	176142,23,950	3419,00,000	34190,00,000
Equity Shares at the end of the year	21054,22,395	210542,23,950	21054,22,395	210542,23,950	3440,00,000	34400,00,000

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

Particulars	31st March 2017		31st March 2016		31st March 2015	
	No. of shares	% held	No. of shares	Amount	No. of shares	Amount
Bihar State Power (Holding) Company Limited	21054,22,395	100.00%	21054,22,395	100.00%	3440,00,000	100.00%

2.5 Share application money pending allotment represents application money under the transfer scheme for which share are to be allotted after completion of the transfer scheme.



Bihar State Power Generation Company Ltd

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		
Changes in equity share capital	3440,00,000	34400,00,000
At 31st March, 2016	17614,22,395	176142,23,950
Changes in equity share capital	21054,22,395	210542,23,950
At 31st March, 2017	-	-
	21054,22,395	210542,23,950

Other Equity:

For year ended 31st March, 2017

	Opening Balance as at 1 April 2016	Total comprehensiv e income for the year	Transfer to/from retained earnings	Any other change (to be specified)	Closing Balance as at 31 March 2017
Share Application money pending for allotment Equity component of compound financial instruments	32102,56,009	-	-	14740,44,000	46843,00,009
Reserves & Surplus					
Capital Reserve	90105,02,858	-	-	88483,99,340	178589,02,198
Retained Earning	-	-182,12,536	-	-	-182,12,536
Other reserves	-	-	-	-	-
Total reserves	122207,58,867	-182,12,536	-	103224,43,340	225249,89,671

For year ended 31st March, 2016

	Opening Balance as at 1 April 2015	Total comprehensiv e income for the year	Transfer to retained earnings	Any other change (to be specified)	Closing Balance as at 31 March 2016
Share Application money pending for allotment Equity component of compound financial instruments	-	-	-	32102,56,009	32102,56,009
Reserves & Surplus					
Capital Reserve	268459,24,771	-	-	-178354,21,913	90105,02,858
Retained Earning	-	-	-	-	-
Other reserves	-	-	-	-	-
Total reserves	268459,24,771	-	-	-146251,65,904	122207,58,867

As per our report of even date attached
For Jha & Associates
Chartered Accountants
Firm Registration Number: 01195C

For and on behalf of the Company

[CA. Raieev Kumar Jha]
Partner
Membership Number: 079294

(Pradiip Kumar)
General Manager (F&A)

(R. Lakshmanan)
Managing Director
DIN: 06908182

(Pratvava Amrit)
Chairman
DIN: 01192117

Place:- Patna
Date:- 22.09.2017



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

Note 3 Reserves & Surplus

Particulars	31st March 2017	31st March 2016	31st March 2015
Capital Reserves			
(Grant for Capital Assets)			
Opening Balance	90105,02,858	268459,24,771	35500,97,473
Add: Addition during the Year	88483,99,340	29890,58,046	207992,27,298
Add: Fund From State Govt.	-	-	24966,00,000
Less: Utilized for allotment of share	-	(208244,79,959)	-
Closing Balance	178589,02,198	90105,02,858	268459,24,771
Surplus in Statement of Profit & Loss			
Opening Balance	-	-	-
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss	(182,12,536)	-	-
Less:- Appropriations during the year	(182,12,536)	-	-
Closing Balance	-182,12,536	-	-
Total (A+B)	178406,89,662	90105,02,858	268459,24,771

Note 4 Long Term Borrowings

Particulars	31st March 2017	31st March 2016	31st March 2015
I. Secured			
Loan from Central Bank of India	20000,00,000	20000,00,000	-
Loan from Canara Bank	30000,00,000	30000,00,000	30000,00,000
Loan from HUDCO	55233,48,901	42769,21,752	5332,89,130
Total (A)	105233,48,901	92769,21,752	35332,89,130
Unsecured			
PFC Loans	257579,44,528	229532,17,964	28145,32,151
Total (B)	257579,44,528	229532,17,964	28145,32,151
Total (A+B)	362812,93,429	322301,39,716	63478,21,281



