

BIHAR STATE POWER GENERATION COMPANY LIMITED

# FINANCIAL STATEMENT

FOR THE F.Y. 2018-19



2019



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF**  
**BIHAR STATE POWER GENERATION COMPANY LIMITED**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of **Bihar State Power Generation Company Limited** which comprises the Balance Sheet as at March 31, 2019, and the Statement of profit and loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- (i) Note – 5: Financial Assets – Investments: BSPGCL holds shares in two subsidiaries namely Lakhisarai Bijli Co. Pvt. Ltd. and Pirpainti Bijli Co. Pvt. Ltd. but accounts of the said subsidiaries are subject to finalization/consolidation in absence of nomination of directors' in both the companies. The impact of non – consolidation could not be quantified in absence of details thereon.
- (ii) Note – 12: Financial Assets – Others (Current): Amount recoverable from employees and amounting to ₹ 68.21 Lakh is subject to reconciliation and is being carried over in the financial statements since last more than 03 years which may have become bad. The current assets to that extent is over – stated in the financial statements.
- (iii) Note – 22 & 23: Financial Liabilities – Trade Payables: ₹ 1,228.45 Lakh & Others (Current): ₹ 11,465.62 Lakh : The amounts as appearing therein are subject to necessary reconciliations and certain amounts are being carried over in the financial statements since last more than three years. The actual payable amounts and



subsequent adjustments/write off could not be quantified in absence of reconciliations. The financial impact of non – reconciliation could not be quantified in absence of specific details.

**Emphasis of Matter**

1. We draw attention to Note 1B – ii – Basis of Measurement which states preparation of the financial statements on accounting principles of going concern subject to matters as brought out in Ind AS 1 – Going Concern regarding assessment of the assumption and its appropriateness taking into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The company through Transfer Scheme dated 27<sup>th</sup> June' 2018 decided to transfer and vest properties, interests, rights, specified assets, specified liabilities and specified personnel concerning Barauni Thermal Power Station [BTPS] Stage I & Stage II, BSPGCL's equity contribution in Nabinagar Power Generating Company Private Limited [NPGCL] and BSPGCL's equity contribution in Kanti Bijli Utpadan Nigam Limited [KUBNL] from BSPGCL to NTPC Limited. The company believes that even after the transfer, it would continue to undertake other revenue generating activities and as such, it would not affect the going concern status of the company.
2. We draw attention to Note – 7: Other Non – Current Assets pertaining to Advances to Karanpura Energy Limited amounting to ₹ 184.63 Lakh which has been confirmed by the party but is being carried over in the financial statements since last more than 03 years pending further decisions regarding share in power generation.
3. We draw attention to Note – 25 pertaining to "Other Current Liabilities" which includes advance against sale of scrap amounting to ₹ 1,681.19 Lakh. The amount is being carried over since long pending adjustment.

Our opinion is not modified in respect of these matters.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial statements* section of our report. We are independent of the Company in accordance with

the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the accompanying standalone financial statements and our auditor's report thereon.

Our opinion on the accompanying standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Financial Statement**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 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 (including Other Comprehensive Income), the Statement of Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- 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 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 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

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on long term contracts, if any, has not been disclosed in the standalone 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]

**UDIN: 19079294AAAACQ2222**



Place: PATNA

Date: 27<sup>th</sup> September, 2019



**“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, 2019.

**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:*

No inventories are lying with third parties as at the close of the financial year and based on information and explanations given to us, the company has not received assets as Gifts/Grants from Government or other authorities during the current financial year

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

1. *Please report correctness of cash in transit, if any, appearing in the Accounts. The same may be thoroughly examined and suitable comments (qualification, disclaimer or adverse comment), if any, based on the examination of the records of the Power Companies in Bihar may be incorporated in the Statutory Auditors Report:*

No amount under cash in transit is appearing in the financial statements as at the close of the financial year.

2. *Please report cases of stolen cash/materials/assets or cases of theft of assets. The same may be examined thoroughly and suitable comments (qualification, disclaimer*

*or adverse comment), if any, based on the examination of the records of the Power Companies in Bihar may be incorporated in the Statutory Auditors Report:*

According to the information and explanations given to us, there have been no cases of stolen cash/materials/assets or cases of theft of assets during the financial year ended 31<sup>st</sup> March'2019.

3. *Please report on proper maintenance of the manual cashbook, if applicable. The same may be examined in the accounting units of the Power Companies of Bihar and suitable comments (qualification, disclaimer or adverse comment), if any, based on the examination of the records of the Power Companies in Bihar may be incorporated in the Statutory Auditors Report:*

According to the information and explanations given to us, no manual cash book is being maintained at any of the accounting units of the company.

4. *Please report on Bank Reconciliation Statements of all the bank accounts maintained by the Power Companies in Bihar. The same may be obtained and verified. Suitable comments may be incorporated in the Statutory Auditors Report based on examination of the same and discrepancies found:*

Bank accounts maintained by the company has been reconciled and statements are available. However, old entries unadjusted and pertaining to more than 02 – 03 years are appearing in the reconciliation statements which is to be adjusted and or accounted for based on the merits of the individual entries.

5. *Details of Inter Company Accounts/Inter Unit accounts, if any, which generally appears in the other current liabilities/assets in the Balance Sheet of the Power Companies in Bihar may be obtained and verified. Suitable comments may be incorporated in the Statutory Auditors Report based on examination of the same and discrepancies found:*

Inter Company Balance (Dr.) appearing under Other Current Assets amounts to ₹ 5,101.98 Lakh and Inter Unit Account (Cr.) appearing under Other Current Liabilities amounts to ₹ (4,168.76) Lakh. Based on examination of the records and information and explanation as given to us, the amounts as appearing under above account heads have been identified for necessary adjustment.

6. *System of obtaining confirmations from the parties in respect of amount receivables and payables may be assessed and deficiencies found, if any, in Power Companies in Bihar may be suitably commented and included in the statutory Auditors Report:*

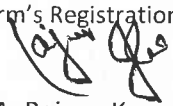
As observed and according to the information and explanations given to us, no system of obtaining confirmations from the parties in respect of amount receivables and payables presently exists in the company.

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7. *Compliance with provisions of the Income Tax Act, 1961 in respect of Income Tax deducted at Source by the Power Companies in Bihar may be examined and suitable comments, if any, may be incorporated in the Statutory Auditors Report:*

As observed, income tax at source as per the provisions of the Income Tax Act are being deducted by the company and statutory compliances are being done. However, amounts as appearing under tax deductions especially with regard to old entries are subject to reconciliation and quantified for its effect on the financial statements.

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

  
[CA. Rajeev Kumar Jha]  
Partner  
[Membership No. 079294]  
Place: PATNA  
**UDIN: 19079294AAAACQ2222**



Place: PATNA  
Date: 27<sup>th</sup> September, 2019

**“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, 2019.

- (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) No inventory is appearing in the financial statements as at the close of the financial year and therefore paragraph 3(ii) of the Order is not applicable.
- (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.
- (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, 2019 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 and Bihar Sales Tax which was paid under dispute in earlier years.

(viii) In our opinion and according to the information and explanations given to us, the Company has not 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 remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.



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- (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 give 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]  
UDIN: 19079294AAAACQ2222



Place: PATNA  
Date: 27<sup>th</sup> September, 2019

**“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, 2019.

**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<sup>st</sup> March' 2019 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 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.

#### **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, 2019. 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 financial statements of the Company.

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

[CA. Rajeev Kumar Jha]  
Partner  
UDIN: 19079294AAAACQ2222

Place: PATNA  
Date: 27<sup>th</sup> September, 2019



Bihar State Power Generation Company Limited  
Balance Sheet as at 31st March, 2019

(INR in Lakhs)

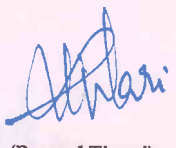
Sr. No	Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	13,583.79	13,566.45
	(b) Capital work-in-progress	3	912.51	912.51
	(c) <b>Financial Assets</b>			
	(i) Loans	4	31.53	35.35
	(ii) Investment	5	2.00	2.00
	(iii) Others	6	186.59	41,172.01
	(d) Other non current assets	7	184.63	186.17
	<b>Total Non-Current Assets</b>		<b>14,901.05</b>	<b>55,874.49</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	8	-	6,093.34
	(b) <b>Financial Assets</b>			
	(i) Trade receivables	9	-	128.60
	(ii) Cash and cash equivalents	10	30,329.09	47,209.28
	(iii) Bank Balances other than cash and cash equivalents	11	3.65	6,299.65
	(iv) Others	12	11,324.20	5,577.00
	(c) Other Current Tax Assets	13	1,240.20	935.21
	(d) Other Current Assets	14	12,072.96	12,049.23
	Discontinued operations/Non- Current Assets Held for Sale	15	380.46	4,33,058.58
	<b>Total Current Assets</b>		<b>55,350.56</b>	<b>5,11,350.89</b>
	<b>Total Assets</b>		<b>70,251.61</b>	<b>5,67,225.38</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(i) Equity Share capital	16	4,81,295.70	2,10,542.24
	(ii) Other Equity	17	(4,28,108.41)	(2,38,049.04)
	<b>Total Equity</b>		<b>53,187.29</b>	<b>(27,506.80)</b>
<b>2</b>	Government grant	18	1,693.09	59,732.16
<b>3</b>	<b>Liabilities</b>			
<b>3.1</b>	<b>Non-current liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings	19	-	4,05,349.95
	(b) Provisions	20	3,814.43	42,788.27
	(c) Other Non-Current Liabilities	21	-	4,574.65
	<b>Total Non-current liabilities</b>		<b>3,814.43</b>	<b>4,52,712.87</b>
<b>3.2</b>	<b>Current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Trade payables	22	1,228.45	1,236.12
	(ii) Others	23	11,465.62	46,480.20
	(b) Provisions	24	607.81	3,641.44
	(c) Other Current Liabilities	25	(1,745.08)	30,929.39
	<b>Total Current Liabilities</b>		<b>11,556.80</b>	<b>82,287.15</b>
	<b>Total Liabilities</b>		<b>15,371.23</b>	<b>5,35,000.02</b>
	<b>Total Equity &amp; Liabilities</b>		<b>70,251.61</b>	<b>5,67,225.38</b>

The accompanying notes 1 to 45 are an integral part of the Standalone Financial Statements.

