

Noida Power Company Limited

Ind AS standalone financial statements and related disclosures for the year
ended 31 March 2019

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of Noida Power Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Noida Power Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the 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 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

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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

5. 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 state of affairs (financial position), profit (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 explaining 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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

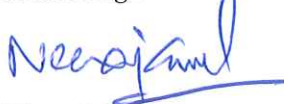
12. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 June 2019 as per Annexure B expressed unmodified opinion;



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- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 38 and 42 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

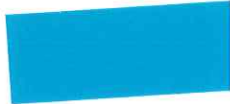
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 99514



Place: Gurugram
Date: 27 June 2019



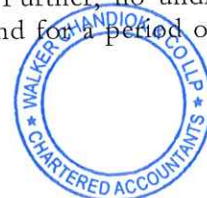
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Annexure A to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the standalone financial statements for the year ended 31 March 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company except the underground cables in the Company's transmission and distribution system which as per management cannot be physically verified, are physically verified by the management during the year according to a phased program designed to cover all the other items of transmission and distribution, over a period of five years and all other items over a period of three year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets are reasonable having regard to the size of the Company and the nature of its assets. For the underground cables in the transmission and distribution system, the management has adequate controls in place to safeguard the physical existence of the said system.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's product and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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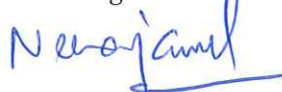
Annexure A to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the standalone financial statements for the year ended 31 March 2019
(Continued)

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lakhs)	Amount paid under protest (₹ lakhs)	Period to which the amount relates (AY)	Forum where dispute is pending
Income tax Act, 1961	Income tax	2	-	2017-18	Commissioner of Income Tax (Appeal)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit
- (xi) Managerial remuneration has been paid (and)/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: 27 June 2019



Walker Chandniok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the standalone financial statements for the year ended 31 March 2019

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Noida Power Company Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

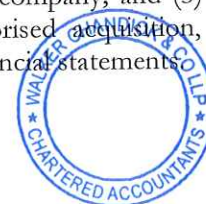
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India. 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Annexure B to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the standalone financial statements for the year ended 31 March 2019

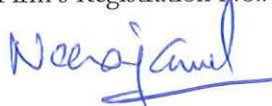
Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 99514



Place: Gurugram
Date: 27 June 2019

Noida Power Company Limited
Standalone Balance Sheet as at 31 March 2019
(All amount in Rs. Lakh, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018 [#]
ASSETS			
Non-current assets			
Property, plant and equipment	3	98,944	92,876
Capital work-in-progress	3	1,303	798
Other intangible assets	4	2,328	2,234
Intangible assets under development	4	522	455
Financial assets			
i. Investments	5	164	221
ii. Loans	6	147	92
iii. Other financial assets	7	7	7
Other non-current assets	8	4,110	2,154
Total non-current assets		1,07,525	98,837
Current assets			
Inventories	9	76	61
Financial assets			
i. Trade receivables	10	7,743	7,171
ii. Cash and cash equivalents	11	3,667	1,447
iii. Bank balances other than (ii) above	12	2,008	8
iv. Loans	13	55	34
v. Other financial assets	14	9,227	9,066
Other current assets	15	9,229	1,987
Total current assets		32,005	19,774
Total assets		1,39,530	1,18,611
Regulatory deferral account balances	16	24,301	22,919
Total assets and regulatory deferral account balances		1,63,831	1,41,530
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	6,000	6,000
Other equity	18	89,502	79,145
Total equity		95,502	85,145
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Other financial liabilities	19	25,489	22,037
Deferred tax liabilities (net)	20	4,379	2,397
Total non-current liabilities		29,868	24,434
Current liabilities			
Financial liabilities			
i. Trade payables			
-total outstanding dues of micro enterprises and small enterprises	21	878	755
-total outstanding dues of creditors other than micro enterprises and small enterprises	21	25,679	11,228
ii Other financial liabilities	22	4,615	4,100
Provisions	23	65	304
Other current liabilities	24	4,317	3,811
Current tax liabilities (net)	25	2,907	11,753
Total current liabilities		38,461	31,951
Total equity and liabilities		1,63,831	1,41,530

refer note 44 for restatement of financial information

Summary of significant accounting policies and other explanatory information
The accompanying notes are integral part of the financial statements
This is the balance sheet referred to in our report of even date

I-46

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj
Neeraj Goel
Partner
Membership No. 99514



Place: Gurugram
Date: 27 June 2019

For and on behalf of the Board of Directors of
Noida Power Company Limited

R. C. Agarwala
R. C. Agarwala
Managing Director & CEO
DIN: 00087492

Manoj Jain
Manoj Jain
Chief Financial Officer
Place: Greater Noida
Date:

DIN:
S.K. Sinha
S.K. Sinha
Company Secretary
Place: Greater Noida
Date:

Anup Chandra Pandey
Anup Chandra Pandey
Chairman
DIN: 00267876

Krishna Kumar Gupta
Krishna Kumar Gupta
Director
DIN: 0822-7386

Noida Power Company Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2019
(All amount in Rs. Lakh, unless otherwise stated)

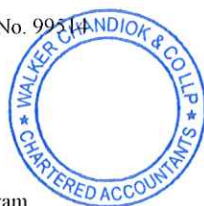
	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018 [#]
Income			
Revenue from operations	26	1,53,552	1,37,219
Other income	27	1,054	308
Total income		1,54,606	1,37,527
Expenses			
Cost of electrical energy purchased	28	1,15,179	83,783
Employee benefits expense	29	3,974	3,121
Finance costs	30	1,843	3,509
Depreciation and amortization expense	31	6,269	5,414
Other expenses	32	7,920	7,759
Total expenses		1,35,185	1,03,586
Profit before rate regulated activities and tax		19,421	33,941
Net movement in regulatory deferral account balance	41	1,382	(8,160)
Profit before tax		20,803	25,781
Tax expense			
(i) Current tax	33	4,842	7,995
(ii) Deferred tax	33	1,982	(263)
(iii) Tax relating to earlier years [refer note 42(f)]	33	-	8,010
Profit for the year		13,979	10,039
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Remeasurements of post-employment benefit obligations		(8)	(35)
-Income tax relating to above items		3	12
Total other comprehensive income for the year		(5)	(23)
Total comprehensive income for the year		13,974	10,016
Earnings per equity share:			
	40		
Basic earnings per share before net movement in regulatory deferral account balance (Rs.)		21.00	30.33
Diluted earnings per share before net movement in regulatory deferral account balance (Rs.)		21.00	30.33
Basic earnings per share after net movement in regulatory deferral account balance (Rs.)		23.30	16.73
Diluted earnings per share after net movement in regulatory deferral account balance (Rs.)		23.30	16.73
# refer note 44 for restatement of financial information			
Summary of significant accounting policies and other explanatory information		1-46	
The accompanying notes are integral part of the financial statements			
This is the statement of profit and loss referred to in our report of even date			

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner

Membership No. 99511



Place: Gurugram

Date: 27 June 2019

For and on behalf of the Board of Directors of
Noida Power Company Limited

R. C. Agarwala

R. C. Agarwala
Managing Director & CEO
DIN: 00087492

Manoj Jain
Manoj Jain
Chief Financial Officer

Place: Greater Noida

Date:

DIN:

S.K. Sinha
S.K. Sinha
Company Secretary

Place: Greater Noida

Date:

Anup Chandra Pandey
Anup Chandra Pandey
Chairman
DIN: 00267876

Krishna Kumar Gupta
Krishna Kumar Gupta
Director
DIN: 08227386

Noida Power Company Limited
Standalone Statement of Cash Flow for the year ended 31 March 2019
(All amount in Rs. Lakh, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018 [#]
A. Cash flow from operating activities		
Profit before tax and after net movements in regulatory deferral account balances	20,803	25,781
Adjustments for:		
Depreciation and amortisation expense	6,269	5,414
Loss on retirement of property, plant and equipment/ intangibles assets (net)	74	83
Gain on sale of current investments	(76)	(50)
Loss on investment in subsidiary	3	-
Interest income	(817)	(124)
Dividend income	(2)	(5)
Finance cost	1,843	3,509
Bad debts written off	590	127
Provision for doubtful debts	806	1,527
Loss/(gain) on fair valuation of non-current investments (net)	2	2
Operating profit before working capital changes	29,495	36,264
Change in operating assets and liabilities		
Increase in trade receivables	(1,967)	(1,577)
(Increase)/decrease in inventories	(15)	3
Increase/(decrease) in trade payables	14,575	3,603
Increase in other current financial assets	(97)	(931)
Increase in other non current financial assets	(0)	(5)
(Increase)/ decrease in other non-current assets	3	7
(Increase)/decrease in other current assets	(7,570)	(34)
Increase/ (decrease) in employee benefit obligations	(247)	(363)
Increase/(decrease) in other current financial liabilities	247	102
Increase in other current liabilities	507	257
Decrease in regulatory deferral account	(1,382)	8,160
Cash generated from operations (A)	33,549	45,486
Income taxes paid	(13,499)	(4,867)
Net cash inflow from operating activities	20,050	40,619
B. Cash flows from investing activities		
Payments for property, plant and equipment / intangible assets	(14,584)	(17,396)
Proceeds from sale of property, plant and equipment / intangible assets	34	49
Sale of non current investments (net)	55	62
Term deposits with banks	(2,000)	-
Investment in subsidiary	1	(5)
Purchase of current Investments	(2,28,153)	(1,80,793)
Sale of current investments	2,28,225	1,80,843
Interest received	719	120
Dividend received	2	5
Loans to employees	(76)	6
Net cash outflow from investing activities (B)	(15,777)	(17,109)
C. Cash flows from financing activities		
Interest and other finance cost paid	(1,670)	(2,932)
Repayment of long term borrowings	-	(22,224)
Consumer security deposits (net)	3,234	3,609
Dividend paid	(3,000)	(1,500)
Dividend distribution tax paid	(617)	(305)
Net cash outflow from financing activities (C)	(2,053)	(23,352)



Noida Power Company Limited
Standalone Statement of Cash Flow for the year ended 31 March 2019
 (All amount in Rs. Lakh, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018 [#]
Net increase in cash and cash equivalents (A+B+C)	2,220	158
Cash and cash equivalents at the beginning of the financial year	1,447	1,289
Cash and cash equivalents at end of the year [refer note 11]	3,667	1,447
# refer note 44 for restatement of financial information		
Summary of significant accounting policies and other explanatory information The accompanying notes are integral part of the financial statements This is the statement of cash flow referred to in our report of even date	1-46	

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm's Registration No. 001076N/N500013