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

Note 5 Other Current Liabilities

Particulars	31st March 2017	31st March 2016	31st March 2015
Liability to Railways for Coal Receipts	879,75,005	879,75,005	724,99,065
Advance against Sale of Scrap	1681,18,920	1681,18,920	1681,18,920
Liability for BTPS Ext. Project	-	-	37,93,150
Liability for GRWS Project	-	-	-
Liability for Lakhisarai & pirpainti Project	-	-	-
Liability Capital Supplies/Works	2390,50,909	1618,53,559	1738,14,557
Liability for Oil Supplier Works	1472,87,822	-	-
Liabilities for O & M Supplies/Works	-	54,678	2,45,393
Interest Accrued & Due on Long Term Borrowings			
On PFC Loan	7435,20,890	-	4043,51,214
On Loan from Other Financial Institutions	-	2571,36,272	3100,00,000
Deposits and Retentions from Suppliers and Contractors	7631,97,068	5526,07,181	4235,17,320
Other Liabilities and Provisions.	747,58,385	900,48,201	897,18,250
Staff related liabilities & provisions	221,46,809	199,99,572	227,62,423
Other Deposit & Reserve	43,64,183	89,948	89,948
Liability for Expenses	853,81,153	240,69,692	257,49,961
Inter Company Accounts (Note 5A)	90986,16,175	82295,36,336	232234,59,079
In Deposit Account with PLA - 273	36116,20,000	8623,44,000	-
Total	150460,37,319	104538,33,364	249181,19,279

Note 5 A Inter Company Accounts

Particulars	31st March 2017	31st March 2016	31st March 2015
NBPDCL	915,17,862	915,17,862	915,17,862
Inter Unit Account	84730,76,389	75798,12,846	228467,23,062
BSPHCL	5340,21,924	5582,05,628	2852,18,156
Total	90986,16,175	82295,36,336	232234,59,079



Bihar State Power Generation Company Ltd
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT AS AT 31 Mar 2017

FIXED ASSETS	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01.04.16	Additions during the year/Transfer	Sales/Transfer	TOTAL	UPTO 01.04.16	During the year	Adjustment on Sale	Total As on 31.03.17	As on 31.03.17	As on 31.03.16
Land and land rights		13566.44,600			13566.44,600	-			2248,61,107	13566,44,600	13566,44,600
Buildings	3.44%	3088,19,549	110,87,331		3199,06,880	2203,68,738	44,92,369		847,35,450	950,45,773	884,50,811
Hydraulic Works	6.33%	946,23,576			946,23,576	822,90,351	24,45,099		661,39,166	98,88,126	123,33,225
Others Civil Works	3.44%	924,43,204	23,36,746		947,79,950	629,15,485	32,23,681		15493,87,298	286,40,784	295,27,719
Plant and Machinery	5.28%	19609,06,479	18348,99,851		37958,06,330	14675,72,592	818,14,706		856,15,265	22464,19,032	4933,33,887
Lines and Cable Network	5.28%	928,90,750	5,30,084		934,20,834	836,01,675	20,13,590		269,08,491	78,05,569	92,89,075
Vehicles	6.33%	290,63,859			290,63,859	261,57,473	7,51,018		50,32,906	21,55,368	29,06,386
Furniture and Fixtures	6.33%	115,77,334	2,050		115,79,384	42,99,998	7,32,908		20,98,237	65,46,478	72,77,336
Office Equipment	6.33%	42,11,171	2,80,697		44,91,868	18,17,711	2,80,526			23,93,631	23,93,460
TOTAL :		39511,80,522	18491,36,759	-	58003,17,281	19490,24,023	957,53,897	-	20447,77,920	37555,39,361	20021,56,499
Capital Work In Progress:											
Capital WIP (Extention Project)		415656.01.219	32200.60.641		447856.61.860					447856.61.860	415656.01.219
Capital WIP (Existing Project)		76050.57.220	-	14618.77.521	61431.79.699					61431.79.699	76050.57.220
Capital WIP (Development Expenses) (Annexure WIP)		66320.83.275	55084.37.208		121405.20.483					121405.20.483	66320.83.275
Capital WIP (Office Building)		61.52.959	-		61.52.959					61.52.959	61.52.959
Capital WIP (Others)		15035.74.666	7356.18.876		22391.93.542					22391.93.542	15035.74.666
TOTAL :		573124,69,339	94641,16,724	14618,77,521	653147,08,542	-	-	-	-	653147,08,542	573124,69,338
GRAND TOTAL :		612636,49,861	113132,53,483	14618,77,521	711150,25,823	19490,24,023	957,53,897	-	20447,77,920	690702,47,903	593146,25,837



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

Note 7 Investment in Joint Ventures

Particulars	31st March 2017	31st March 2016	31st March 2015
Investment in Joint Ventures	175249,61,125	118327,61,125	86791,56,985
Total	175249,61,125	118327,61,125	86791,56,985

Note 8 Inventories

Particulars	31st March 2017	31st March 2016	31st March 2015
Coal	1834,50,103	354,27,619	354,27,619
Oil	2655,17,622	654,90,509	288,90,679
Stock of Material at Other Stores	69,89,046	69,89,046	69,89,046
Material in Transit	7,12,580	7,12,580	7,12,580
Electric fittings & Others	475,56,280	258,60,956	283,57,943
Total	5042,25,631	1344,80,710	1003,77,867