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



[C.A. Rajeev Kumar Jha]  
Partner  
Membership Number: 079294  
Place:- Patna  
Date:- 27.09.2019

  
(Pramod Tiwari)  
Chief Financial Officer

  
(Anil Kr. Sinha)  
Director (Finance)  
DIN: 08094734

  
(Sanjiwan Sinha)  
Managing Director  
DIN: 03316960

**Bihar State Power Generation Company Limited**  
Statement of Profit and Loss for the year ended 31st March, 2019

(INR in Lakhs)

Sr. No.	Particulars	Note No	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I</b>	<b>Income</b>			
	a) Revenue from operations	26	-	-
	b) Other Income	27	-	1,423.94
	<b>Total Income</b>		-	<b>1,423.94</b>
<b>II</b>	<b>Expenses</b>			
	e) Other Expenses	28	-	81.03
	<b>Total Expenses</b>		-	<b>81.03</b>
<b>III</b>	<b>Profit (+)/ Loss (-) before tax (I - II)</b>		-	<b>1,342.91</b>
<b>IV</b>	<b>Tax Expense</b>			
	a) Current tax (Income Tax)		-	-
	b) Deferred tax		-	-
<b>V</b>	<b>Profit (Loss) for the period from continuing operations (III - IV)</b>		-	<b>1,342.91</b>
<b>VI</b>	<b>Profit/(loss) from discontinued operations</b>	29	<b>(29,911.77)</b>	<b>(5,04,515.45)</b>
<b>VII</b>	<b>Tax expense of discontinued operations</b>		-	-
<b>VIII</b>	<b>Profit/(loss) from Discontinued operations(after tax) (V-VII)</b>		<b>(29,911.77)</b>	<b>(5,04,515.45)</b>
<b>IX</b>	<b>Profit/(loss) for the period (V+VIII)</b>		<b>(29,911.77)</b>	<b>(5,03,172.54)</b>
<b>X</b>	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Actuarial Gain/(Loss)		-	234.06
	- Recoverable form GoB		-	(234.06)
	<b>A. 'Other comprehensive income from continuing operations</b>		-	-
	<b>B. Other comprehensive income from Discontinued operations</b>		-	-
	<b>C. 'Other comprehensive income from Discontinued operations &amp; continuing operations (A+B)</b>		-	-
<b>XI</b>	<b>Total Comprehensive Income for the period</b>		-	<b>1,342.91</b>
<b>XII</b>	<b>Earnings per equity share: (for continuing operation)</b>			
	a) Basic		-	0.06
	b) Diluted		-	0.03
<b>XIII</b>	<b>Earnings per equity share: (for discontinuing operation)</b>			
	a) Basic		<b>(1.31)</b>	<b>(23.96)</b>
	b) Diluted		<b>(1.31)</b>	<b>(10.86)</b>
<b>XIV</b>	<b>Earnings per equity share: (for continuing &amp; discontinuing operation)</b>			
	a) Basic		<b>(1.31)</b>	<b>(23.90)</b>
	b) Diluted		<b>(1.31)</b>	<b>(10.84)</b>

As per our report of even date attached

For Jha & Associates

Chartered Accountants

Firm Registration Number: 01195C

[C.A. Rajeev Kumar Jha]

Partner

Membership Number: 079294

Place:- Patna

Date:- 27.09.2019

(Pramod Tiwari)  
Chief Financial Officer

(Anil Kr. Sinha)  
Director (Finance)  
DIN: 08094734

(Sanjiwan Sinha)  
Managing Director  
DIN: 03316960



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

**A. Equity Share Capital**

(INR in Lakhs)

Particulars	No of Share	Amount
Balance as at April 1, 2018	2,10,54,22,395	2,10,542.24
Changes in equity share capital during the year	2,70,75,34,645	2,70,753.46
Balance as at March 31, 2019	4,81,29,57,040	4,81,295.70

**B. Other Equity**

(INR in Lakhs)

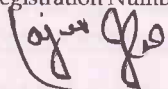
Particular			Total
	Share Application Pending Allotment	Surplus in Statement of Profit & Loss	
Balance at the end of the reporting period March 31, 2018	2,70,353.39	(5,08,402.43)	(2,38,049.04)
Profit during the year	-	(29,911.77)	(29,911.77)
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income</b>	-	(29,911.77)	-
Adjustment during the Year		1,10,205.79	
Movement in share application money during the year	(2,70,353.39)		
Balance at the end of the reporting period March 31, 2019	(0.00)	(4,28,108.41)	(4,28,108.41)

As per our report of even date attached

For Jha & Associates

Chartered Accountants

Firm Registration Number: 01195C



[C.A. Rajeev Kumar Jha]

Partner

Membership Number: 079294

Place:- Patna

Date:- 27.09.2019



(Pramod Tiwari)

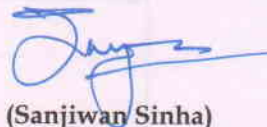
Chief Financial Officer



(Anil Kr. Sinha)

Director (Finance)

DIN: 08094734



(Sanjiwan Sinha)

Managing Director

DIN: 03316960



**Bihar State Power Generation Company Limited**  
**Cash Flow Statement**

(INR in Lakhs)

S no.	Particular	Note No	Amount (2019)	Amount (2018)
<b>A</b>	<b>Cash Flow from Operating Activities</b>			
(i)	Profit before tax from			
	-Continued Operations		-	1,342.91
	-Discontinued Operations		(29,911.77)	(5,04,515.45)
	<b>Profit before tax from including Discontinued Operations</b>		<b>(29,911.77)</b>	<b>(5,03,172.54)</b>
(ii)	<b>Adjustments for</b>			
	Depreciation and ammortization		0.68	2,284.66
	Finance cost		27,353.91	43,444.62
	Interest Income		(109.01)	(8.42)
	Impairment loss on non- current asset held for Sale		-	5,00,510.88
(iii)	<b>Change in Operating assets and Liabilities</b>			
	(Increase)/Decrease in Trade Receivables		128.60	567.53
	(Increase)/Decrease in Inventories		6,093.34	(1,051.08)
	(Increase)/Decrease in other assets		34,911.04	(9,649.82)
	Increase/(Decrease) in Trade Payables		(7.67)	(1,116.51)
	Increase/(Decrease) in other liabilities		(72,263.70)	(33,105.37)
	Increase/(Decrease) in Provisions		(42,007.47)	759.34
(iv)	<b>Cash generated from Operations</b>		<b>(75,812.05)</b>	<b>(536.71)</b>
	<b>Income Tax Paid</b>		-	-
	<b>Net Cash Inflow/(Outflow) from Operations [A]</b>		<b>(75,812.05)</b>	<b>(536.71)</b>
	Cash flow from Operating activities - Continued operations			
	Cash flow from Operating activities - Discontinued operations			
<b>B.</b>	<b>Cash Flow from Investing activities</b>			
	(Increase)/Decrease in Assets held for Sale		4,32,678.12	(9,33,569.46)
	Payment/transfer for Property, Plant and Equipments		(18.02)	21,704.27
	Payment/transfer for CWIP		-	6,53,123.21
	Loans to Employees		3.82	3.05
	Payment for acquisition of Investment		-	1,75,061.44
	Interest income from deposits		109.01	8.42
	(Increase)/Decrease Bank Balances other than cash and cash equivalents		6,296.00	2,525.81
	<b>Net Cash Inflow/(outflow) from Investing activities [B]</b>		<b>4,39,068.93</b>	<b>(81,143.26)</b>
	Cash flow from Investing activities - Continued operations			
	Cash flow from Investing activities - Discontinued operations			
<b>C.</b>	<b>Cash Flow from Financing Activities</b>			
	Proceeds/transfer from Share application money		1,10,605.86	1,87,394.19
	Proceeds from Borrowings		(4,05,349.95)	42,537.01
	Finance cost paid		(27,353.91)	(43,444.62)
	Grant received/transfer during the year		(58,039.07)	(1,15,617.09)
	<b>Net Cash Inflow from Financing activities [C]</b>		<b>(3,80,137.07)</b>	<b>70,869.49</b>
	Cash flow from Financing activities - Continued operations			
	Cash flow from Financing activities - Discontinued operations			
	<b>Net increase/(decrease) in cash &amp; cash Equivalent ([A]+[B]+[C])</b>		<b>(16,880.19)</b>	<b>(10,810.48)</b>
	<b>Cash and Cash Equivalent at the beginning of the Financial Year</b>		<b>47,209.28</b>	<b>58,019.76</b>
	<b>Cash and Cash Equivalent</b>		<b>30,329.09</b>	<b>47,209.28</b>
	<b>Cash and Cash Equivalent at the beginning of the Financial Year</b>		<b>On 01.04.2018</b>	<b>On 01.04.2017</b>
	Cash and cash equivalents		47,209.28	58,019.76
	Bank Balances other than cash and cash equivalents		6,299.65	8,825.46
	<b>Total</b>		<b>53,508.93</b>	<b>66,845.22</b>