Neeraj Goel

Neeraj Goel

Partner

Membership No. 99584



Place: Gurugram

Date: 27 June 2019

For and on behalf of the Board of Directors of
 Noida Power Company Limited

R. C. Agarwala

R. C. Agarwala
 Managing Director & CEO
 DIN: 00087492

Manoj Jain

Manoj Jain
 Chief Financial Officer

Place: Greater Noida

Date:

DIN:

S.K. Sinha

S.K. Sinha
 Company Secretary

Place: Greater Noida

Date:

Anup Chandra Pandey
 Anup Chandra Pandey
 Chairman
 DIN: 00267876

Krishna Kumar Gupta
 Krishna Kumar Gupta
 Director
 DIN: 00227386

Noida Power Company Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2019
(All amount in Rs. Lakh, unless otherwise stated)

I) Equity share capital

	Notes	Number of shares in lakh	Amount
As at 31 March 2017		600	6,000
Changes in equity share capital during the year	17	-	-
As at 31 March 2018		600	6,000
Changes in equity share capital during the year	17	-	-
As at 31 March 2019		600	6,000

II) Other equity

	Notes	Reserves and surplus			Total
		Securities premium	Other reserves: Contingency reserve	Retained earnings	
Balance as at 1 April 2017		1,442	233	69,259	70,934
Profit for the year	18	-	-	10,039	10,039
Other comprehensive loss	18	-	-	(23)	(23)
Total comprehensive income for the year		-	-	10,016	10,016
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(1,500)	(1,500)
Dividend distribution tax		-	-	(305)	(305)
Balance as at 31 March 2018		1,442	233	77,470	79,145
Balance as at 31 March 2018		1,442	233	77,470	79,145
Profit for the year	18	-	-	13,979	13,979
Other comprehensive loss	18	-	-	(5)	(5)
Total comprehensive income for the year		-	-	13,974	13,974
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(3,000)	(3,000)
Dividend distribution tax		-	-	(617)	(617)
Balance as at 31 March 2019		1,442	233	87,827	89,502

Summary of significant accounting policies and other explanatory information
The accompanying notes are integral part of the financial statements
This is the statement of changes in equity referred to in our report of even date

1-46

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No. 99514

Place: Gurugram
Date: 27 June 2019

For and on behalf of the Board of Directors of
Noida Power Company Limited

R. C. Agarwala
R. C. Agarwala
Managing Director & CEO
DIN: 00087492

Manoj Jaid
Manoj Jaid
Chief Financial Officer

Place: Greater Noida
Date:

DIN:
S.K. Sinha
S.K. Sinha
Company Secretary

Place: Greater Noida
Date:

Anup Chandra Pandey
Anup Chandra Pandey
Chairman
DIN: 00267876

Krishna Kumar Gupta
Krishna Kumar Gupta
Director
DIN: 08227386



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

1. General Information

Noida Power Company Limited ("the Company") is an electricity distribution licensee undertaking distribution and supply of electricity in the area of Greater Noida, Uttar Pradesh. The operations of the Company are governed by the Electricity Act, 2003 and various regulations and/or policies framed there under by the appropriate authorities. Accordingly, in preparing the financial statements the relevant provisions of the said act and regulations have been duly considered.

2.1 Basis of preparation

A. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

C. Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

D. Use of estimates and judgements

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 34.

The Company make bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. Power banking transactions both ways are recorded at average energy rate of power from both long-term and short-term sources.

2.2 Significant accounting policies

a) Segment reporting

The Company operates under single reportable operating segment viz. distribution of electricity. Accordingly, disclosure relating to operating reportable segment as required under Ind AS 108 are not applicable.

b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

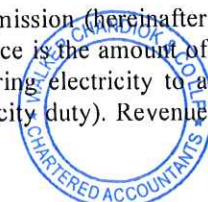
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and recognized in the statement of profit or loss in accordance with the classification of non-monetary asset and liability, i.e., fair value through profit and loss ('FVPL') or fair value through other comprehensive income ('FVOCI').

c) Revenue recognition

Sale of Electricity

Revenue from sale of electricity is recognized on the basis of supply of electricity to consumers and include adjustments/abatements of previous periods, if any, and other charges as determined to be recoverable from consumers in accordance with Distribution Tariff Regulation but do not include electricity duty payable to the State Government. Revenue from sale of electricity is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period.

The transaction price is determined by the Uttar Pradesh Electricity Regulatory Commission (hereinafter referred to as UPERC) based on the Distribution Tariff Regulation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring electricity to a consumer, excluding amounts collected on behalf of third parties (for example, electricity duty). Revenue



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

from sale of electricity includes revenue gap (i.e. surplus/ deficit after considering Return on Equity entitlement) for the year determined by the Company based on the principles laid down under the Distribution Tariff Regulation and on the basis of tariff orders issued by UPERC from time to time. Such revenue gap will be adjusted through future tariff determination in accordance with the said regulations. Any adjustments to such revenue gap that may arise based on the final order of UPERC will be made on receipt of order. No element of financing is deemed present as the price is received within the credit term provided to consumers.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A receivable is recognized when the electricity is provided, as at this point consideration becomes unconditional because only the passage of time is required.

Capital Contribution from Customers

The Company receives capital contribution from consumers in accordance with Distribution Tariff Regulations which is used for construction or acquisition of items of property, plant and equipment to connect consumers to the Company's distribution network. Such contribution received are recognised as revenue in the year in which connection is energised or augmented.

Delayed Payment Surcharge

Delayed Payment Surcharge as a general practice is recognized and accounted for upon receipt of overdue payments from consumers as it is not probable that the entity will collect the consideration to which it will be entitled in exchange for the services transferred to the customer.

Accounting standards or amendments in the accounting standards adopted on/from 1 April 2018

Ind-AS 115, "Revenue from Contracts with Customers" issued on March 28, 2018, which provides a unified five step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are met rather than based on the transfer of risks and rewards. Ind-AS 115 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

The standard supersedes the erstwhile standard, viz., Ind-AS 18 "Revenue" and Ind-AS 11 "Construction Contracts". Ind-AS 115 clarifies how to identify a performance obligation, determine whether a company is a principal or an agent. The Company's revenue is predominantly sale of electricity in which the transfer of risks and rewards of ownership and the fulfilment of the Company's performance obligation occur at the same time. Henceforth, the adoption of this standard did not have a material impact on the financial statements of the Company.

d) Recognition of dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

e) Income tax

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

i. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognized.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be realized or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognized. Deferred income tax liabilities are recognized for all taxable temporary differences.

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

Deferred tax liability or asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding creation of regulatory deferral accounts receivable or payable, as the case may be.

f) Leases

Arrangements which contain Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

Assets held under leases as a lessee

Leases of property, plant and equipment whether the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

g) Cash and cash equivalents

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

h) Inventories

Inventories consist of stores and spares which do not qualify to be classified as Property, plant and equipment and are stated at lower of cost or net realisable value. Cost is determined using weighted average method. The cost of stores and spares comprises of the expenditure incurred in bringing such inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

i) Investments and other financial assets

i. Initial measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii. Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

iii. Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, investment in Government Securities, bonds, cash and cash equivalents and employee loans etc.

iv. Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- b. the asset's contractual cash flow represents SPPI.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in other comprehensive income (OCI). Currently, the Company does not have any asset classified under this category.

v. Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL. Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements are recorded in statement of profit and loss. The Company has certain investment e.g., UTI Balance Fund, etc. classified under this category.

vi. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised only when:

- The rights to receive cash flows from the asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the asset.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

j) Financial liability

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts.

ii. Subsequent measurement

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

a. Financial Liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

c. Borrowings

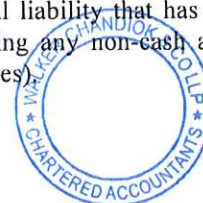
Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

iii. Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

k) Impairment

i. 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:

- a) Financial assets measured at amortized cost e.g. loans, deposits and trade receivables.
- b) Financial assets measured at Fair Value through Other Comprehensive Income (FVTOCI).

For recognition of impairment loss on 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 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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

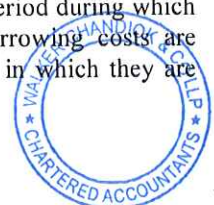
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To calculate lifetime expected credit losses, the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analyzed.

ii. Impairment on non-financial assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition and/or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs is suspended in the period during which active development is delayed due to, other than temporary, interruption. Other borrowing costs are recognised as an expense in the standalone Statement of Profit and Loss in the period in which they are incurred.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

m) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

n) Property, plant and equipment

Recognition and measurement:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

In case of a project, cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off of revenue earned during trial run and income arising from temporary use of funds pending utilisation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a separate component if the recognition criteria are satisfied. In case any major part is replaced, cost of the same is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied and carrying value of the replaced part is derecognized from the carrying value of the asset. All other repair and maintenance costs are recognized in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains or loss arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

The Company provides depreciation using the Written Down Value (WDV) and the rates as provided in Annexure-C of the UPERC (Multi Year Distribution Tariff) Regulations, 2014, [hereinafter referred to as 'MYT Regulations, 2014'].

Leasehold land are amortised over the unexpired period of the lease and leasehold improvements are amortised over the lower of useful life of the asset or remaining lease term.

In accordance with the Tariff Regulations, the residual values are considered not more than 10% of the original cost of the asset in all cases.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Transition to Ind AS:

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



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o) Other intangible assets

Intangible assets (where expected to provide future enduring economic benefit) are carried at cost of acquisition less accumulated amortization and accumulated impairment losses, if any.

The Company provides depreciation using the Written Down Value (WDV) and the rates as provided in Annexure-C of the MYT Regulations, 2014.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

p) Employee Benefits

Short-term employee benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations:

(i) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. Provident fund scheme administered by the government and NPCL Executives Pension Scheme are significant defined contribution schemes of the Company. The Company makes specified monthly contributions towards these schemes. The Company's contributions are recorded as an expense in the Profit or loss during the period in which the employee renders the related service.

(ii) Defined Benefit Obligations - Gratuity

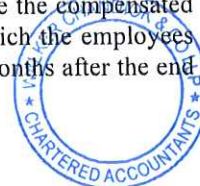
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

The Company provides for gratuity, a defined benefits plan (the "Gratuity Plan") covering eligible employees in accordance with the payment of Gratuity Act, 1972. The Gratuity Plan provides lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The Gratuity Plan is administered through 'Noida Power Company Limited Gratuity Fund' which makes the contribution to LIC. Contributions are paid to LIC in accordance with the demands received. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long-term employee benefits – Compensated absences:

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end



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of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit or Loss in the year in which they arise. During the current year, the Company has invested in funds for payments towards compensated absences.

q) Regulatory deferral accounts balances

The Company's business is rate regulated business and the Company has elected to adopt Ind AS 114, *Regulatory Deferral Accounts*. Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral accounts balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Under Ind AS 114, rate regulated companies are required to isolate the impact of recognizing regulatory balances from the financial reporting requirements of other Ind AS. The deferred tax asset or deferred tax liability and movement arising as a result of recognizing regulatory balances are presented with the related regulatory balance. However, the Company is not recognising any deferred tax asset/liability as a result of recognising regulatory deferral account balance.