Note 9 Cash & Cash Equivalents

Particulars	31st March 2017	31st March 2016	31st March 2015
Cash in Hand	66,658	83,862	59,586
Cash Imprests with Staff	16,79,060	16,51,076	16,55,374
Balance with Banks			
(i) In Savings Accounts	6537,42,751	7441,49,206	32044,14,766
(ii) In Deposit Accounts	16956,61,384	15941,30,793	8970,65,415
(iii) In Current Account	7217,47,031	4315,60,622	312,62,046
Balance with Administrator CPF	4,125	54,74,139	54,74,139
Balance in PLA - 273	36116,20,000	8623,44,000	-
Total	66845,21,009	36393,93,698	41399,31,326



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

Note 10 Loans

Particulars	31st March 2017	31st March 2016	31st March 2015
Unsecured, considered good			
Advances for O & M Supplies/Works	7276,08,412	7583,38,897	6903,93,700
Loans and Advances to Staff	70,95,359	59,10,644	58,74,976
Advance for Lakhisarai & Pirpainti Project	890,63,884	890,63,884	862,72,519
Inter Company Accounts			
BSPTCL	252,91,847	252,91,847	252,91,847
Master Trust	945,98,195	658,68,010	882,97,758
Total	9436,57,697	9444,73,282	8961,30,800

Note 11 Other current assets

Particulars	31st March 2017	31st March 2016	31st March 2015
Other Claims and Receivables	798,94,819	102,81,346	(51,94,594)
Security Deposit	118,06,040	118,03,840	118,03,840
Advance Income Tax / TDS	781,34,221	620,40,135	377,38,236
Income Tax deposited under Dispute	13,81,723	13,81,723	-
Advance VAT	8,85,856	8,85,856	8,85,856
Central Sales tax	7,428	7,428	7,428
Other Fuel Related Receivables	-	-	-
Amount recoverable from Employees/Ex-Employees	68,20,918	68,20,918	68,20,918
Income accrued but not due	-	-	-
Preliminary Expenses	-	-	-
Total	1789,31,005	932,21,246	520,61,684

Note 12 Revenue from Operations

Particulars	31st March 2017	31st March 2016
Sale of Energy		
NBPDCL	2054,47,437	-
SBPDCL	3081,71,154	-
Total	5136,18,591	-

Note 13 Other Income

Particulars	31st March 2017	31st March 2016
Interest Income	838,47,550	-
Other Income	497,65,095	-
Total	1336,12,645	-



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

Note 14 Employee Benefit Expenses

Particulars	31st March 2017	31st March 2016
Salaries	96,47,564	-
Over Time	12,060	-
Dearness Allowance	116,26,343	-
Other Allowance	5,54,820	-
Medical Expenses Re-imburement	1,61,734	-
Leave Salary Contribution	10,97,729	-
Free Electricity	24,136	-
Payment under Workmen Compensation Act	7,829	-
Staff Welfare Expenses	3,165	-
Terminal Benefits	15,93,931	-
Total	247,29,311	-

Note 15 Other expenses

Particulars	31st March 2017	31st March 2016
Repairs and Maintenance of Assets	1807,02,987	-
Administration and General Expenses	2368,83,910	-
Total	4175,86,897	-



Bihar State Power Generation Company Ltd
STATEMENT OF DEVELOPMENT EXPENDITURE FOR THE YEAR ENDED 31st MARCH 2017

Particulars		For the year ended 31st March 2017
1	Income: Other income	
	Total (A)	-
2	Expenses: Employee benefits expense Finance costs Other expenses	2714,30,105 46816,68,634 5553,38,468
	Total (B)	55084,37,208
	Transferred to Capital Work in Progress	55084,37,208
	Total (B-A)	55084,37,208