As per our report of even date attached

For Jha & Associates

Chartered Accountants

Firm Registration Number: 01195C

[C.A. Rajeev Kumar Jha]

Partner

Membership Number: 079294

(Pranod Tiwari)

Chief Financial Officer

(Anil Kr. Sinha)

Director (Finance)

DIN: 08094734

(Sanjiwan Sinha)

Managing Director

DIN: 03316960

## Bihar State Power Generation Company Limited

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

### 1. Company Information and Significant Accounting Policies

#### A. Company Information

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

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

#### B. Basis of preparation and presentation

##### i. Statement of Compliance

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

For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

##### ii. Basis of Measurement

These financial statements are prepared on the accounting principles of going concern on accrual basis of accounting, under historical cost convention except for certain financial instruments which are measured at fair value. Under Bihar Policy of Promotion of Bihar Renewable Energy Sources 2017, Bihar State Power Generation Company Ltd. has proposed the State Government for undertaking business activities in Solar Sub-Sector.



### iii. Functional and presentation currency

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

### iv. Current and non-current classification

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

a) An asset is current when it is:

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

b) A liability is current when:

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

### v. Use of estimates and judgment

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

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

### C. Changes in accounting policies

As per directions communicated vide letter no. 1458 dtd. 21.06.2019 of Deptt. of Energy, Govt. of Bihar the interest accrued or realised on capital fund financed in the form of equity should be treated as income. Accordingly, in compliance of the direction as above, the company has changed its accounting policy related to interest accrued or realised on capital fund, financed in the form of equity. The same has been recognised as income for the year ended March 31, 2019.

### D. Significant accounting policies

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



## 1. Property, plant and equipment

### 1.1 Initial recognition and measurement

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

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

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

In the case of 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. Notification No. 05 dated 27.06.2018 of Energy Department, GOB in its para 3.1 has clarified that the land has been given on the nominal lease for a period of 33 years to NTPC and the ownership of the land would remain with BSPGCL/GOB.

### 1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

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

### 1.3 Derecognition

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



#### 1.4 Depreciation/amortization

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

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

Depreciation on the assets of the 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 after taking 10% as residual value referred below:

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

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

#### 1.5 Capital work-in-progress

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

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

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

Claims for price variation are accounted for on their acceptance.



## 1.6 Capital Stores

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

## 2. Intangible assets and intangible assets under development

### 2.1 Initial recognition and measurement

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

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

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

### 2.2 Derecognition

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

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

## 3. Impairment of tangible and intangible assets

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

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

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



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

#### 4. Borrowing costs

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

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

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

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

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

#### 5. Inventories

The Company's engaged in the business of generation of electricity and the inventories shown in the books of accounts are consumables

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

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

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



## 6. Cash and cash equivalents

Cash 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. These grants are classified as grants relating to assets and revenue based on the nature of the grant.

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

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

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

## 8. Consumer Contributions

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

## 9. Provisions and contingent liabilities

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

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

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

## 10. Foreign currency transactions

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



## 11. Revenue

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

### 11.1 Revenue from sale of power

The Company records revenue from sale of power based on tariff rates approved by the BERC, as per principles enunciated under Ind AS 18. Accordingly, the honorable BERC determines the tariff for the Company's based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on cost incurred that includes coal and 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 amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and the recovery of the consideration is probable, the associated costs can be estimated reliably.

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.

Delayed payment charges are accounted on actual basis.

### 11.2 Other income

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

## 12. Employee benefits

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



### 12.1 Defined contribution plans

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

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

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

The Company also pays fixed contribution to Contributory Pension Scheme at predetermined percentage of salary of employees govern by new pension scheme to BSPHCL Master Trust Employees A/c a separate trust maintained with Bihar State Power (Holding) Co. Ltd. which inter alia pays to NSDI. 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 benefits obligations are measured on an undiscounted basis and are expenses as the related services are provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 13. Income tax

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

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

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



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

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

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

#### **14. Operating segments**

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

#### **15. Material prior period errors**

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

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

#### **16. Earnings per share**

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

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

#### **17. Cash flow statement**

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



## 18. Financial instruments

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

### 18.1 Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

Financial assets are classified as those measured at:

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

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

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

#### Impairment of Financial Assets:

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased



significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

**Derecognition of Financial Assets:**

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

**18.2 Financial Liabilities**

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

**Derecognition of financial liability:**

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

**Offsetting financial instruments:**

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



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

Note No 2

**Property Plant & Equipment (Non-current)**

(INR in Lakhs)

Particular	Land	Furniture and Fixtures	Office Equipment	Total
<b>Gross Block (A)</b>		6.33%	6.33%	
Balance as at 1 April, 2018	13,566.45	-	-	13,566.45
Additions	-	13.43	4.59	18.02
Less: Disposals/Sale/ Transfer	-	-	-	-
<b>Balance as at 31 march, 2019</b>	<b>13,566.45</b>	<b>13.43</b>	<b>4.59</b>	<b>13,584.47</b>
<b>Accumulated Depreciation (B)</b>				
Balance as at 1 April, 2018	-	-	-	-
Depreciation expense	-	0.54	0.14	0.68
Less: Eliminated on disposals/Sale/Transfer	-	-	-	-
<b>Balance as at 31 march, 2019</b>	<b>-</b>	<b>0.54</b>	<b>0.14</b>	<b>0.68</b>
<b>Carrying Amount</b>				
As at 1 April, 2018 (A-B)	13,566.45	-	-	13,566.45
As at 31 March, 2019 (A-B)	13,566.45	12.89	4.45	13,583.79

Note No 3

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

(INR in Lakhs)

Particular	Amount	*Transfer to Discontinued operation/Held for Sale	Total
<b>Capital work in progress</b>			
Opening balance as on April 1st 2018**	912.51		912.51
Additions	-		-
Less: Transfer to Property Plant & Equipment	-		-
<b>Closing balance as on March 31st 2019</b>	<b>912.51</b>		<b>912.51</b>

\* As per Transfer scheme dated June 27, 2018, management decided to transfer of its unit 6 and 7 & unit 8 and 9 to NTPC and Unit 1 to 5 as scrap sale.

\*\* Company is developing other civil works in Lakhisarai and Pirpainti Bijlee Company Pvt Ltd.



## Note No 4

## Financial Assets - Loans

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured - Considered Good</b>		
Loans to Staff	31.53	35.35
<b>Total</b>	<b>31.53</b>	<b>35.35</b>

(i) Company has given loans to its employee having repayment of more than 12 months. These include House building advances secured against land and tablet advance against employees salary.

(ii) Loans to staff includes house building advance and tablet advance. Majority of the amount was advanced to employees in Board Period (i.e. prior to November 1, 2012). In addition, amount was advanced to various employees in various tranches. Considering the amount of advance standing in books, discounting does not have any materially impact on the company.

## Note No 5

## Financial Assets - Investments

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Joint Venture (Unquoted)</b>		
Investment in Joint Venture - (KBUNL)	-	39,661.44
Investment in Joint Venture - (NPGCPL)	-	1,65,998.55
<b>Transfer the investment to non-current asset held for sale</b>		2,05,659.99
<b>Total(A)</b>	<b>-</b>	<b>-</b>
<b>Investment in Subsidiary Companies (Unquoted)</b>		
Lakhisarai Bijli Co. Pvt. Ltd 10,000 shares held as on March 31, 2019 & March 31, 2018	1.00	1.00
Pirpainti Bijli Co. Pvt. Ltd 10,000 shares held as on March 31, 2019 & March 31, 2018	1.00	1.00
<b>Total(B)</b>	<b>2.00</b>	<b>2.00</b>
<b>Total(A+B)</b>	<b>2.00</b>	<b>2.00</b>

## Share held in subsidiaries as on March 31, 2019

Name of the Company	Share Capital	Share Premium	Total
Lakhisarai Bijli Co. Pvt. Ltd	1.00	-	1.00
Pirpainti Bijli Co. Pvt. Ltd	1.00	-	1.00



Details of Subsidiaries

Name of Company	Place and Incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
		As at 31st March, 2019	As at 31st March, 2018
Lakhisarai Bijli Co. Pvt. Ltd.	India	100%	100%
Pirpanti Bijli Co. Pvt. Ltd.	India	100%	100%

Note:- BSPGCL has proposed the State Govt for undertaking business activities in Solar sub-sector under Bihar Policy of Promotion of Bihar Renewable Energy Sources, 2017 which may be undertaken through them in future. Consolidation of their accounts could not be considered due to pending statutory requirements.