Similarly, the net income tax effect of all changes in regulatory balances are segregated in a new and separate section of the income statement called net movements in regulatory balances, net of tax. The income and expenses recorded before net movements in regulatory balances, net of tax, are recorded in accordance with other Ind AS.

r) Earnings per Share

i. Basic earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

ii. Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

For each earnings per share amount presented in accordance with Ind AS 33, the Company presents additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts excludes the net movement in the regulatory deferral account balances in accordance with Ind AS 114.

s) Provisions and contingencies

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



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Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

t) Investment in subsidiary

Investment in subsidiary is carried at cost, less any impairment in the value of investment, in these separate financial statements.

2.3 New standards that are not yet effective and have not been early adopted:

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

a) Standards issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116, 'Leases'. The effective date for adoption is financial periods beginning on or after 1 April 2019.

i) Ind AS 116- Leases

Current Lease standard provides two lease models - finance Lease (on balance sheet) and operating lease (off balance sheet). Under the new standard, lessees will have a single on balance sheet accounting model for all leases, with exemptions for short-term leases and leases of low value assets. Lessor accounting is substantially unchanged. Lessors and lessees will have additional disclosure requirements. The objective is to provide relevant information that gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The effective date for adoption of Ind AS 116 is financial period beginning on or after 1 April 2019. The Company is evaluating the requirements of the standard and its impact on its financial statements.



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3 Property, plant and equipment

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount As at 31 March 2019
	As at 1 April 2018	Additions during the year	Sales/ disposal during the year	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Sales/ Adjustments	As at 31 March 2019	
Freehold land	392	-	-	392	-	-	-	-	392
Leasehold land	11,613	620	-	12,233	374	133	-	507	11,726
Building and structures	18,824	1,097	3	19,918	1,073	538	1	1,610	18,308
Plant and equipment	3,600	476	1	4,075	641	351	1	991	3,084
Solar power generation equipment	24	-	-	24	4	1	-	5	19
Distribution network	63,499	8,430	178	71,751	11,927	3,529	143	15,313	56,438
Meters and other apparatus on consumer's premises	4,329	1,076	157	5,248	964	416	110	1,270	3,978
Furniture and fixtures	3,070	74	9	3,135	309	353	6	656	2,479
Office equipment	1,593	28	16	1,605	234	344	14	564	1,041
Computers	1,501	146	3	1,644	264	204	2	466	1,178
Vehicles	304	193	64	433	83	95	46	132	301
Total	1,08,749	12,140	431	1,20,458	15,873	5,964	323	21,514	98,944
Capital work in progress [refer note (i) below]	798	11,832	11,327	1,303	-	-	-	-	1,303
Total	798	11,832	11,327	1,303	-	-	-	-	1,303

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount as at 31 March 2018
	As at 1 April 2017	Additions during the year	Sales/ disposal during the year	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Sales/ Adjustments	As at 31 March 2018	
Freehold land	392	-	-	392	-	-	-	-	392
Leasehold land	11,613	-	-	11,613	242	132	-	374	11,239
Building and structures	15,262	3,562	-	18,824	628	445	-	1,073	17,751
Plant and equipment	2,931	669	-	3,600	322	319	-	641	2,959
Solar power generation equipment	22	2	-	24	3	1	-	4	20
Distribution network	58,136	5,564	201	63,499	8,668	3,406	147	11,927	51,572
Meters and other apparatus on consumer's premises	3,687	834	192	4,329	733	370	139	964	3,365
Furniture and fixtures	1,464	1,606	-	3,070	138	171	-	309	2,761
Office equipment	627	966	-	1,593	77	157	-	234	1,359
Computers	669	949	117	1,501	282	87	105	264	1,237
Vehicles	203	142	41	304	40	78	35	83	221
Total	95,006	14,294	551	1,08,749	11,133	5,166	426	15,873	92,876
Capital work in progress [refer note (i) below]	1,142	13,808	14,152	798	-	-	-	-	798
Total	1,142	13,808	14,152	798	-	-	-	-	798

Notes:

- i The capital work-in-progress represents distribution network, other capital assets under constructions/development and capital stores and spares.
- ii Refer to note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- iii The Company have taken land on leases for which period is usually 90-99 years. On most of the land taken on lease, company's power sub-stations are in operation. Therefore, as required by Ind AS 17, land lease has been classified into finance lease on the basis of terms and conditions of the respective lease agreement. The leasehold lands except perpetual leases are amortised over the primary period of respective lease.
- iv During the current year, the Company has been handed over distribution assets by Greater Noida industrial Development Authority (GNIDA). The value of these assets as communicated by the said authorities is Rs. 1,013 Lakh (31 March 2018: Rs. 3,712 Lakh). Till financial year 2018-19, total assets handed over by GNIDA and Uttar Pradesh State Industrial Development Corporation Limited (UPSIDC) amount to Rs. 20,444 Lakh (31 March 2018: Rs. 20,088 Lakh). The said assets are in the possession of the Company only for distribution of electricity to its consumers and maintenance thereof and hence not capitalised in the books of account.
- v Company do not have physical possession of one sub-station which is included above in Distribution Network (refer note No 42 (c))



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Additional Information related to Property, Plant & Equipment :

The Company in accordance with option available under Ind AS-101 elected to continue with carrying value of all its property, plant and equipment as recognised in the financial statement as at the date of transition (i.e. 01 April 2015) to Ind-AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition. However, for the purpose of determination of regulatory deferral account balance the Company also need to disclose the gross carrying value of all its property, plant and equipment as per the previous GAAP. The carrying value of property, plant and equipment for the period as per previous GAAP considered for determination of regulatory deferral account balance are as follows:

Asset description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount As at 31 March 2019
	As at 1 April 2018	Additions during the year	Sales/ disposal during the year	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Sales/ Adjustments	As at 31 March 2019	
Freehold land	392	-	-	392	-	-	-	-	392
Leasehold land	11,895	620	-	12,515	656	133	-	789	11,726
Building and structures	19,422	1,097	3	20,516	1,671	538	1	2,208	18,308
Plant and Equipment	4,074	476	1	4,549	1,115	351	1	1,465	3,084
Solar power generation equipment	30	-	-	30	10	1	-	11	19
Distribution network	81,939	8,430	178	90,191	30,367	3,529	143	33,753	56,438
Meters and other apparatus on consumer's premises	6,358	1,076	157	7,277	2,993	416	110	3,299	3,978
Furniture and fixtures	3,234	74	9	3,299	473	353	6	820	2,479
Office equipment	1,693	28	16	1,705	334	344	14	664	1,041
Computers	2,101	146	3	2,244	864	204	2	1,066	1,178
Vehicles	427	193	64	556	206	95	46	255	301
Total	1,31,565	12,140	431	1,43,274	38,689	5,964	323	44,330	98,944
Capital work in progress	798	11,832	11,327	1,303	-	-	-	-	1,303
Total	798	11,832	11,327	1,303	-	-	-	-	1,303



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4 Other intangible assets

Asset description	Gross carrying amount				Accumulated amortisation				Net carrying amount As at 31 March 2019
	As at 1 April 2018	Additions during the year	Sales/ disposal during the year	As at 31 March 2019	As at 1 April 2018	Amortisation for the year	Sales/ adjustments	As at 31 March 2019	
<i>Acquired intangible assets</i>									
Computer software	2,915	399	-	3,314	709	299	-	1,008	2,306
Other intangible asset	46	-	-	46	18	6	-	24	22
Total	2,961	399	-	3,360	727	305	-	1,032	2,328
<i>Intangible assets under development</i>									
Intangible assets under development	455	466	399	522	-	-	-	-	522
Total	455	466	399	522	-	-	-	-	522

Asset description	Gross carrying amount				Accumulated amortisation				Net carrying amount As at 31 March 2018
	As at 1 April 2017	Additions during the year	Sales/ disposal during the year	As at 31 March 2018	As at 1 April 2017	Amortisation for the year	Sales/ Adjustments	As at 31 March 2018	
<i>Acquired intangible assets</i>									
Computer software	2,236	751	72	2,915	532	242	65	709	2,206
Other intangible asset	46	-	-	46	12	6	-	18	28
Total	2,282	751	72	2,961	544	248	65	727	2,234
<i>Intangible assets under development</i>									
Intangible assets under development	6	1,200	751	455	-	-	-	-	455
Total	6	1,200	751	455	-	-	-	-	455

Notes:

- (i) Intangible assets under development represents various information technology and automation software under installation/development.

Additional information related to intangible assets presented as per previous GAAP:

The Company in accordance with option available under Ind AS-101 elected to continue with carrying value of all its intangible assets as recognised in the financial statement as at the date of transition (i.e. 01 April 2015) to Ind-AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition. However, for the purpose of determination of regulatory deferral account balance the Company also need to disclose the gross carrying value of all its intangible assets as per the previous GAAP. The carrying value of intangible assets for the period as per previous GAAP considered for determination of regulatory deferral account balance are as follows:

Asset description	Gross Block (at cost)				Accumulated Amortisation				Net carrying amount As at 31 March 2019
	As at 1 April 2018	Additions during the year	Sales/ disposal during the year	As at 31 March 2019	As at 1 April 2018	Amortisation for the year	Sales/ adjustments	As at 31 March 2019	
Computer software	3,934	399	-	4,333	1,728	299	-	2,027	2,306
Other intangible asset	117	-	-	117	89	6	-	95	22
Total	4,051	399	-	4,450	1,817	305	-	2,122	2,328
<i>Intangible assets under development</i>									
Intangible assets under development	455	466	399	522	-	-	-	-	522
Total	455	466	399	522	-	-	-	-	522