Note: 16 Notes to Financial Statement

- 1. Corporate Information:** - Bihar State Power Generation Company Limited is a subsidiary of Bihar State Power (Holding) Company registered under the Companies Act, 1956, created under Bihar State Electricity Reforms Transfer Scheme, 2012 vide notification no. 17 dated 30.10.2012.
- The Annual Accounts of the Company for the year 2016-17 has been prepared as per the format prescribed under the revised Schedule III of the Companies Act 2013.
- The State Govt. vide notification no. 17 dated 30-10-2012 has notified opening balance sheet on provisional basis, based on balance sheet of erstwhile BSEB as on 31st March 2011, stating that the amount under various heads are subject to validation, verification, up-dation and truing up and these shall be completed during the provisional period i.e. a period of one year from the effective date i.e. 01-11-2012. M/s PFC Consulting Ltd., New Delhi which was appointed as consultant for restructuring of the erstwhile BSEB, was also assigned the work related to hand holding phase of the successor companies including BSPGCL. As the provisional balance sheet notified by the State Government was related to 31st March 2011 and the effective date for operation of the BSPGCL was 1st November, 2012, M/s PFC Consulting Ltd. New Delhi revised the opening balance sheet of BSPGCL based on Annual Accounts of the erstwhile BSEB as on 31st October, 2012.
- BSPGCL started commercial operations with effect from 03rd November'2016 through one of the renovated unit namely Unit - 7 and expenses incurred subsequent to the date of commercial operations has been proportionately apportioned considering the period of generation to revenue expenses to the extent of 20% of the expenses incurred. The proportionate expense for the period of operation comes to 8.33% of the expenses incurred. The balance Net Operating Expenses namely Administrative & General Expenses, Legal & Consultancy Fees etc incurred by BSPGCL have been taken under the Capital Work in Progress (Note No. 6, Forming part of Financial Statements) as other Generating units of BSPGCL are either in Renovation & Modernization or in Construction Stage.
- The balances of Receivables, Payables, Loans & advances including Inter Company transactions are in confirmation with the books of accounts and are subject to confirmation and reconciliation, if any.
- In accordance with the provisions contained in AS - 13 issued by ICAI, New Delhi amounts as appearing under investment in Subsidiary has been re-classified and shown as "Advances for Projects" in the financial statements together with expenses incurred under Work in Progress in the said Projects.
- In terms of the transfer scheme dated 30.10.2012 all the employees of the Board were transferred to the respective successor companies on as is where is basis. The staff related liabilities including terminal benefits upto the effective date of transfer i.e. 31st October 2012 are to be borne by the Govt. of Bihar and to be paid through the Employees Master Trust administered by the Holding Company. The liabilities after the effective date are to be borne by the respective successor companies. The liabilities relating to

BSPGCL



Annual Accounts 2017

PF, gratuity, leave encashment etc. has been provided on the basis of allocation given by the holding company based on the actuarial valuation and the same has been paid/payable to the master trust.

8. Related party disclosures:

Particulars	31st March 2017	31st March 2016
NBPDCL	91,517,862	91,517,862
BSPTCL	(25,291,847)	(25,291,847)
Inter Unit Account	8,473,076,389	7,579,812,846
Master Trust	(94,598,195)	(65,868,010)
BSPHCL	534,021,924	558,205,628
	8,978,726,133	8,138,376,479

9. Amounts stated in the financial statements are in Indian Rupees and have been rounded off to the nearest rupee.
10. Previous year's figures have been regrouped/ reclassified, wherever necessary to correspond with the current year's classification.
11. Applying the principle laid down under accounting standard 22 on taxes on income, deferred tax asset has emerged due to timing difference, however in the absence of reasonable and virtual certainty of future taxable profits and the same has not been recognized in the accounts.

As per our report of even date attached

For Jha & Associates Chartered Accountants

Firm Registration Number: 01195C

[CA. Rajeev Kumar Jha]
Partner

Membership Number: 079294



(Pradip Kumar)
General Manager (F&A)

Place: - Patna
Date: -22.09.2017

(R. Lakshmanan)
Managing Director
DIN: 06908182

For and on behalf of the Company

(Pratyaya Amrit)
Chairman
DIN: 01192117

BSPGCL

Bihar State Power Generation Company Ltd

Statement of Cash Flow for the year ended 31.3.2017

		For the year ended 31.3.2017
(A)	Cash flow from operating activities:	
	Net Profit before tax as per Profit & Loss Account	(182,12,536)
	Adjusted for:	
	Depreciation	957,53,897
	Interest & Other income	-
	Capitalization of Interest	-
	Capitalization of Revoked BG	-
	Finance Charge	-
	Operating Profit before Working Capital Changes	775,41,361
	Adjusted for:	
	Change in Working Capital	41375,64,859
	Cash Generated from operations	42151,06,221
	Appropriation of Profit	-
	Deferred Income	-
	Net Cash from Operating Activities	42151,06,221
(B)	Cash Flow from Investing Activities	
	Purchase of Fixed Assets	(113132,53,483)
	Increase in Capital WIP	
	Increase in Investments	(56922,00,000)
	Other Income	
	Net Cash used in Investing Activities	(170054,53,483)
(C)	Cash flow from Financing Activities	
	Proceeds from Equity Capital	
	Capital Grants from Government	88483,99,340
	Proceeds from Long Term Borrowings with Others	40511,53,713
	Interest Paid	
	Net Cash from Financing Activities	128995,53,053
	Total Cash generated/(lost) (A+B+C)	1092,05,791
	Add: Opening Balance as on 01.04.2016	36393,93,698
	Closing Balance as on 31.3.2017	66845,21,009