Details of Joint Venture

Name of Company	Place and Incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
		As at 31st March, 2019	As at 31st March, 2018
KBUNL	India	0%	26%
NPGCPL	India	0%	50%

Note No 6

Financial Assets - Others

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured - Considered Good</b>		
Deposits - Others	14.54	14.54
Deposits with Authorities	172.05	116.67
<b>Terminal Benefits receivable from GoB*</b>	-	-
Pension	-	37,984.97
Gratuity	-	1,516.50
Leave Encashment	-	1,208.31
<b>Terminal Benefit receivable by Company - Leave Encashment</b>	-	331.02
<b>Total</b>	<b>186.59</b>	<b>41,172.01</b>

\* The above amount of Unfunded Terminal Benefits. Receivable is arrived from actuarial valuation report.

Note No 7

Other Non-Current Assets

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured - Considered Good</b>		
Advance to BBCL	-	1.54
Advance to Karampura Energy Ltd. (SPV of JSEB)*	184.63	184.63
<b>Total</b>	<b>184.63</b>	<b>186.17</b>

\*Note : Karampura Energy Ltd. (SPV of JSEB) in which Bihar is the beneficiary of 25% share of power. As such, the advance given to Karampura Energy Ltd for 184.63 Lakhs is standing in the books till any decision is taken by Karampura Energy Ltd in this regard.



**Note No 8**

**Inventories**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fuel Stock	-	5,134.33
Material in Transit	-	7.13
Other Stock	-	951.88
<b>Total</b>	-	<b>6,093.34</b>

**Note :** All the inventories has been transferred to NTPC as per the Transfer Scheme.

**Note No. 9**

**Financial Assets - Trade Receivables**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
- Secured, Considered good		
- Unsecured Considered Good	-	128.60
Less:- Provision for Doubtful dues from Consumers		
<b>Total</b>	-	<b>128.60</b>

**Note No. 10**

**Financial Assets - Cash And Cash Equivalent**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash in hand	0.43	0.57
Cash in Transit	-	0.04
Cash imprest with staff	16.84	16.75
<b>Balance with bank</b>	-	-
(i) In Savings & Current Account	22,753.88	40,012.55
(iV) In Deposit Accounts (with original maturity less than three months)	7,557.94	7,179.37
<b>Total</b>	<b>30,329.09</b>	<b>47,209.28</b>

**Note No 11**

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

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Deposits with banks (with original maturity more than 3 months up to 12 months)	3.65	6,299.65
(ii) Earmarked Bank Balance	-	-
<b>Total</b>	<b>3.65</b>	<b>6,299.65</b>

**Bihar State Power Generation Company Limited**

**Note No 12**

**Financial Assets - Others (Current)**

**(INR in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest accrued on deposits	-	-
Amount Recoverable from Employee	68.21	68.21
Receivable from Master Trust	-	1,260.66
Other Claims and Receivables	11,255.99	4,248.13
<b>Total</b>	<b>11,324.20</b>	<b>5,577.00</b>

**Note No 13**

**Other Current Tax Assets**

**(INR in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax / deductions at source	1,240.20	935.21
<b>Total</b>	<b>1,240.20</b>	<b>935.21</b>

**Year wise details of Advance Tax/ TDS Receivables**

**(INR in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
FY 2013-14	105.05	105.05
FY 2014-15	272.34	272.34
FY 2015-16	256.84	256.83
FY 2016-17	160.94	160.94
FY 2017-18	140.05	140.05
FY 2018-19	304.99	-
<b>Total</b>	<b>1,240.20</b>	<b>935.21</b>





## Note No 14

## Other Current Assets

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance to Supplier	5,839.59	7,275.44
Advance for O & M Suppliers/ works	1,108.65	943.49
Advances to Staff	18.39	26.76
<b>Advance -</b>	-	-
Bihar Sales Tax	4.35	4.35
Inter Company Balance	5,101.98	3,799.19
<b>Total</b>	<b>12,072.96</b>	<b>12,049.23</b>

## Note No 15

## Non- Current Asset held for Sale

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in KBUNL#	380.46	39,661.44
Investment in NPGCPL	-	1,65,998.55
Barauni thermal power station- (unit 1 to 9)*	-	2,27,398.59
<b>Total</b>	<b>380.46</b>	<b>4,33,058.58</b>

\*As per Transfer scheme dated June 27, 2018, company has agreed with NTPC that the decommissioning of BTPS (unit 1 to 5) will be done by NTPC and shall be disposed off in most efficient manner.

#As per Transfer Scheme of BTPS, all the shares related to KBUNL has been transferred to NTPC, Rs. 380.46 Lakhs appearing as investment relates prior to the formation of the company and subject to reconciliation.



**Bihar State Power Generation Company Limited**

Note No 16

**Equity Share Capital**

Particulars	(INR in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>(A). Authorised</b>		
490,00,000 Equity Shares of Rs.10 each (Previously 3,00,00,00,000 Equity Shares of Rs.10 each)	4,90,000.00	3,00,000.00
<b>(B). Issued, subscribed and fully paid up</b>		
2,105,422,395 Equity Shares of Rs.10 each as on 1st April 2018	-	2,10,542.24
4,812,957,040 Equity Shares of Rs.10 each as on 31st March, 2019	4,81,295.70	
<b>Total</b>	<b>4,81,295.70</b>	<b>2,10,542.24</b>

Note No 1- The Company has only one class of equity share, having par value of ₹ 10/- per share.

Note No. 2 Reconciliation of the number of shares outstanding: -

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity Shares at the beginning of the year	2,10,54,22,395.00	2,10,542.24	2,10,54,22,395.00	2,10,542.24
Add:- Shares issued during the year	2,70,75,34,645.00	2,70,753.46	-	-
Equity Shares at the end of the year	<b>4,81,29,57,040.00</b>	<b>4,81,295.70</b>	<b>2,10,54,22,395.00</b>	<b>2,10,542.24</b>

Note No.3 Details of the shares held by each shareholder holding more than 5% shares:-

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% held	No. of shares	% held
Bihar State Power (Holding) Company Ltd.(Holding Company) (BSPHCL) and its nominees	4,81,29,57,040	100%	2,10,54,22,395	100%





**Bihar State Power Generation Company Limited**

**Note No 17**

**Other Equity**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	(5,08,402.43)	(5,229.89)
Add:- Profit/(Loss) during the year as per Statement of Profit & Loss	(29,911.77)	(5,03,172.54)
Add/(Less):- Adjustment during the Year	1,10,205.79	-
<b>Closing Balance</b>	<b>(4,28,108.41)</b>	<b>(5,08,402.43)</b>
<b>Share Application Pending Allotment</b>		
Opening Balance	2,70,353.39	82,959.20
Add:- Addition during the year	400.07	1,87,394.19
Less:- Utilized/transferred during the year	2,70,753.46	-
<b>Closing Balance</b>	<b>(0.00)</b>	<b>2,70,353.39</b>
<b>Total</b>	<b>(4,28,108.41)</b>	<b>(2,38,049.04)</b>

**Note No 18**

**Government Grant**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Grant for capital assets</b>		
Opening Balance	59,732.16	1,75,349.26
Add: Fund from State Government	-	676.09
Less: Adjustment	58,039.07	1,16,293.19
<b>Closing Balance</b>	<b>1,693.09</b>	<b>59,732.16</b>

**Note No 19**

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

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>I. Secured</b>		
<b>(i) From Banks</b>		
(a) Loan from Central Bank of India	-	20,000.00
Interest rate 10.70% for tenure of 10 years terms		
(b) Loan from Canara Bank	-	30,000.00
Interest rate 10.45% for tenure of 10 years terms		
<b>Total (A)</b>	<b>-</b>	<b>50,000.00</b>
<b>(ii) From Financial Institutions</b>		
(a) PFC Loans	-	2,84,902.64
Interest rate 11.40% for tenure of 16 years terms		
(c) HUDCO	-	70,447.31
Interest rate 11.40% for tenure of 10 years terms		
<b>Total (B)</b>	<b>-</b>	<b>3,55,349.95</b>
<b>Total (A+B)</b>	<b>-</b>	<b>4,05,349.95</b>

**Note:-** Company had classified the loan on the basis of contractual obligation as per the loan agreement during the FY 2017-18. However, in the FY 2018-19, the company has paid off all the loan from the receipts of transfer scheme consideration .