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	As at 31 March 2019	As at 31 March 2018
5 Non-current investments		
Investment in equity shares (at cost) (unquoted)		
NPCL Solar Energy Private Limited (subsidiary) [refer note 45] 50,000 equity shares (31 March 2018: 50,000) of Rs. 10 each	-	5
Investments in government securities (unquoted) *		
135,000 units (31 March 2018: 135,000 units) of 8.33% Government of India Treasury Bonds	135	135
Investments in bonds (unquoted)		
Nil units (31 March 2018: 5 units) of 11.15% REC Bonds of Rs. 10 Lakh each fully paid up	-	50
Investments in mutual funds (quoted) (at FVTPL) *		
106,886 units (31 March 2018: 106,886 units) of UTI Balance Fund Dividend Plan	29	31
	<u>164</u>	<u>221</u>
Aggregate amount of quoted investments and market value thereof	29	31
Aggregate amount of unquoted investments at cost	135	190
Aggregate amount of impairment in the value of investment	-	-
	<u>164</u>	<u>221</u>
<i>* restricted investment against contingency reserve</i>		
6 Non-current financial assets - loans (at amortized cost)		
Loans to employees		
Considered good - secured	-	-
Considered good - unsecured	147	92
Receivables having significant increase in credit risk	-	-
Credit impaired	-	-
	<u>147</u>	<u>92</u>
7 Other non-current financial assets		
Security deposits	7	7
	<u>7</u>	<u>7</u>
8 Other non-current assets		
Capital advances [refer note 37]	4,063	2,105
Prepaid expenses	47	49
	<u>4,110</u>	<u>2,154</u>



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	As at 31 March 2019	As at 31 March 2018
9 Inventories		
Stores and spares	76	61
	<u>76</u>	<u>61</u>
10 Trade receivables (at amortized cost)		
Considered good - secured	4,718	4,712
Considered good - unsecured	3,025	2,459
Receivables having significant increase in credit risk	1,379	1,263
Credit impaired	5,862	5,172
	<u>14,984</u>	<u>13,606</u>
Less: Allowance for doubtful trade receivables	(7,241)	(6,435)
	<u>7,743</u>	<u>7,171</u>
The Company's exposure to credit risk and loss allowance related to trade receivables are disclosed in note 35.		
11 Cash and cash equivalents		
Balances with banks		
- Demand deposits (with original maturity of three months or less)	1,297	75
- On current accounts	2,218	1,327
Cheques on hand	110	40
Cash on hand	42	5
	<u>3,667</u>	<u>1,447</u>
12 Other bank balances		
Bank deposits with maturity for more than 3 month and less than 12 month*	2,008	8
	<u>2,008</u>	<u>8</u>
* margin money deposits amounting to Rs. 8 lakh (31 March 2018: Rs. 8 lakh)		
13 Current financial assets - Loans (at amortized cost)		
Loans to employees		
Considered good - secured	-	-
Considered good - unsecured	55	34
Receivables having significant increase in credit risk	-	-
Credit impaired	-	-
	<u>55</u>	<u>34</u>
14 Other current financial assets		
Recoverables from UPPCL		
- Consumers' security deposits [Refer note 42(c)]	1,128	1,128
- Others [Refer note 42(a)]	3,077	3,077
Interest accrued on bank deposits	69	3
Interest accrued on non-current investments	2	4
Unbilled revenue (including electricity duty)	4,951	4,854
	<u>9,227</u>	<u>9,066</u>



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	As at 31 March 2019	As at 31 March 2018
15 Other current assets		
Balance with government authorities	1,338	1,666
Prepaid expenses	333	321
Balance with gratuity trust [refer note 23]	87	-
Power banking	7,471	-
	9,229	1,987

16 Regulatory deferral account balance		
Regulatory assets recoverable [refer Note 41]	24,301	22,919
	24,301	22,919

	Number of shares (in lakh)	Amount
17 Equity share capital		
Authorised equity share capital		
As at 31 March 2018	750	7,500
As at 31 March 2019	750	7,500

Movements in equity share capital: Issued and fully subscribed

	Number of shares (in lakh)	Equity share capital (par value)
As at 1 April 2017	600	6,000
Add: Issued during the year	-	-
As at 31 March 2018	600	6,000
Add: Issued during the year	-	-
As at 31 March 2019	600	6,000

(i) Terms and rights attached to equity shares

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in lakh)	% holding	Number of shares (in lakh)	% holding
Greater Noida Industrial Development Authority	164	27.27%	164	27.27%
Shaft Investments Private Limited	109	18.18%	109	18.18%
CESC Limited	297	49.55%	297	49.55%
	570	95.00%	570	95.00%



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	As at 31 March 2019	As at 31 March 2018
18 Other equity		
Securities premium	1,442	1,442
Contingency reserve	233	233
Retained earnings	87,827	77,470
Total reserves and surplus	89,502	79,145
a) Securities premium		
Opening balance	1,442	1,442
Closing balance	1,442	1,442
Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
b) Contingency reserve		
Opening balance	233	233
Closing balance	233	233
As per the provisions of Distribution Tariff Regulation, contingency reserve shall be created up to 0.50% of the gross book value of the fixed assets of the Company as at the beginning of the year subject to the approval of UPERC. The contingency reserve is created to meet cost of replacement of equipment damaged due to force majeure situations. The company is required to invest contingency reserve as allowed by the Commission in prescribed securities only. Also refer to note 41(d).		
c) Retained earnings		
Opening balance	77,470	69,259
Profit for the year	13,979	10,039
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(5)	(23)
Appropriations		
-Dividend	(3,000)	(1,500)
-Dividend distribution tax	(617)	(305)
Closing balance	87,827	77,470
Retained Earnings are the profits of the Company earned till date net of appropriations.		
19 Other non-current financial liabilities	As at 31 March 2019	As at 31 March 2018
Consumers' security deposits [refer note 37]	25,489	22,037
	25,489	22,037



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	As at 31 March 2019	As at 31 March 2018
20 Deferred tax liability (net)		
a. The balance comprises temporary differences attributable to:		
Deferred tax liabilities on account of:		
Depreciation	7,129	5,151
Total deferred tax liabilities (A)	<u>7,129</u>	<u>5,151</u>
Deferred tax assets on account of:		
Provision for employee benefits	220	504
Provision for trade and other receivables	2,530	2,250
Total deferred tax asset (B)	<u>2,750</u>	<u>2,754</u>
Net deferred tax liability (A)-(B)	<u>4,379</u>	<u>2,397</u>

b. Movement in deferred tax assets

	Provision for employee benefits	Provision for trade and other receivables	Others	Total
As at 1 April 2017	377	1,699	5	2,081
(Charged)/credited:				
- to profit or loss	127	551	(5)	673
- to other comprehensive income	-	-	-	-
As at 31 March 2018	<u>504</u>	<u>2,250</u>	<u>-</u>	<u>2,754</u>
(Charged)/credited:				
- to profit or loss	(284)	280	-	(4)
- to other comprehensive income	-	-	-	-
As at 31 March 2019	<u>220</u>	<u>2,530</u>	<u>-</u>	<u>2,750</u>

Movement in deferred tax liabilities

	Depreciation	Borrowings measured at amortised cost	Trade payables measured at amortised cost	Total
As at 1 April 2017	4,597	144	-	4,741
(Charged)/credited:				
- to profit or loss	554	(144)	-	410
- to other comprehensive income	-	-	-	-
As at 31 March 2018	<u>5,151</u>	<u>-</u>	<u>-</u>	<u>5,151</u>
(Charged)/credited:				
- to profit or loss	1,978	-	-	1,978
- to other comprehensive income	-	-	-	-
As at 31 March 2019	<u>7,129</u>	<u>-</u>	<u>-</u>	<u>7,129</u>



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

21 Trade payables	As at 31 March 2019	As at 31 March 2018
Dues to micro and small enterprises (refer note a below)	878	755
Dues to enterprises other than micro and small enterprises [refer note 37]	25,679	11,228
	<u>26,557</u>	<u>11,983</u>
Note a:		
(a) Principal amount remaining unpaid	878	755
(b) Interest due thereon	-	-
(c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-
	<u>878</u>	<u>755</u>

Due to Micro enterprises and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the information available with the Company. The comparative information as at 31 March 2018 for dues to micro enterprises and small enterprises have been restated on account of information received from respective enterprises during the current year.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 35.

22 Other current financial liabilities	As at 31 March 2019	As at 31 March 2018
Employee benefits payable	838	513
Consumers' security deposits	92	310
Creditors for capital goods and services [refer note 37]	3,604	3,118
Other contractual obligations	81	159
	<u>4,615</u>	<u>4,100</u>



Noida Power Company Limited
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23 Provisions

	Current	Non-current	Total
As at 31 March 2019			
Compensated absences	65	-	65
Gratuity	-	-	-
	65	-	65
As at 31 March 2018			
Compensated absences	286	-	286
Gratuity	18	-	18
	304	-	304

(i) Defined contribution plans

The Company makes contributions to registered provident fund administered by the government at specified rates and contribution to NPCL Executives Pension Scheme for certain employees. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the period towards these defined contribution plans is Rs. 243 lakh (31 March 2018: Rs. 202 lakh).

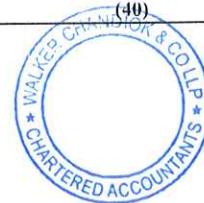
Note: There are numerous interpretative issues relating to the Supreme Court judgement dated 28 February 2019 on provident fund (PF) on the inclusion of allowances for the purpose of PF contributions as well as its applicability of effective date. The Company is evaluating its impact on the financial statement. However, the Company does not expect any significant impact on its financial statements.

(ii) Defined benefit plan - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). All employees who are in service are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates a gratuity plan through the "Noida Power Company Limited Gratuity Trust". Gratuity plan is a funded plan and the Company through its gratuity trust, makes contributions to Life Insurance Corporation of India.

(a) The movement in net liability/(asset) for Gratuity is as follows:

	Present value of obligation	Fair value of plan assets	Net amount
Balance as on 1 April 2017	279	(314)	(35)
Current service cost	65	-	65
Past service cost	52	-	52
Interest expense/(income)	21	(27)	(6)
Total amount recognised in profit or loss	138	(27)	111
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	5	5
(Gain)/loss from change in financial assumptions	4	-	4
Experience (gains)/losses	26	-	26
Total amount recognised in other comprehensive income	30	5	35
Employer contributions	-	(93)	(93)
Benefit payments	(3)	3	-
Balance as on 31 March 2018	444	(426)	18
Current service cost	82	-	82
Past service cost	-	-	-
Interest expense/(income)	34	(40)	(6)
Total amount recognised in profit or loss	116	(40)	76



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Remeasurements:

Return on plan assets, excluding amounts included in interest expense/(income)	-	8	8
(Gain)/loss from change in financial assumptions	(2)	-	(2)
Experience (gains)/losses	2	-	2
Total amount recognised in other comprehensive income	(0)	8	8
Employer contributions	-	(189)	(189)
Benefit payments	(1)	1	-
Balance as on 31 March 2019	559	(646)	(87)

(b) The net defined benefit asset / (liability) is as follows:

	As at 31 March 2019	As at 31 March 2018
Present value of funded obligations	559	444
Fair value of plan assets	646	426
Surplus/(Deficit) of funded plan	87	(18)
Unfunded plans	-	-
Surplus before asset ceiling	87	(18)
Effect of asset ceiling	-	-
Surplus/(Deficit) after asset ceiling	87	(18)

Based on Company's gratuity trust's arrangement with LIC of India, the benefit relating to net defined benefit asset shall be available to the Company in full in form of reduction in future contributions. Further, the asset ceiling for the purpose of recognising net defined benefit asset has been calculated considering Company's estimate of reduction in future contribution to LIC of India within a certain period of time.

(c) The significant actuarial assumptions were as follows:

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.65%	7.65%
Return on plan assets	7.50%	7.50%
Salary growth rate	12.00%	12.00%
Attrition rate	8.00%	8.00%
Mortality table	standard table – Indian Assured Lives Mortality (2006-08)	standard table – Indian Assured Lives Mortality (2006-08)

(d) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption As at 31 March 2019	Increase in assumption As at 31 March 2019	Decrease in assumption As at 31 March 2019
Discount rate	1%	(41)	47
Salary growth rate	1%	32	(32)
Attrition Rate	1%	(9)	11



Noida Power Company Limited
 Summary of significant accounting policies and other explanatory information
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	Change in assumption As at 31 March 2018	Increase in assumption As at 31 March 2018	Decrease in assumption As at 31 March 2018
Discount rate	1%	(32)	37
Salary growth rate	1%	27	(26)
Attrition Rate	1%	(8)	11

Note: Positive value represent increase in defined benefit obligation and negative values represent decrease in defined benefit obligation.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumption used in preparing the sensitivity analysis did not changed compared to prior period.

(e) The major categories of plans assets are as follows:

As at 31 March 2019	Unquoted	Total	in %
Investment funds with LIC of India	646	646	100%
	646	646	100%
As at 31 March 2018	Unquoted	Total	in %
Investment funds with LIC of India	426	426	100%
Total	426	426	100%

Note: The Company's gratuity trust pays contribution to LIC which in turn invests the amount in various instruments. As it is done by LIC in totality basis along with contributions from other participants, hence the company wise investment in planned assets-category/class wise is not available.

(f) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Credit Risk: As the scheme is insured and fully funded on projected unit credit basis, there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner.

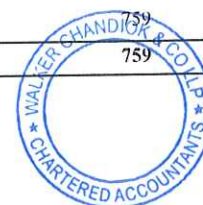
Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Future Salary Increase Risk: The scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

Expected contribution to the fund in the next year is not presently ascertainable and hence the contribution expected to be paid to the plan during the annual period beginning after the reporting date are not disclosed.

The weighted average duration of the defined benefit obligation is 27.03 years (31 March 2018 – 26.84 years). The expected undiscounted maturity analysis of gratuity payments is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2019					
Defined benefit obligation (gratuity)	55	49	158	942	1,204
Total	55	49	158	942	1,204
As at 31 March 2018					
Defined benefit obligation (gratuity)	45	68	91	759	963
Total	45	68	91	759	963



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
24 Other current liabilities		
Advance payment received from consumers for capital jobs	970	1,215
Advances from customers	1,240	1,122
Statutory dues payable	2,107	1,474
	4,317	3,811
25 Current tax liability (net)		
Income tax liability (net of advance tax) (refer note 42(f))	2,907	11,753
	2,907	11,753
26 Revenue from operations	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from sale of electricity	1,57,561	1,40,955
Less: Electricity duty (including duty on unbilled revenue)	8,511	7,519
	1,49,050	1,33,436
Other operating income		
Capital contribution from consumers	3,734	3,032
Delayed payment charges	572	582
Processing charges	32	28
Disconnection and reconnection fees	128	93
Meter testing charges	36	48
	1,53,552	1,37,219



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
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a Disaggregation of revenue

Revenue recognised mainly comprises of sale of electricity in Greater Noida wherein nature, amount, timing and uncertainty of revenue is in accordance with prevailing distribution tariff regulations and tariff orders issued by UPERC from time to time.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from contracts with customers*		
(i) Distribution of electricity		
(a) Sale of electricity	1,49,050	1,33,436
(B) Other ancillary revenue		
(a) Capital contribution from consumers	3,734	3,032
(b) Delayed payment charges	572	582
(c) Processing charges	32	28
(d) Disconnection and reconnection fees	128	93
(e) Meter testing charges	36	48
Total revenue	1,53,552	1,37,219

* The Company operates single segment i.e. sale of electricity.

b Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

	As at 31 March 2019	As at 31 March 2018
Contract assets		
Unbilled revenue other than passage of time	-	-
Total contract assets	-	-
Contract liabilities		
Advance payment received from consumers for capital jobs	970	1,215
Advance from consumers	1,240	1,122
Total contract liabilities	2,210	2,337
Receivables		
Unbilled revenue for passage of time	4,951	4,854
Trade receivables	14,984	13,606
Less: Allowance for doubtful trade receivables	(7,241)	(6,435)
Net receivables	12,694	12,025

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

c Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Contract Liabilities		Contract Liabilities	
	Advance payment received from consumers for capital jobs	Advance from consumers	Advance payment received from consumers for capital jobs	Advance from consumers
Opening balance	1,215	1,122	989	1,023
Addition during the year	849	1,240	887	1,122
Revenue recognised during the year	(1,094)	(1,122)	(661)	(1,023)
Closing balance	970	1,240	1,215	1,122

Current year revenue includes revenue from performance obligations satisfied in previous periods amounting to Rs. nil (31 March 2018: nil).

d There is no impact on any financial statement line item in the current reporting period due to application of Ind AS 115 as compared to Ind AS 18.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
(All amount in Rs. Lakh, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
27 Other income		
Interest income:		
On non-current investments	14	20
On bank deposits	564	104
Other	239	-
Dividend income	2	5
Gain on sale of short term investments (net)	76	50
Other non-operating income:		
Liquidated damages recovery	99	79
Miscellaneous income	60	50
	1,054	308
28 Cost of electrical energy purchased		
Energy charges	98,060	75,100
Transmission charges	17,119	8,683
	1,15,179	83,783
29 Employee benefits expense		
Salaries, wages and bonus	4,437	3,674
Contribution to provident and other funds	243	202
Gratuity [refer note 23]	76	111
Staff welfare expenses	117	168
	4,873	4,155
Less:- Capitalisation of expenses	(899)	(1,034)
	3,974	3,121
30 Finance costs		
Interest on term loans	-	1,485
Interest on working capital facilities and short term loans	2	18
Interest on consumers' security deposit	1,509	1,409
Other borrowing costs	158	355
Interest on delay in payment of taxes	1	-
Interest on shortfall of advance tax	173	242
	1,843	3,509
31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	5,964	5,166
Amortisation of intangible assets	305	248
	6,269	5,414



Noida Power Company Limited**Summary of significant accounting policies and other explanatory information**

(All amount in Rs. Lakh, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
32 Other expenses		
Repairs and maintenance - transmission and distribution system	3371	3,556
Repairs and maintenance - others	593	461
Security expenses	599	533
Insurance	123	112
Power and fuel	8	4
Loss on investment in subsidiary	3	-
Loss on fair valuation of non-current investments (net)	2	2
Rent	14	14
Rates and taxes	3	1
Travelling and conveyance	94	82
Legal and professional charges	829	547
Directors fees	7	7
Payment to auditors [refer note (a) below]	55	37
Corporate social responsibility expenditure [refer note (b) below]	397	267
Loss on retirement of property, plant and equipment/ intangibles assets	74	83
Bad debts written off (net)	590	127
Provision for doubtful debts	806	1,527
Miscellaneous expenses	352	399
	7,920	7,759
(a) Details of payments to auditors		
Audit fee	30	25
Tax audit fee	5	5
Other services	7	-
Reimbursement of expenses (including applicable taxes)	13	7
	55	37
(b) Corporate social responsibility expenditure		
Amount required to be spent as per Section 135 of the Act:	397	267
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	397	267
	397	267



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
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	For the year ended 31 March 2019	For the year ended 31 March 2018
33 Income tax expense		
(a) Tax expense		
Current tax		
Income tax on profits for the year	4,842	7,995
Income tax for earlier years (refer note 42(f))	-	8,010
Total current tax expense	4,842	16,005
Deferred tax		
Decrease (increase) in deferred tax assets	4	(673)
Decrease in deferred tax liabilities	1,978	410
Total deferred tax expense/(benefit)	1,982	(263)
Total income tax expense for the year	6,824	15,742

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	20,803	25,781
Add/(less): deffered tax adjusted from regulatory deferral balance	(1,982)	263
Net profit after adjustment	18,821	26,044
Tax at the Indian tax rate of 34.944% (31 March 2018 – 34.608%)	6,577	9,013
Expense not considered in determining taxable profit	315	(1,239)
Deduction under chapter VI A	(67)	(41)
Taxes for earlier years	-	8,010
Others	(1)	(1)
Income tax expense recognised in statement of profit & loss	6,824	15,742



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
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34 Fair value measurements

(i) Financial instruments by category

	31 March 2019		31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments *				
Government bonds	-	135	-	135
Bonds	-	-	-	50
Mutual funds	29	-	31	-
Loans	-	202	-	126
Trade receivables	-	7,743	-	7,171
Cash and cash equivalents	-	3,667	-	1,447
Other bank balances	-	2,008	-	8
Other financial assets	-	9,234	-	9,073
Total financial assets	29	22,989	31	18,010
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	-	26,557	-	11,983
Other financial liabilities	-	30,104	-	26,137
Total financial liabilities	-	56,661	-	38,120

* The value of investments excludes investments in subsidiary amounting to Rs. nil (31 March 2018: Rs. 5 Lakh) accounted at cost in accordance with Ind AS 27.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the relevant accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL:				
Investment in mutual fund	29	-	-	29
Total financial assets	29	-	-	29

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL:				
Investment in mutual fund	31	-	-	31
Total financial assets	31	-	-	31

1) The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

2) The carrying amounts of non-current loans, investments (other than investments in mutual fund) and other non-current financial liabilities are a reasonable appropriation of their respective fair values unless specified above.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- fair value of the mutual funds has been determined on the basis of closing net asset value of the respective funds on the closing date.
- the fair value of the borrowings is determined basis discounted cash flow analysis using current borrowing rate.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable

During the year, there has been no movement between fair value levels from previous year.



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35 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Aging analysis	Diversification of bank deposits, investments, credit limits and Bank Guarantee
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import of goods and services, etc.	Cash flow forecasting	Company is not exposed to material foreign currency risk
Market risk – interest rate	Borrowings at variable rates	Sensitivity analysis	Arrangement with borrowers for periodic reset of interest rate
Market risk – security prices	Investment in mutual fund	Sensitivity analysis	The company is not exposed to material market price risk.