**Bihar State Power Generation Company Limited**

**Note No 20**

**Provisions**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Terminal Benefits Liabilities:</b>		
<b>Government</b>		
Pension	-	35,112.80
Gratuity	-	1,043.77
Leave Encashment	-	911.78
<b>Company</b>		
Pension	4,485.35	5,404.22
Gratuity	46.57	315.70
Leave Encashment	(717.49)	-
<b>Total</b>	<b>3,814.43</b>	<b>42,788.27</b>

**Note No 21**

**Other Non-Current Liabilities**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest accrued on Capital Fund	-	4,574.65
<b>Total</b>	<b>-</b>	<b>4,574.65</b>

Note : As per letter no. 1458 dated 21.06.2019 of the Deptt of Energy, GoB, the interest accrued/realised on capital fund financed in the form of equity has been treated as income.

**Note No 22**

**Financial Liabilities - Trade Payable**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability to Railway for Coal Receipts	1,214.32	1,214.32
Liability to Oil Suppliers Works	14.13	21.80
<b>Total</b>	<b>1,228.45</b>	<b>1,236.12</b>

**Note No 23**

**Financial Liabilities - Others (Current)**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Accrued & Due on borrowings	-	415.93
Liability Capital Suppliers/works	2,469.28	36,842.55
Deposits and Retentions from Suppliers and Contractors	7,496.34	7,919.00
Liability for Expenses	1,035.98	797.49
Deposit from Staff & Others	1.80	1.30
Other Current Liabilities	86.69	82.98
Audit Charge Payable	276.94	276.94
Staff Related Liabilities	98.59	144.01
<b>Total</b>	<b>11,465.62</b>	<b>46,480.20</b>



**Note No 24**

**Provisions**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Terminal Benefits Liabilities:- Govt.</b>		
Pension	-	2,872.17
Gratuity	-	472.73
Leave Encashment	-	296.54
<b>Terminal Benefits Liabilities:- Company</b>		
Pension	524.40	
Gratuity	47.91	
Leave Encashment	35.50	
<b>Total</b>	<b>607.81</b>	<b>3,641.44</b>

**Note No 25**

**Other Current Liabilities**

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Inter Unit Accounts	(4,168.76)	28,932.28
Statutory Dues	615.21	187.13
Entry Tax	125.54	125.54
Other Liabilities	(1.97)	1.04
Liability for Gratuity	3.71	2.21
Advance Against Sale of Scrap	1,681.19	1,681.19
<b>Total</b>	<b>(1,745.08)</b>	<b>30,929.39</b>



## Note No 26

## Revenue from Operation

(INR in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	-	-
	-	-
<b>Grand Total</b>	-	-

## Note No 27

## Other Income

(INR in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Interest Income</b>		
Interest from Bank Deposits	-	8.42
Interest other than on Bank	-	0.49
<b>Total (A)</b>	-	<b>8.91</b>
<b>Other Income</b>		
Other receipts	-	1046.37
Terminal Benefits from GoB	-	368.66
<b>Total (B)</b>	-	<b>1,415.03</b>
<b>Total (A+B)</b>	-	<b>1,423.94</b>



## Note No 28

## Other Expenses

(INR in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Administration and General Expenses</b>		
Entertainment Expenses	-	0.38
Holding Expenses	-	77.26
Telephone & Mobile Expenses	-	1.25
Entertainment Charges	-	0.98
Rates and Taxes	-	-
Audit Fees	-	-
- Statutory Audit Fees	-	0.12
Telephone Expenses	-	0.10
Printing & Stationary	-	0.94
<b>Total</b>	-	<b>81.03</b>

## Note No 29

## Profit/(loss) from discontinued operations

(INR in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Revenue from sale of power</b>		
NBPDCL	725.06	605.50
SBPDCL	851.16	782.95
<b>Other Income</b>		
Miscellaneous Receipts	0.59	1.81
<b>Interest Income</b>		
Interest from Bank Deposits	109.01	-
Interest other than on Bank	5,583.27	-
<b>Other receipts</b>		
House Rent Recovery	1.91	-
Other Income	485.91	-
<b>Less:</b>		
<b>Generation of Power</b>		
Fuel Consumption	997.44	1,618.93
Operating Expenses	469.42	560.60
<b>Employee Benefit Expenses</b>		
Staff Welfare Expense	-	0.01
Salaries & Wages	3,059.40	474.84
Terminal Benefits	(753.65)	158.94
Over Time	1.39	1.40
<b>Finance Cost</b>		
Interest on Other Financial Institution Loan	24,908.58	-
Interest on Working Capital Loan	2,423.37	-
Bank Charges	21.96	-
<b>Depreciation and Amortisation Expense</b>		
Depreciation	0.68	2,284.66
<b>Other Expenses:-</b>		
<b>Repairs and Maintenance of Assets</b>		
Building	1.00	1.57
Vehicle	0.51	0.03
Civil Works	1,010.98	15.99
Office Equipment	0.90	0.32
Lines, Cable Network Etc.	97.49	38.47
Plant and Machinery	2,985.31	152.81
Hydraulic Works	-	-
Furniture & Fixtures	0.43	0.06
Others	1.91	0.01
Entertainment Expenses	8.67	-
Telephone & Mobile Expenses	8.28	-
Net Prior Period Items	368.00	-
Audit Fees	-	-
- Statutory Audit Fees	0.94	-
Printing & Stationary	3.81	-
Postage & Telegram	0.41	-
Advertisement Expenses	-	2.86
Fees & Subscriptions	36.63	8.90
Travelling Expenses	110.97	14.57
Consultancy Charges	3.62	7.47
Legal and Professional Charges	390.14	48.01
Miscellaneous Expenses	40.80	3.59
Freight Charges	2.45	0.17
Home Guard/ Security Guard	1,466.84	0.59
Insurance Charges	-	0.03
Impairment loss on non-current asset held for Sale	-	5,00,510.88
<b>Total</b>	<b>(29,911.77)</b>	<b>(5,04,515.45)</b>



30 Disclosures in respect of Ind AS 107 - Financial Instruments  
Financial Instruments by Categories

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

(INR in Lakhs)

Particulars	Total carrying value as at March 31, 2019	Financial assets/ liabilities at FVTPL as at March 31, 2019	Financial assets/ liabilities at fair value through OCI as at March 31, 2019	Amortized cost as at March 31, 2019	Total fair value as at March 31, 2019
<b>Financial Assets:</b>					
Trade Receivables	-	-	-	-	-
Cash And Cash Equivalents	30,332.74	-	-	30,332.74	30,332.74
Loans	31.53	-	-	31.53	31.53
Investments	2.00	-	-	2.00	2.00
Others non current Financial assets	186.59	-	-	186.59	186.59
Others Financial assets	11,324.20	-	-	11,324.20	11,324.20
<b>Total Financial Assets</b>	<b>41,877.06</b>	<b>-</b>	<b>-</b>	<b>41,877.06</b>	<b>41,877.06</b>
<b>Financial Liabilities:</b>					
Long term borrowings	-	-	-	-	-
Trade Payables	1,228.45	-	-	1,228.45	1,228.45
Interest Accrued & Due on borrowings	-	-	-	-	-
Liability Capital Suppliers/ works	2,469.28	-	-	2,469.28	2,469.28
Deposits and Retentions from Suppliers and Contractors	7,496.34	-	-	7,496.34	7,496.34
Liability for Expenses	1,035.98	-	-	1,035.98	1,035.98
Deposit from Staff & Others	1.80	-	-	1.80	1.80
Other Current Liabilities	86.69	-	-	86.69	86.69
Audit Charge Payable	276.94	-	-	276.94	276.94
Staff Related Liabilities	98.59	-	-	98.59	98.59
<b>Total Financial Liabilities</b>	<b>12,694.07</b>	<b>-</b>	<b>-</b>	<b>12,694.07</b>	<b>12,694.07</b>

(INR in Lakhs)

Particulars	Total carrying value as at March 31, 2018	Financial assets/ liabilities at FVTPL as at March 31, 2018	Financial assets/ liabilities at fair value through OCI as at March 31, 2018	Amortized cost as at March 31, 2018	Total fair value as at March 31, 2018
<b>Financial Assets:</b>					
Trade Receivables	128.60	-	-	128.60	128.60
Cash And Cash Equivalents	53,508.93	-	-	53,508.93	53,508.93
Loans	35.35	-	-	35.35	35.35
Investments	2.00	-	-	2.00	2.00
Others non current Financial assets	41,172.01	-	-	41,172.01	41,172.01
Others Financial assets	5,577.00	-	-	5,577.00	5,577.00
<b>Total Financial Assets</b>	<b>1,00,423.89</b>	<b>-</b>	<b>-</b>	<b>1,00,423.89</b>	<b>1,00,423.89</b>
<b>Financial Liabilities:</b>					
Long term borrowings	4,05,349.95	-	-	4,05,349.95	4,05,349.95
Trade Payables	1,236.12	-	-	1,236.12	1,236.12
Interest Accrued & Due on borrowings	415.93	-	-	415.93	415.93
Liability Capital Suppliers/ works	36,842.55	-	-	36,842.55	36,842.55
Deposits and Retentions from Suppliers and Contractors	7,919.00	-	-	7,919.00	7,919.00
Liability for Expenses	797.49	-	-	797.49	797.49
Deposit from Staff & Others	1.30	-	-	1.30	1.30
Other Current Liabilities	82.98	-	-	82.98	82.98
Audit Charge Payable	276.94	-	-	276.94	276.94
Staff Related Liabilities	144.01	-	-	144.01	144.01
<b>Total Financial Liabilities</b>	<b>4,53,066.25</b>	<b>-</b>	<b>-</b>	<b>4,53,066.25</b>	<b>4,53,066.25</b>



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

**31 Fair Value Hierarchy**

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value

*(INR in Lakhs)*

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
<b>As at March 31, 2019</b>						
<b>Financial liabilities at fair values:</b>						
				Nil		
<b>Total</b>						
<b>As at March 31, 2018</b>						
<b>Financial liabilities at fair values:</b>						
				Nil		
<b>Total</b>						

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

*(INR in Lakhs)*

Particulars*	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets:</b>				
Trade Receivables	-	-	128.60	128.60
Cash And Cash Equivalents	30,332.74	30,332.74	53,508.93	53,508.93
Loans	31.53	31.53	35.35	35.35
Investments	2.00	2.00	2.00	2.00
Others non current Financial assets	186.59	186.59	41,172.01	41,172.01
Others	11,324.20	11,324.20	5,577.00	5,577.00
<b>Total Financial Assets</b>	<b>41,877.06</b>	<b>41,877.06</b>	<b>1,00,423.89</b>	<b>1,00,423.89</b>
<b>Financial Liabilities:</b>				
Long term borrowings	-	-	4,05,349.95	4,05,349.95
Trade Payables	1,228.45	1,228.45	1,236.12	1,236.12
Interest Accrued & Due on borrowings	-	-	415.93	415.93
Liability Capital Suppliers/ works	2,469.28	2,469.28	36,842.55	36,842.55
Deposits and Retentions from Suppliers and Contractors	7,496.34	7,496.34	7,919.00	7,919.00
Liability for Expenses	1,035.98	1,035.98	797.49	797.49
Deposit from Staff & Others	1.80	1.80	1.30	1.30
Other Current Liabilities	86.69	86.69	82.98	82.98
Audit Charge Payable	276.94	276.94	276.94	276.94
Staff Related Liabilities	98.59	98.59	144.01	144.01
<b>Total Financial Liabilities</b>	<b>12,694.07</b>	<b>12,694.07</b>	<b>4,53,066.25</b>	<b>4,53,066.25</b>

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



33 Financial risk management

(i) Financial risk factors

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

Risk	Exposure arising from	Measurement	Management
Market risk- Interest rate	Long term borrowings at fixed rate of interest	Sensitivity analysis	The Company's exposure to the risk of changes in market interest rates is negligible as primarily to the Company's long-term debt obligations with fixed interest rates.
Credit risk	Cash and cash equivalent, trade receivables, financial instruments.	Ageing analysis Credit rating	Majority of receivable are on account of government undertaking. They are unsecured but considered good.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash and cash equivalent

A Market Risk

Interest rate risk

The company obtains majority of their borrowings at fixed rate of interest. Hence, company is not exposed to change in interest rates. Company's borrowings are denominated in INR currency during March 31, 2019 and March 31, 2018.

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

(INR in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	-	-
Fixed rate borrowings	-	4,05,349.95
Total borrowings	-	4,05,349.95

Sensitivity

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

(INR in Lakhs)

Particulars	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Interest rates- increase by 50 Bsc Pts	—NIL—	
Interest rates- decrease by 50 Bsc Pts	—NIL—	

B Credit Risk

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

i) Trade Receivables

The company has outstanding trade receivables amounting to NIL (March 31, 2019), 56.44 Lakh (March 31, 2018). Trade receivables are typically unsecured and are derived from revenue earned from customers.

Credit risk exposure

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

(INR in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Gross Amount	Impairment	Gross Amount	Impairment
Not due	-	-	-	-
Past due less than six months	-	-	128.60	-
Past due more than six months	-	-	-	-
Total	-	-	128.60	-

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. Majority of Trade The company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

ii) Other financial assets

The Company held cash and cash equivalents of INR 30,329.09 Lakh March 31, 2019, INR 47,209.28 Lakh March 31, 2018. The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.





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

**C Liquidity Risk**

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

- (i) Company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.
- (ii) Short term liquidity requirements consists mainly of sundry creditors, expense payable, other payable arising during the normal course of business as at each reporting date. Company maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.
- (iii) Company assess long term liquidity requirements on a periodical basis and manage them through internal accruals.
- (iv) The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The amount disclosed in the table is the contractual undiscounted cash flows. The table includes both principal & interest cash flows.

(INR in Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2019</b>					
Long Term Borrowing*	-	-	-	-	-
Trade Payables	1,228.45				1,228.45
Other Current Liabilities	11,465.62				11,465.62
<b>Total</b>	<b>12,694.07</b>				<b>12,694.07</b>
<b>As at March 31, 2018</b>					
Long Term Borrowing*	-	13,700.00	1,35,600.00	2,72,287.50	4,21,587.50
Trade Payables	1,236.12				1,236.12
Other Current Liabilities	46,480.20				46,480.20
<b>Total</b>	<b>47,716.32</b>	<b>13,700.00</b>	<b>1,35,600.00</b>	<b>2,72,287.50</b>	<b>4,69,303.82</b>

\* The above figures are also included the interest required to be paid with future installments.

**34 Capital Management**

**a) Risk Management:**

- 1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits to other stakeholders, and Consistent with others in the industry, the company monitors capital on the basis of the following ratio:

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

(INR in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Long term debt	-	4,05,349.95
Equity (including capital reserve)	53,187.29	(27,506.80)
<b>Debt-Equity Ratio</b>	<b>-</b>	<b>(14.74)</b>



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

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

The amount capitalized with Capital work in progress as borrowing cost is NIL & INR 43,444.61 Lakh for the year ended March 31, 2019 & March 31, 2018 respectively as per policy of borrowing cost as mentioned in significant accounting policies. The interest is capitalized using the capitalization rate of 11.31% for FY 2017-18.

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

The company has already impaired property plant & equipment being classified under major heads such as Land, Building, Plant and Machinery, Lines & Cables, etc. under the Ind AS 36. Accordingly, the company has recognised the impairment loss in the FY 2017-18 on non-current asset held for sale/discontinued operation as per Ind AS 105. However, there is no impairment recognized during the FY 2018-19.

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

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

**37.1 Entity-Wide Disclosures-**

**1. Information about major customers**

(INR in Lakhs)

Customer Name	Segment 1	
	Year ended March 31, 2019	Year ended March 31, 2018
NBPDCL	725.06	605.50
SBPDCL	851.16	782.95

There is only two customer which contribute more than 10% of entity revenue.

**2. Geographical Information**

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

(INR in Lakhs)

Particulars	Revenue from external customers		Non current Assets*	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India (Bihar)	-	-	14,496.30	14,478.96
<b>Total</b>	-	-	<b>14,496.30</b>	<b>14,478.96</b>

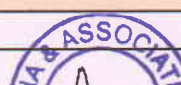
\* Non-current assets for this purpose consist of property, plant and equipments and capital work in progress.

**3. Revenue from major products**

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

(INR in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Sale of power	1,576.22	1,388.45



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

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

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

**(a) Gratuity:**

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

**(b) Leave Encashment:**

Leave Encashment represents Earned Leave Liability. It is computed on the last drawn qualifying salary. Yearly accrual is 30 days per annum restricted to a maximum of 300 days during the period of service. The Leave Encashment liability of the company is funded and managed by the Bihar State Electricity Employee Master Trust through LIC.

**(c) Pension:**

Pension liability of the Company includes Superannuation Pension and Family Pension. Family Pension is equivalent to 60% of the Original Pension. Pension of 50% is limited on last salary and Dearness Allowance subject to 20 years' of service and and the same is reduced proportionately for lesser service. In respect of the spouse, Pension is encashed on the expiry of a period of 7 years or the date when the spouse would have attained age of 67 years, whichever is earlier. The pension liability of the Company is funded and managed by Bihar State Electricity Employee Master Trust through LIC.