The Company's risk management is carried out by a treasury department under the supervision of Chief Financial Officer of the Company. The treasury department identifies and evaluates financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk, etc.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit risk exposure. Credit risk arises from trade receivables, investments and other financial assets.

(i) Credit risk management

Credit risk is managed on a company basis.

For advances given to vendors, the Company assess and manage credit risk based on vendor's credit rating/financial profile. In case where credit risk is evaluated to be high/material, the Company have a policy of taking bank guarantee from vendors to secure the recovery of the advances.

For investment in financial assets measured at amortised cost, the Company have a policy to invest only in securities having credit rating of AAA and above.

For trade receivables, as the Company is into the business of power distribution, in accordance with the regulatory requirement, the Company is required to provide connection to each applicant irrespective of the credit rating/financial position of the applicant. However, to mitigate the credit risk arising from trade receivables the company takes security deposits from each consumers as per the parameter defined in Electricity Supply Code, 2005 to cover payment for supply of power equivalent to the average 2 months consumption. Further, the Company reassesses the quantum of security deposit required to be maintained by the consumer every year and recover the additional security deposit, if any, from the consumer.

The Company has a policy of temporarily/permanently disconnecting power supply of consumers in case of non-payment of dues within the stipulated time period. However in case where owing to various practical challenges, if the Company is unable to disconnect the consumer electricity supply, it provide adequate loss allowance against receivable due from such consumers.

For the purpose of providing loss allowance, the Company considers profiling of the consumers on the basis of past payment history. Further, the Company on the basis of past trend, estimates the total amount expected to be recovered from the consumers with different profiling and provide for the loss allowance on the basis of life time expected credit loss.

A default on a financial asset is when the counterparty fails to make contractual payment within stipulated time of when they fall due.

As per the regulations and regulatory framework, the unpaid electricity dues form part of land revenue and are recoverable from the title holder of the premises. Therefore, the chances that unpaid due will not eventually be collected are insignificant.

(ii) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on 1 April 2017	4,908
Changes in loss allowance	1,527
Loss allowance on 31 March 2018	<u>6,435</u>
Changes in loss allowance	806
Loss allowance on 31 March 2019	<u>7,241</u>



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(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding through availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at company level in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves close monitoring of daily liquidity position by considering daily cash collection and level of liquid assets necessary to meet cash outflow obligation, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate	31 March 2019	31 March 2018
- Expiring within one year (Working capital facilities)	23,000	23,000

The working capital loan facility may be availed at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities*:

	Not later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
31 March 2019					
Non-derivatives					
Trade payables	26,557	-	-	-	26,557
Other financial liabilities	30,104	-	-	-	30,104
Total non-derivative liabilities	56,661	-	-	-	56,661
31 March 2018					
Non-derivatives					
Trade payables	11,983	-	-	-	11,983
Other financial liabilities	26,137	-	-	-	26,137
Total non-derivative liabilities	38,120	-	-	-	38,120

* The above maturity analysis does not include consumer security deposits classified as non-current financial liability as their maturity period is not determinable.

(C) Market risk

(i) Foreign currency risk

The Company does not have any foreign operations. Further, at the reporting date, the Company does not have any assets/liability denominated in foreign currency. Therefore, the Company is not exposed to foreign currency exchange risk at the reporting date.

(ii) Interest rate risk

There is no borrowings on the reporting dates.



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36 Capital management

(a) Risk management

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The Company do not have any long-term borrowings and short-term borrowings on reporting date.

(b) Dividends

	<u>31 March 2019</u>	<u>31 March 2018</u>
(i) Equity shares		
Final dividend for the year ended 31 March 2018 of Rs. 5.00 (31 March 2017 – Rs. 2.50) per fully paid share	3,000	1500
Dividend distribution Tax	617	305

(ii) Dividends not recognised at the end of the reporting period**

**The directors have recommended the payment of a final dividend of Rs. 5.00 per equity share at the year end which is subject to the approval of shareholders in the ensuing annual general meeting.



Noida Power Company Limited
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(All amount in Rs. Lakh, unless otherwise stated)

37 Related party transactions

- (a) (i) Entities having Significant Influence : Greater Noida Industrial Development Authority (GNIDA)
CESC Limited
CESC Ventures Limited
Shaft Investments Private Limited
Government of State of Uttar Pradesh
- (ii) Subsidiary : NPCL Solar Energy Private Limited (w.e.f. 23 May 2017 to 28th January 2019)
- (iii) Key Management Personnel (KMP) : Mr. Anup Chandra Pandey, Chairman (w.e.f. 26 December 2017)
Mr. Narendra Bhooshan, Director (w.e.f. 12 December 2018)
Mr. Krishna Kumar Gupta, Director (w.e.f. 12 December 2018)
Mr. Alok Tandon, Director (till 25 Jun 2018)
Mr. Bal Krishna Tripathi, Director (till 31 August 2018)
Mr. Partha Sarthi Sen Sharma, Director (w.e.f. 24 July 2018 to 12 October 2018)
Mr. S. Banerjee, Director
Mr. Ajai Raj Sharma, Director
Mr. S. N. Kuckreja, Director
Mr. Utpal Bhattacharyya, Director
Mr. Pradip Roy, Director
Mrs. Gargi Chatterjea, Director
Mr. R. C. Agarwala, Managing Director and CEO
- (iv) Employee Benefit Plan : Noida Power Company Limited Gratuity Fund
NPCL Executives Pension Scheme
- (v) Subsidiary of Entity having significant influence : Dhariwal Infrastructure Limited (DIL)
STEL Holdings Limited
Spencers Retail Limited
Phillips Carbon Black Limited
Duncan Brothers & Co Ltd

(b) Key management personnel compensation

	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits*	591	464
Employers PF Contribution	17	15
Voluntary Provident Fund	0	1
Senior Staff Pension Fund	2	2
Total compensation	610	482

* Post employment benefits and other long-term employee benefit obligation are computed on Company as a whole basis and cost attributable to KMP is not separately identifiable.

(c) Transactions with related parties

	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Entities having Significant Influence		
Sale of electricity	5,822	5,724
Interest and finance charges	11	12
Purchase of electricity	102	157
Fee for professional service	142	-
Purchase of property, plant and equipment [#]	2,213	1,193
Advance given for property, plant and equipment	-	1,912
Rent	9	9
Dividend	2,850	1,425
Electricity duty	8,511	7,519
(ii) Subsidiary		
Purchase of shares	-	5
Receipt from investment	1	-
(iii) Key Management Personnel		
Directors sitting fee	7	8



Noida Power Company Limited
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(iv) Employee Benefit Plan		
Contribution to Employee Benefit Plan	259	153
(v) Subsidiary of Entities having Significant Influence		
Purchase of electricity	61,975	51,134
Dividend	150	75
Others miscellaneous expenses	7	6

Does not include distribution assets handed over by GNIDA only for distribution of electricity to its consumers and maintenance thereof by the Company (refer note 3)

Company has deposited statutory dues with Entities having Significant Influence as applicable from time to time.

(d) Outstanding balances of related parties

	As at 31 March 2019	As at 31 March 2018
Payable to Entities having Significant Influence		
-Trade payable	9	10
-Payable balance for capital goods and services	432	432
-Payable balance for rent	11	11
-Consumer Security Deposit	228	207
-Advance from customers	28	30
-Electricity duty	1,392	1,128
Payable to Key Management Personnel	116	90
Payable to Subsidiary of Entity having significant influence		
-Power purchase	12,918	4,495
-Others	191	61
Total payables to related parties	15,325	6,464
Receivable from Entities having Significant Influence		
Trade receivables	1,624	1,252
Capital advance	1,912	1,912
Total receivables from related parties	3,536	3,164

Above receivable are considered good and there is no impairment for these receivables.

(e) Terms and conditions

The transactions with related parties are carried in the normal course of business at arms length prices.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
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38 Contingent liabilities

- a Income tax department has raised tax demands for various assessment years which have been challenged by the Company with respective appellate authority.

	31 March 2019	31 March 2018
Income tax demands (refer note i below)	2	832
Penalty demands (refer note ii below)	-	9,969
Total	2	10,801

- i (a) The Income Tax Assessing Officers in preceding years passed assessment orders disallowing power purchase cost not debited to Profit and Loss account and transmission charges u/s 40(a)(ia) for Assessment Years 2011-12 and raised demands of Rs. 1,229 Lakh. The Company had appealed against above order before CIT (Appeals), however, the same was dismissed. The Company filed further appeals before ITAT. The ITAT vide its order dated 10 April 2019 decided the appeal pertaining to disallowance of transmission charges u/s 40(a)(ia) in favour of the Company. Pending such appeals, the Company in preceding year has made provisions in books for demand relating to power purchase disallowance and remaining demand portion pertaining to disallowance of transmission charges u/s 40(a)(ia) amounting to Rs. 832 Lakhs for 31 March 2018 was disclosed above under contingent liability. The Company has paid Rs. 832 Lakh (31 March 2018: Rs. 832 Lakh)

(b) An intimation u/s 143(1) has been issued by CPC on 2 February 2019 for Assessment Year 2017-18, wherein an amount of Rs. 2 Lakh has been determined to be payable by the Company. The Company has filed an appeal before CIT(A) on 8 March 2019 against above intimation.

- ii The Income Tax Assessing Officers in preceding years passed orders u/s 271(1)(c) in respect of the disallowance of power purchase cost not debited to profit and loss account for Assessment Year 2004-05, Assessment Year 2005-06 and Assessment Year 2009-10 and imposed penalty of Rs. 4,600 Lakh, Rs. 5,300 Lakh and Rs. 69 Lakh respectively. The Company appealed against above orders before CIT(Appeals) and the same was decided in favour of the Company. However, the Income Tax Department has further appealed against the orders of CIT(Appeals) before ITAT. The Hon'ble ITAT vide its order dated 14 February 2019 dismissed the appeal filed by Income Tax Department for Assessment Years 2004-05, 2005-06 and 2009-10.

- b Bank Guarantee issued in favour of Government of Uttar Pradesh in respect of License u/s 14 of Electricity Act, 2003 of Rs. 5 Lakh (31 March 2018: Rs. 5 Lakh).

39 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advance) is as follows:

	31 March 2019	31 March 2018
Property, plant and equipment	3,027	2,660
Intangible assets	272	327
	3,299	2,987

(b) Non-cancellable financial leases

The Company has entered into finance lease arrangements for leasehold land. These lease agreements are non-cancellable in nature and cannot be terminated during the tenure of lease. These agreements are generally renewable by mutual consent on mutually agreeable terms. In all the cases, lease rent are paid at the time of inception of lease agreement and no amount is payable during the tenure of lease. The tenure of lease agreement varies from 90 year or 99 years. As generally, rent for the complete tenure of the lease is paid upfront, there are no periodic escalation in the lease rent.