**Summary of Membership Data**

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
No. of regular Employees	288.00	427.00	288.00	427.00
Total Monthly Salary (Lakh)	173.06	248.73	173.06	248.73
Average past services (years)	16.72	15.48	16.72	15.50
Average age (years)	42.00	41.00	41.80	41.02
Average remaining working life (years)	18.00	19.00	18.20	18.98
Weighted average duration				
Leave balance considered on valuation date			21,496.00	87,775.00

**Summary of Membership Data**

Particulars	Pension	
	March 31, 2019	March 31, 2018
<b>In Service Employees</b>		
No. of Employees	158.00	222.00
Average past services (years)	26.23	25.83
Average age (years)	50.42	51.70
Average remaining working life (years)	9.58	8.30
Weighted average remaining working life		
<b>Retired Employees</b>		
No. of Retired Employees	482.00	483.00
Average age (years)	69.94	69.63
<b>Spouse</b>		
No. of Spouse	273.00	277.00
Average age (years)	66.52	66.09

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

Particulars	March 31, 2019	March 31, 2018
Method used	Projected Unit Credit (PUC) Method	Projected Unit Credit (PUC) Method
Discount rate	7.77%	7.73%
Rate of salary increase	Basic 3% and DA as per Govt. Rules	Basic 3% and DA as per Govt. Rules
Mortality basis for regular & active employees including disability	100% of Indian Assured Lives Mortality (2006 - 08)	100% of Indian Assured Lives Mortality (2006 - 08)



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

39 The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures mandated by Ind AS-19 are as under –

(i) Change in Benefit Obligation

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present value of obligation as at the beginning of the period	571.89	576.41	5,977.07	457.22	399.32	5,447.51
Acquisition adjustment						
Interest Cost	44.29	44.58	463.81	43.20	39.14	426.55
Service Cost	25.78	35.85	64.76	27.79	40.41	61.15
Past Service Cost including curtailment Gains/Losses						
Benefits Paid	(3.73)	(5.35)	(15.79)			
Total Actuarial (Gain)/Loss on Obligation	(145.21)	(216.33)	(581.22)	43.68	97.53	41.85
<b>Present value of obligation as at the End of the period</b>	<b>493.02</b>	<b>435.16</b>	<b>5,908.62</b>	<b>571.89</b>	<b>576.41</b>	<b>5,977.07</b>

(ii) Reconciliation of Opening & Closing of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Fair Value of Plan Assets at end of prior year	256.19	907.42	572.86	179.22	680.82	396.27
Difference in Opening Value						113.39
Employer Contribution	114.12	120.54	235.65	48.88	130.00	
Expected Interest Income / Return on Assets	24.19	74.98	53.05	7.74	69.81	23.51
Employer Direct Benefit Payments						
Plan Participant's Contributions						
Transfer In / Acquisitions						
Transfer Out / Divestures						
Benefits Pay-outs from Employer						
Benefits Payouts from Plan	(3.73)	(5.35)	-15.79			
Settlements by Fund Manager						
Admin Expenses / Taxes paid from Plan Assets						
Effect of Change in Exchange Rates						
Insurance Premiums for Risk Benefits						
Actuarial Gain / (Loss)	7.76	19.56	53.11	20.36	26.80	39.69
Fair Value of Assets at the End	398.54	1,117.15	898.88	256.19	907.42	572.86
Actual Return on Plan Assets	31.96	94.54	106.16	28.09	96.61	63.20



(iii) Net Asset/(Liability) Recognized in Balance Sheet

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present Value of Funded Obligation	493.02	435.16	5,908.62	571.89	576.41	5,977.07
Fair Value of Plan Assets	398.54	1,117.15	898.88	256.19	907.42	572.86
Present Value of Unfunded Obligation						
Funded Status [Surplus/(Deficit)] - Para 64(a) of Ind AS-19	(94.48)	(681.99)	(5,009.75)	(315.70)	331.02	(5,404.22)
Unrecognised Past Service Costs						
Amount not Recognised as an Asset [Limit in Para 64(b) of Ind AS-19]						
Net Liability	(94.48)	(681.99)	(5,009.75)	(315.70)	331.02	(5,404.22)
Recognised in Balance Sheet	(94.48)	(681.99)	(5,009.75)	(315.70)	331.02	(5,404.22)
Net Balance Sheet Asset / Liability recognised at the end of the period	(94.48)	(681.99)	(5,009.75)	(315.70)	331.02	(5,404.22)
Present Value of Encashment Obligation	-	389.20	-	-	-	-
Present Value of Availment Obligation	-	45.96	-	-	-	-

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

(iv) Current & Non-Current Bifurcation & Funded Status

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Present Value of Benefit Obligation - Current	256.18	77.63	243.64	472.73	296.53	246.46
Present Value of Benefit Obligation - Non-current	236.86	357.52	5,664.98	99.15	279.88	5,730.61
Funded Status [Surplus / (Deficit)] - Current	35.70	-	460.49	315.70	-	5,404.22
Funded Status [Surplus / (Deficit)] - Non-current	58.78	-	4,549.25	-	-	-

(v) Reconciliation of Net Balance Sheet Liability

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Net Balance Sheet / (Liability) recognised at the beginning	(315.70)	331.02	(5,404.22)	(278.00)	281.49	(5,051.24)
Amount recognised in Accumulated Other Comprehensive Income / (Loss) at the beginning of the period	(23.32)		(2.17)			
(Accrued) / Prepaid benefit cost (before adjustment) at the beginning of the period	(292.38)	331.02	(5,402.05)	(278.00)	281.49	(5,051.24)
Net Periodic Benefit (Cost) / Income for the period excluding Para 64(b) of Ind AS-19	(45.87)	230.44	(475.51)	(63.25)	(80.48)	(464.20)
Employer Contribution	114.12	120.54	235.65	48.88	130.00	113.39
Employers' Direct Benefits Payments						
Amount not recognised as an Asset [Limit in Para 64(b) of Ind AS-19] - Opening Figure of March 31, 2018						
(Accrued) / Prepaid benefit cost [Before Adjustment] at the end of the Period	(224.13)	681.99	(5,641.91)	(292.38)	331.02	(5,402.05)
Amount recognised in Accumulated Other Comprehensive Income / (Loss) at the end of the period	129.64		632.16	(23.32)		(2.17)
Acquisition / Divestures / Transfer						
Effect of the Limit in Para 64(b) of Ind AS-19						
Net Balance Sheet Asset / Liability recognised at the end of the period	(94.48)	681.99	(5,009.75)	(315.70)	331.02	(5,404.22)

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

(vi) Amount Recognized in Statement of Profit and Loss

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Current service cost	25.78	35.85	64.76	27.79	40.41	61.15
Net Interest cost	20.10	(30.40)	410.75	35.46	(30.67)	403.04
Actuarial (gain)/loss on obligations		(235.89)			70.73	
<b>Cost Recognized in P&amp;L (A+B+C)</b>	<b>45.87</b>	<b>(230.44)</b>	<b>475.51</b>	<b>63.25</b>	<b>80.48</b>	<b>464.20</b>

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

(INR in Lakhs)

Particulars	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
Opening Cumulative Other Comprehensive Income	23.32		2.16			
Actuarial Loss / (Gain) on DBO	(145.21)	(216.33)	(581.22)	43.68	97.53	41.85
Actuarial Loss / (Gain) on Assets	(7.76)	(19.56)	(53.11)	(20.36)	(26.80)	(39.69)
Amortization Actuarial Loss / (Gain)		(235.89)			70.73	
Net increasing in OCI	(152.97)		(634.33)	23.32		2.16
<b>Total Recognised in Other Comprehensive Income</b>	<b>(129.64)</b>	<b>-</b>	<b>(632.17)</b>	<b>23.32</b>	<b>-</b>	<b>2.16</b>



40 Sensitivity Analysis

(INR in Lakhs)

Assumption As at March 31, 2019	Gratuity			Earned Leave			Pension		
	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO
Discount Rate ± 100 Basis Points	-6.12%	462.86	(30.17)	-6.99%	404.72	(30.43)	-4.26%	5,656.83	(251.79)
	7.04%	527.74	34.72	8.28%	471.17	36.01	4.69%	6,183.72	277.10
Salary Growth Rate ± 100 Basis Points	4.36%	514.54	21.52	8.29%	471.24	36.08	4.34%	6,165.07	256.45
	-4.68%	469.93	(23.09)	-7.09%	404.31	(30.85)	-4.17%	5,662.40	(246.23)
Attrition Rate ± 100 Basis Points	0.39%	494.92	1.90	3.90%	452.14	16.98	1.14%	5,975.95	67.33
	-0.43%	490.89	(2.13)	-4.42%	415.91	(19.25)	-1.23%	5,836.17	(72.45)
Mortality Rate + 10% UP	0.02%	493.12	0.10	0.12%	435.68	0.52	0.06%	5,912.23	3.61
As at March 31, 2018	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO	Change in Assumption	Liability	Increase in DBO
Discount rate									
Medical Cost Rate									
Salary growth rate									

Category of investment in Plan Assets

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

Change in Plan Assets

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

(INR in Lakhs)

Year	Gratuity (Non Funded) March 31, 2019	Earned Leave (Non Funded) March 31, 2019	Pension (Non Funded) March 31, 2019	Gratuity (Non Funded) March 31, 2018	Earned Leave (Non Funded) March 31, 2018	Pension (Non Funded) March 31, 2018
0 to 1 Year	47.91	50.02	524.40	120.32	94.05	388.65
1 to 2 Year	40.86	33.22	561.15	133.07	95.98	419.77
2 to 3 Year	44.06	31.77	591.89	38.10	53.78	438.76
3 to 4 Year	35.97	28.92	618.12	31.09	43.99	475.29
4 to 5 Year	25.24	26.87	644.24	16.83	26.04	513.55
5 to 6 Year				12.58	22.16	530.22
6 Year onwards	298.98	264.35	2,968.83	219.91	240.42	3,210.82
Payouts above 10 years						

Note -

- > The Company's liability towards long-term defined employee benefits - leave encashment, gratuity and pension have been determined through Actuarial Valuation by Independent Actuaries using the Projected Unit Cost Method.
- > Vide BSPHCL Letter No. 164, dated January 25, 2019, the Company has set-up a dedicated Pension Section for centralized disbursement of terminal benefit obligations of the Company as well as its four subsidiaries, viz., South Bihar Power Distribution Company Limited, North Bihar Power Distribution Company Limited, Bihar State Power Transmission Company Limited and Bihar State Power Generation Company Limited.
- > Accordingly, for facilitating proper comparison of the Company's Financial Statements on a year-on-year basis, the Company has recast its Terminal Benefit Obligations as per the latest Actuarial Report, dated August 06, 2019, duly factoring the changes having taken place on account of the aforesaid Centralization.



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

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

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

(INR in Lakhs)

Grant received for	2018-19	2017-18
Capital Grant	-	676.09

**(i) Capital Grant & Subsidies**

(INR in Lakhs)

Particulars	2018-19	2017-18
Opening balance	59,732.16	1,75,349.26
Add: Additions during the year	-	676.09
Less: Deferred Income/ Adjustment	58,039.07	1,16,293.19
Less: Refund of Grant	-	-
<b>Closing balance (A)</b>	<b>1,693.09</b>	<b>59,732.16</b>

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

**A As lessor**

**Operating Lease**

**(i) Description of major lease agreements**

Company has entered into the transfer scheme with Government of Bihar (Gob), NTPC, BSPHCL and its subsidiaries to provide the land (911.84 acres) of Barauni Thermal power station (BTPS) to NTPC at the lease rent of Rs. 1 pm. The lease term is of 33 years. BSPGCL will hand over the physical possession of the Land, free and clear of all encumbrances to NTPC.

There is no material Future minimum lease payments under non-cancellable operating leases

**B As lessee**

Company has not enter into any significant non cancellable lease arrangement.

**43 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"**

**i) Basic EPS**

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

(INR in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company- For Continuing Operations (A)	-	1,342.91
Profit (loss) for the year, attributable to the owners of the company- For Discontinuing Operations (B)	(29,912)	(5,04,515)
Profit (loss) for the year, attributable to the owners of the company- For Discontinuing Operations & continuing Operations (C)	(29,912)	(5,03,173)
Weighted average number of ordinary shares for the purpose of basic earnings per share (D)	2,27,67,98,031	2,10,54,22,395
<b>Basic EPS(A/D)- For Continuing Operations</b>	-	<b>0.06</b>
<b>Basic EPS(B/D)- For Discontinuing Operations</b>	<b>(1.31)</b>	<b>(23.96)</b>



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

**ii) Diluted EPS**

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

(INR in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the owner adjusted for the effect of dilution (A)- For Continuing Operations	-	1,343
Profit attributable to equity holders of the owner adjusted for the effect of dilution (B)- For Discontinuing Operations	(29,912)	(5,04,515)
Profit attributable to equity holders of the owner adjusted for the effect of dilution (C)- For Discontinuing Operations & continuing Operations	(29,912)	(5,03,173)
Weighted average number of Equity shares adjusted for the effect of dilution (D)	2,27,67,98,031	4,64,35,16,515
<b>Diluted EPS(A/D)- For Continuing Operations</b>	-	0.03
<b>Diluted EPS(B/D)- For Discontinuing Operations</b>	(1.31)	(10.86)
<b>Diluted EPS(C/D)- For Discontinuing Operations &amp; continuing Operations</b>	(1.31)	(10.84)

**44 Assets hypothecated as security**

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

(INR in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Non-Financial Assets</b>		
<b>Non Current</b>		
Hypothecation/pledge		5,98,436
<b>Total Non Current assets</b>	-	5,98,436

**45 Disclosure in respect of Indian Accounting Standard (Ind AS)-105 "Non-current Assets Held for Sale and**

**(i) Description of arrangement**

As per Transfer scheme dated June 27, 2018, management decided to transfer properties, interest, rights, specified assets and specified liability of Barauni thermal power station (Stage 1(unit 6 and 7) & Stage 2(unit 8 and 9)- Plant situated at Begusarai, Bihar) for a consideration of INR 4,343.60 Crores on a where basis. Stage 2 Plant was under construction and further work of construction will be carried out by NTPC. Company has also make arrangement to transfer equity contribution in two of its joint venture i.e (Nabinagar Power Generating company Limited & Kanti Bijli Utpadan Nigam limited) to NTPC Limited at face value.

Further, company has provide the land(911.84 acres) of Barauni Thermal power station (BTPS) to NTPC at the lease rent of Rs. 1 pm. The lease term is of 33 years. BSPGCL will hand over the physical possession of the Land, free and clear of all encumbrances to NTPC.

Company has agreed with NTPC that the decommissioning of BTPS Stage 1 (unit 1 to 5) will be done by NTPC and shall be disposed off in most efficient manner.

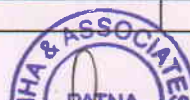


**Bihar State Power Generation Company Limited**  
Notes to accounts for year ended March 31, 2019

(ii) An analysis of the single amount in profit & loss classified as Discontinued operation/Asset held for sale

(INR in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from sale of power</b>	-	-
NBPDCCL	725.06	605.50
SBPDCL	851.16	782.95
<b>Other Income</b>	-	-
Miscellaneous Receipts	0.59	1.81
<b>Interest Income</b>	-	-
Interest from Bank Deposits	109.01	-
Interest other than on Bank	5,583.27	-
<b>Other receipts</b>	-	-
House Rent Recovery	1.91	-
Other Income	485.91	-
<b>Less:</b>	-	-
<b>Generation of Power</b>	-	-
Fuel Consumption	997.44	1,618.93
Operating Expenses	469.42	560.60
<b>Employee Benefit Expenses</b>	-	-
Staff Welfare Expense	-	0.01
Salaries & Wages	3,059.40	474.84
Terminal Benefits	(753.65)	158.94
Over Time	1.39	1.40
<b>Finance Cost</b>	-	-
Interest on Other Financial Institution Loan	24,908.58	-
Interest on Working Capital Loan	2,423.37	-
Bank Charges	21.96	-
<b>Depreciation and Amortisation Expense</b>	-	-
Depreciation	0.68	2,284.66
<b>Other Expenses:-</b>	-	-
<b>Repairs and Maintenance of Assets</b>	-	-
Building	1.00	1.57
Vehicle	0.51	0.03
Civil Works	1,010.98	15.99
Office Equipment	0.90	0.32
Lines, Cable Network Etc.	97.49	38.47
Plant and Machinery	2,985.31	152.81
Hydraulic Works	-	-
Furniture & Fixtures	0.43	0.06
Others	1.91	0.01
Entertainment Expenses	8.67	-
Telephone & Mobile Expenses	8.28	-
Net Prior Period Items	368.00	-
<b>Audit Fees</b>	-	-
- Statutory Audit Fees	0.94	-
Printing & Stationary	3.81	-
Postage & Telegram	0.41	-
Advertisement Expenses	-	2.86
Fees & Subscriptions	36.63	8.90
Travelling Expenses	110.97	14.57
Consultancy Charges	3.62	7.47
Legal and Professional Chages	390.14	48.01
Miscllenous Expenses	40.80	3.59
Freight Charges	2.45	0.17
Home Guard/ Security Guard	1,466.84	0.59
Insurance Charges	-	0.03
<b>Impairment loss on non- current asset held for Sale</b>	-	5,00,510.88
<b>Total</b>	<b>(29,911.77)</b>	<b>(5,04,515.45)</b>



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

**(iii) Contingent Liability**

- Contingent Liability: 1. Amount due to different suppliers of Coal & Oil and other contractors of BTPS on account of assets of BTPS transferred to NTPC is subject to reconciliation. However, the actual amount is not quantifiable as on the date of reporting.  
2. An amount of Rs 4,093.40 Lakhs is attached from Bank Account from ACIT(TDS) on 06/03/2018, the Case is in Appeal at CIT(Appeals) for the assessment Year 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18.  
3. An amount of Rs 872.17 Lakhs is under appeal to CIT (A) for the A.Y. 2016-17.

**(iv) Approval of financial statements**

The financial statements were approved by the board of directors in the meeting held on 27.09.2019

- (v) Figures in Financial Statements have been rounded off to the nearest lakhs(except number of share) and previous years figures have been re-grouped, re-arranged wherever necessary to make them comparable with those of the current year's figures.**

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



[C.A. Rajeev Kumar Jha]  
Partner  
Membership Number: 079294  
Place:- Patna  
Date:- 27.09.2019



(Pramod Tiwari)  
Chief Financial Officer



(Anil Kr. Sinha)  
Director (Finance)  
DIN: 08094734



(Sanjivan Sinha)  
Managing Director  
DIN: 03316960