Noida Power Company Limited
Summary of significant accounting policies and other explanatory information
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40 Earnings per share

(a) Basic earnings per share

	<u>31 March 2019</u>	<u>31 March 2018</u>
Basic earnings per share before adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount)	21.00	30.33
Basic earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount)	23.30	16.73

(b) Diluted earnings per share

	<u>31 March 2019</u>	<u>31 March 2018</u>
Diluted earnings per share before adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount)	21.00	30.33
Diluted earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount)	23.30	16.73

(c) Reconciliations of earnings used in calculating earnings per share

	<u>31 March 2019</u>	<u>31 March 2018</u>
<i>Basic earnings per share</i>		
i Profit attributable to equity holders of the Company used in calculating basis earnings per share before adjusting net movement in regulatory deferral account balances	12,597	18,199
ii Profit attributable to equity holders of the Company used in calculating basis earnings per share after adjusting net movement in regulatory deferral account balances	13,979	10,039
<i>Diluted earnings per share</i>		
i Profit attributable to equity holders of the Company		
- used in calculating basis earnings per share before adjusting net movement in regulatory deferral account balances	12,597	18,199
Add/Less: Adjustments	-	-
- used in calculating diluted earnings per share before adjusting net movement in regulatory deferral account balances	12,597	18,199
ii Profit attributable to equity holders of the Company		
- used in calculating basis earnings per share after adjusting net movement in regulatory deferral account balances	13,979	10,039
Add/Less: Adjustments	-	-
- used in calculating diluted earnings per share after adjusting net movement in regulatory deferral account balances	13,979	10,039

(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share

	<u>31 March 2019</u>	<u>31 March 2018</u>
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (number in lakh)	600	600
Adjustments for calculation of diluted earnings per share (number in lakh)	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (number in lakh)	600	600

Note : In computation of basic and diluted earnings per share before adjusting net movement in regulatory deferral account balance, tax on net movement in regulatory deferral account balance has not been considered.



Noida Power Company Limited

Summary of significant accounting policies and other explanatory information

(All amount in Rs. Lakh, unless otherwise stated)

41 Regulator and Regulatory Framework

- a. The Company is principally engaged in the business of distribution of electricity in Greater Noida area of Uttar Pradesh. The electricity distribution framework in the State is regulated by Uttar Pradesh Electricity Regulatory Commission (State Commission/UPERC). The State Commission has framed various Regulations (State Regulations) for regulating the business of the electricity distribution industry in the State of Uttar Pradesh. It has also framed regulation for determination of tariff to be charged from the Consumers viz. UPERC (Multi Year Distribution Tariff) Regulation, 2014 applicable for FY 2017-18 to FY 2019-20. As per Tariff Regulations, the Company recovers its cost of supply including return on equity after prudence check from its consumers through tariff determined by the State Commission .

Under Tariff Regulation, for the purpose of tariff determination, the Company is required to file petition with State Commission for approval of its Annual Revenue Requirement (ARR) which comprises all cost plus stipulated return on equity. On the basis of Annual Revenue Requirement (ARR) submitted by the Company, the State Commission approves the same in accordance with tariff regulations, various tariff orders and Electricity Act,2003. Thereafter, based on such approved ARR, tariff to be charged from consumer is determined by the State Commission which is binding on both the Company and consumer.

- b. State Commission vide its Tariff Order dated 22 January 2019 approved the revised ARR for Financial Year 2018-19 and true-up for Financial Year 2016-17. However, the retail tariffs chargeable from consumers has been retained as earlier approved in Tariff Order dated 30 November 2017. Accordingly, the billing for FY 2018-19 has been done on the basis of tariff rates published by UPERC vide its order dated 30 November 2017.
- c. During the year, the Company has computed its revenue requirement and return in respect of the Financial Year 2018-19 based on the past practices and best estimates in accordance with the provisions of UPERC (Multi Year Distribution Tariff) Regulation, 2014 and the provisional order as stated above. Necessary adjustment, if required, will be made upon the receipt of final order of the State Commission.

Based on the above, the regulatory assets (+)/ liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Particulars	31 March 2019	31 March 2018
i) Regulatory deferral account balance		
Opening balance	20,522	28,419
Addition/ (Deletion) during the year recognized in the Statement of Profit and Loss*	(600)	(7,897)
Closing balance (i)	<u>19,922</u>	<u>20,522</u>
ii) Deferred tax recoverable/(payable)-adjustable in future tariff		
Opening balance	2,397	2,660
Addition/ (Deletion) during the year recognized in the Statement of Profit and Loss	1,982	(263)
Closing balance (ii)	<u>4,379</u>	<u>2,397</u>
Closing balance (i+ii)	<u>24,301</u>	<u>22,919</u>

*Includes recovery through regulatory surcharge of Rs. 8,311 Lakh (31 March 2018: Rs. 9,069 Lakh) .

- d. **Contingency Reserves:** As per various Tariff Orders issued at various time intervals, UPERC had not approved the contingency reserve created/ proposed by the Company either partially or in full since Financial Year 2009-10. When challenged, Appellate Tribunal for Electricity (APTEL), vide its judgement dated 15 December, 2011, upheld UPERC's stand. UPERC has maintained its stand in its recent Tariff Orders dated 22 January 2019. Accordingly, no contingency reserve has been created by the Company since Financial Year 2011-12 onwards till date.
- e. Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created. These are:
- i) **Demand Risk:** Recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the consumers. Accordingly, the recovery of same may get delayed/expedited based upon the demand of area which in turn is dependent upon various government policies, transmission constraints etc. As per the prevailing license, the Company is the sole electricity distribution provider in the area of Greater Noida.
- ii) **Regulatory / Statutory Risk:** Recovery/payment of the regulatory deferral debit/credit balance shall be under the regulatory framework applicable to Electricity Industry within the ambit of Electricity Act, 2003 and Electricity Policies of the Central and State Government. Accordingly, the future recovery of the regulatory deferral debit/credit balance shall be subject to the risk arising from any change in Electricity related Acts, Regulations and Government Policies.

Recoverability of regulatory deferral account balances

As per the regulation, regulatory deferral account balances are expected to settled within 3 years .



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42 a Power Purchase Price from UPPCL and UPPTCL

i. Financial Year 2006-07

(a) UPERC had vide its order dated 1 September 2008 determined the revenue requirement for Financial Year 2006-07. Based on the said order, final power purchase cost (including transmission charges) was determined at Rs. 2.41 per unit for Financial Year 2006-07. UPPCL filed an appeal against the order in APTEL which has since been dismissed vide order of APTEL dated 15 December 2010. UPPCL, subsequently, challenged the judgment of APTEL in Supreme Court which was admitted on 26 November 2013 and pending for hearing. During Financial Year 2006-07, payments to UPPCL were made at the rate of Rs. 2.9361 as per the provisional order of UPERC prevailing at that time. The excess payments made to UPPCL amounting to Rs. 2,077 Lakh have been included under Other current financial assets in Note 14.

UPERC in its order dated 1 September 2008 directed that pending final determination of rates for the additional 10 MVA power (refer note (b) below), the receivables due on this account from UPPCL to the Company shall not be settled till the final settlement of the dispute between UPPCL and the Company. Pending final adjudication of the matter, the impact, if any, cannot be ascertainable at this stage.

(b) The Company had requested UPPCL to provide "Open-access" to wheel additional power for meeting the growing demand of the area. However, instead of providing "Open-access", UPPCL vide its letters dated 08 November 2005 and 13 January 2006 agreed to enhance the load of the Company from 45 MVA to 60 MVA. Accordingly, an additional load of 10 MVA was granted with effect from 10 May 2006. Initially, UPPCL billed the units supplied against additional load @ Rs.2.9361 per unit, i.e. the same rate at which existing 45 MVA power being supplied. Subsequently, UPPCL revised the bills for additional 10 MVA load at exorbitant rates ranging from Rs. 7.067 per unit to Rs. 9.435 per unit against which the Company filed a petition before UPERC for resolution of the dispute. UPERC vide its interim order dated 21 November 2006, directed UPPCL to restore the supply if disconnected and asked the Company to deposit an adhoc payment of Rs.500 Lakh. Against the said order of UPERC, UPPCL filed a writ petition in Hon'ble Allahabad High Court. Hon'ble High Court directed UPPCL to restore the power supply within 24 hrs, directed UPERC to decide the dispute within 4 weeks and also directed the Company to deposit another sum of Rs.500 Laes. UPERC, finally passed an order dated 8 February 2007. Both UPPCL and the Company have appealed against the said order in Appellate Tribunal for Electricity, New Delhi. Appellate Tribunal had given its final order on 12 May 2008 setting out the methodology to be used to determine the power purchase price for additional power of 10 MVA from UPPCL.

The Company and the UPPCL both had preferred an appeal against the relevant Orders of the Appellate Tribunal for Electricity before the Supreme Court. The Supreme Court vide its order dated 3 April 2017 has dismissed the appeal of UPPCL. The appeal of the Company is pending adjudication.

The final power purchase price for additional power of 10 MVA from UPPCL is yet to be determined based on the Order of the Appellate Tribunal and the same cannot be determined at this stage. The Company does not anticipate any additional liability arising on this account.

The additional payments made to UPPCL per directions of UPERC and Hon'able High Court amounting to Rs. 1,000 Lakh have been included under Other Current Financial Assets in Note 14.

ii. Financial Years 1993-94 to 1999-00

The Power Purchase Agreement dated 15 November 1993 between the Company and UPPCL had stipulated a tentative rate of Rs.1.66 per unit as the starting power purchase price, which was to be studied and revised after six months by an Independent Authority nominated by the State Government. Subsequently, several Independent Committees had been constituted from time to time, but no agreement could be reached between UPPCL and the Company on the applicable rates of power purchase. These Committees had given divergent views / decisions in regard to the starting power purchase rate, which ranged from Rs.1.35 to Rs.1.63. The last of these decisions was given in the Beg Committee Report dated 5 December 1999.

Having exhausted all avenues for resolving the dispute, the Company moved a Writ Petition before the Hon'ble Allahabad High Court, inter-alia, contesting the aforesaid Beg Report and seeking a permanent settlement in the matter of power purchase price payable by the Company for Financial Year 1993-94 to 1999-00. The Hon'ble High Court, vide its Interim Orders dated 2 March 2000 and 31 March 2000, referred the matter of price fixation to UPERC, which had since been constituted under the U.P. Electricity Reforms Act, 1999. In addition, the Hon'ble High Court stayed the implementation of the Beg Committee report dated 5 December 1999 and also directed that status quo to be maintained as regards the payments towards power purchase made by the Company as per prevalent practice.

In terms of the Interim Order, UPERC undertook detailed proceedings and submitted its findings vide its speaking order dated 5 February 2001 to the Hon'ble High Court, giving the rates of power purchase payable by the Company during the entire period of Financial Year 1993-94 to 1999-00. Subsequently, the Hon'ble High Court, vide its Order dated 19 February 2001, directed the Company to make necessary payments in cognisance of the rates fixed by UPERC. The Company has since complied with the aforesaid direction and necessary accounting adjustments had also been effected in Financial Year 2000-01. Subsequently, the Company filed an application to Hon'ble Allahabad High Court to uphold the aforesaid order of UPERC, however, UPPCL contested the same.

However, the arguments on the above matter continued and were concluded in October 2005 with the judgement pronounced on 10 November 2005 in favour of the Company. UPPCL, thereafter, filed a Special Leave Petition on 27 February 2006 before the Hon'ble Supreme Court against the order of the Hon'ble Allahabad High Court. Hon'ble Supreme Court vide its order dated 14 September 2017 dismissed the appeal of UPPCL. Since, the Company had already accounted for its power purchase costs in preceding years on the basis of Hon'ble High Court's order dated 19 February 2001, there is no financial liability in respect of power purchase price for financial years 1993-94 to 1999-00.

iii. Transmission Charges

In earlier years, UPPTCL raised claim of Rs. 4,576 Lakh (31 March 2017: Rs. 4,576 Lakh) vide its various letters received in January'2016 and February'2016 towards difference in transmission charges for Long-term and Short-term Open Access on the power purchased by the Company on short-term basis from FY 2007-08 till FY 2014-15. Since, the aforesaid claim is not in accordance with UPERC (Terms and Conditions for Open Access) Regulations, 2004, UPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006 and various Tariff Orders of the State Commission issued from time to time, the Company has contested the same and filed a petition with UPERC. UPERC vide its order dated 16 November 2018 dismissed the claim of UPPTCL.

b UPERC's tariff order dated 18 June 2015

UPERC vide its Tariff Order dated 18 June 2015 had approved the provisional ARR for Financial Year 2015-16 alongwith truing-up for Financial Year 2013-14 wherein it had deviated on some principles/ methodologies followed till previous orders/ provisional orders for the aforesaid period. The Company did not agree with the changed methodology followed in that order and filed an appeal before Appellate Tribunal for Electricity (APTEL) against the same. APTEL vide its judgement dated 02 June 2016 allowed the appeals on certain grounds. Accordingly, UPERC gave effect to the grounds of appeal upheld by APTEL in its tariff order dated 01 August 2016. Consequently, the Company has recognised the effect of the UPERC's above order in determination of regulatory deferral balance for Financial Year 2015-16. Meanwhile, UPERC has appealed against the judgement of APTEL before the Hon'ble Supreme Court, which is yet to be decided.



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c R.C Green EHV sub-station

In order to cater to the growing electricity demand of the area, Greater Noida Industrial Development Authority (GNIDA) constructed one 220/132/33 kV Substation viz. R C Green Substation through Uttar Pradesh Transmission Company Limited (UPPTCL) on the land owned by the Company. After taking approval from its Board of Directors, GNIDA transferred the ownership of the substation to the Company on payment of actual cost of the substation. However, UPPTCL disputed operation and maintenance of 220 kV substation by a Distribution Company despite specific provisions in the Electricity Act, 2003 and refused to give physical possession of the substation. Consequently, the Company filed a petition before the UPERC for issuing direction to UPPTCL for handing over physical possession of the R. C. Green Substation to the Company. The UPERC vide its order dated 31 October 2018, without going into the legal provisions for ownership, operation and maintenance of the Substation by a distribution licensee, rejected the petition of the Company. The Company has filed an appeal against the impugned order before APTEL on 12 November 2018 which has since been admitted on 18 January 2019. The appeal is pending for decision.

d Gharbara EHV sub-station

The Company, in earlier years, had applied for connectivity of its 220kV Gharbara Substation to UPPTCL (STU) which was constructed by GNIDA on the land owned by the Company. During construction, GNIDA, after taking approval from its Board of Directors, handed over this substation to the Company on payment of cost incurred. The Company subsequently completed the construction on its own. Meanwhile, STU did not grant connectivity as applied, hence, a petition was filed before UPERC on 11 May 2015 for seeking directions to STU for granting connectivity and to sign Bulk Power Transmission Agreement (BPTA) with the Company. UPERC, vide its interim order dated 30 June 2016, directed STU to grant connectivity to the Company, however, STU didn't comply with the same. UPERC finally disposed off the petition on 31 October 2018 stating that UPPTCL as STU and transmission licensee shall own, operate and maintain 220 kv substation at Gharbara and the Company shall claim refund of the amount deposited with GNIDA towards cost of substation. The Company has filed an appeal against the above order before APTEL on 11 December 2018 which has since been admitted on 12 February 2019. The appeal is pending for decision.

e Consumer Security Deposit

As per erstwhile agreement with UPPCL dated 15 December 1993, the Company has transferred refundable consumers' security deposits to UPPCL for the period 1 August 1998 to 31 March 2006 amounting to Rs. 1,128 Lakh as security against supply of 45 MVA power. UPPCL has since terminated the aforesaid agreement and withdrawn 45 MVA power supply with effect from 12 February 2014. Accordingly, the Company is seeking refund of the aforesaid security deposit from UPPCL.

f Income tax and minimum alternate tax

As referred to in note 42 (a), the Company had disputes related to power purchased cost (PPC) from UPPCL, which was pending before Hon'ble Supreme Court. Pending such dispute, the Company had claimed such additional PPC at the rates billed by UPPCL in its Income Tax Returns.

During financial year 2017-18, the Hon'ble Supreme Court, vide order dated 03 April, 2017 and 14 September 2017 set aside UPPCL's appeals with regard to claim for additional PPC and hence, the dispute on PPC attained finality in FY 2017-18. Accordingly, considering the verdict of Hon'ble Supreme Court on additional PPC and the outcome of the appeals before ITAT and their consequential impact on other Assessment Years, the losses and minimum alternate tax credit claimed by the Company in its Income Tax Return which needed to be withdrawn, the Company assessed the impact of same and made a provision for income tax by Rs. 8,010 lakh (including interest) for earlier years in FY 2017-18. Further, based on the tariff regulations and preceding tariff orders by Hon'ble UPERC, the Company also recognised the corresponding amount as recoverable in Regulatory Deferral Account Balance.

g Goods and Service Tax

Department of Revenue under Ministry of Finance, Government of India vide its Circular No. 34/8/2018-GST dated 1 March 2018 clarified that the services with respect to transmission or distribution of electricity are exempted from GST however the ancillary services such as processing charges, Meter testing charges, charges for shifting of service line etc. are stated to be taxable. Consequently Directorate General of GST Intelligence (DGGSTI), New Delhi issued a summon u/s 70 of Central Goods and Service Tax Act, 2017 (CGST Act) on 29 May 2018 and directed the Company to submit the details of amounts collected towards abovementioned services. The Company submitted the details to the DGGSTI while stating that the aforesaid circular is in contravention to the provisions of CGST Act and filed a writ petition before the Allahabad High Court on 24 July 2018 against the same. The Allahabad High Court on 05 September 2018 granted interim stay on the summons proceedings. Pending final adjudication of the matter, the amount payable, if any, cannot be ascertained at this stage.

43 Reconciliation of liabilities from financing activities

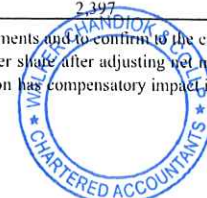
	Interest accrued on borrowings	Consumer security deposit	Total liabilities from financing activities
As at 31 March 2018	-	22,347	22,347
Cash flows:			
-Additions	-	3,234	3,234
-Payments	(1,670)	-	(1,670)
Non cash changes:			
-Interest expense	1,670	-	1,670
As at 31 March 2019	-	25,581	25,581

44 Restatement of Financial Statement

The comparative financial information for the year ended 31 March 2018 included in these financial statements, have been restated on account of classification of expenses and other income. As an effect of restatement of financial statements for the previous year ended 31 March 2018, balance sheet and statement of profit and loss for the year ended 31 March 2018 has been restated. The impact of restatement has been given below:-

Particulars	As at 31 March 2018 (Restated)	As at 31 March 2018 (Original)
Statement of profit and loss		
Revenue from operation	1,37,219	1,36,637
Other income	308	890
Other expenses	7,759	7,759
Net movement in regulatory deferral account balance	(8,160)	(7,897)
Tax expenses	15,742	16,005
Basic and diluted earnings per share before adjusting net movement in regulatory deferral account balance (Rs.)	30.33	29.89
Balance sheet		
Regulatory deferral account balances	22,919	20,522
Deferred tax liabilities (net)	2,397	-

The above reclassification in the previous year's published numbers have been made for better presentation in the financial statements and to confirm to the current year's classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earning per share after adjusting net movement in regulatory deferral account balance of previous year. There is no impact on the statement of cash flow since these reclassification has compensatory impact on cash flow from operating activities only.



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45 Interest in subsidiary

Name of subsidiaries	Principal activity	Principal place of business	Ownership interest	
			31 March 2019	31 March 2018
NPCL Solar Energy Private Limited	Solar Power Generation	India	-	100%

46 Segment information

The Company's Board of Directors examines the Company's performance from a product perspective and has identified single reportable segment, i.e., distribution of electricity, of its business. Accordingly, disclosures relating to operating segments under Ind AS 108 "Operating Segment" are not required. Further, as Company have distribution licensee for undertaking distribution and supply of electricity in the area of Greater Noida, Uttar Pradesh, only, the same falls under single geographical area and all the Company's assets and customers are located in single geographical area. The Company does not have transactions of more than 10% of total revenue with any single external customer.

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm's Registration No: 001076N/N500013

Neeraj Goel

Neeraj Goel
 Partner
 Membership No. 98714



Place: Gurugram
 Date: 27 June 2019

For and on behalf of the Board of Directors of
 Noida Power Company Limited

R. C. Agarwala

R. C. Agarwala
 Managing Director & CEO
 DIN: 00087492

Manoj Jain
 Manoj Jain
 Chief Financial Officer

Place: Greater Noida
 Date:

DIN: *S.K. Sinha*
 S.K. Sinha
 Company Secretary

Place: Greater Noida
 Date:

Anup Chandra Pandey
 Anup Chandra Pandey
 Chairman
 DIN: 00267876

Krishna Kumar Gupta

Krishna Kumar Gupta
 Director
 DIN: 08227386