

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
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Independent Auditor's Report

To the Members of Noida Power Company Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Noida Power Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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 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 of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

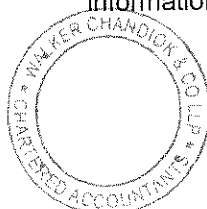
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of 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 Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

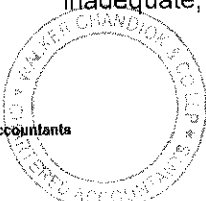
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, 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 is 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, based on our audit, 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.
12. 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.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 May 2021 as per Annexure B expressed unmodified opinion; and
 - 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 44 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - 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 2021; and



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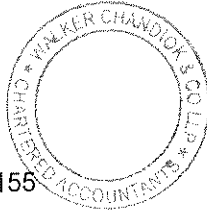
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel

Neeraj Goel
Partner

Membership No.: 99514
UDIN: 21099514AAAADA2155



Place: Gurugram
Date: 22 May 2021

Annexure A to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the financial statements for the year ended 31 March 2021

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 property, plant and equipment.
 - (b) The property, plant and equipment of the Company except the underground cables 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 transmission and distribution assets over a period of five years and all other items over a period of three years, and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment 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, goods and 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.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

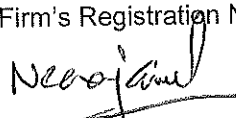


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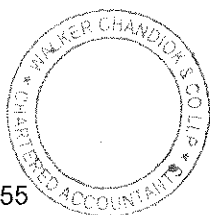
Annexure A to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the financial statements for the year ended 31 March 2021 (continued)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture-holders 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
UDIN: 21099514AAAADA2155



Place: Gurugram
Date: 22 May 2021

Annexure B to the Independent Auditor's Report of even date to the Members of Noida Power Company Limited, on the financial statements for the year ended 31 March 2021

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 financial statements of Noida Power Company Limited ("the Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

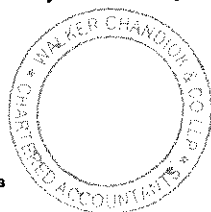
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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) prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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)



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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 financial statements for the year ended 31 March 2021

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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514
UDIN: 21099514AAAADA2155



Place: Gurugram
Date: 22 May 2021

Noida Power Company Limited

Ind AS financial statements and related disclosures for the year ended
31 March 2021

Noida Power Company Limited
Balance Sheet as at 31 March 2021
(All amount in Rs. Lakh, unless otherwise stated)

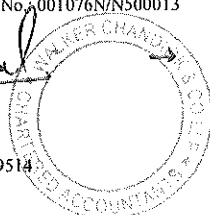
| | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 1,16,650 | 1,12,794 |
| Capital work-in-progress | 3 | 917 | 1,561 |
| Other intangible assets | 4 | 2,591 | 2,463 |
| Intangible assets under development | 4 | 738 | 522 |
| Financial assets | | | |
| i. Investments | 5 | 166 | 155 |
| ii. Loans | 6 | 100 | 136 |
| iii. Other financial assets | 7 | 10 | 10 |
| Income tax assets (net) | 8 | 408 | 30 |
| Other non-current assets | 9 | 5,691 | 209 |
| Total non-current assets | | 1,27,271 | 1,17,880 |
| Current assets | | | |
| Inventories | 10 | 79 | 114 |
| Financial assets | | | |
| i. Investments | 11 | 15,546 | - |
| ii. Trade receivables | 12 | 9,580 | 8,840 |
| iii. Cash and cash equivalents | 13 | 5,908 | 4,953 |
| iv. Bank balances other than (iii) above | 14 | 36,708 | 13,808 |
| v. Loans | 15 | 57 | 60 |
| vi. Other financial assets | 16 | 10,992 | 7,567 |
| Other current assets | 17 | 1,143 | 1,192 |
| Total current assets | | 80,013 | 36,534 |
| Total assets | | 2,07,284 | 1,54,414 |
| Regulatory deferral account debit balances | 18 | - | 21,066 |
| Total assets and regulatory deferral account balances | | 2,07,284 | 1,75,480 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 19 | 6,000 | 6,000 |
| Other equity | 20 | 1,06,401 | 96,217 |
| Total equity | | 1,12,401 | 1,02,217 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Other financial liabilities | 21 | 27,439 | 25,969 |
| Deferred tax liabilities (net) | 22 | 5,029 | 3,697 |
| Total non-current liabilities | | 32,468 | 29,666 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Trade payables | | | |
| -total outstanding dues of micro enterprises and small enterprises | 23 | 74 | 28 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 44,787 | 32,161 |
| ii Other financial liabilities | 24 | 4,674 | 5,005 |
| Provisions | 25 | 37 | 329 |
| Other current liabilities | 26 | 10,730 | 6,074 |
| Total current liabilities | | 60,302 | 43,597 |
| Regulatory deferral account credit balances | 27 | 2,113 | - |
| Total equity and liabilities | | 2,07,284 | 1,75,480 |

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

1-47

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

Neeraj Goel
Partner
Membership No. 99514



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

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

Manoj Jaju
Chief Financial Officer
Place: Greater Noida
Date: 22nd May 2021

S. N. Kulkreja
Director
DIN: 00152350

S.K. Sinha
Company Secretary
Place: Greater Noida

Place: Gurugram
Date: 22nd May 2021

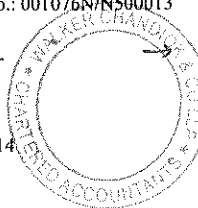
Noida Power Company Limited
Statement of Profit and Loss for the year ended 31 March 2021
 (All amount in Rs. Lakh, unless otherwise stated)

| | Notes | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 28 | 1,69,844 | 1,72,483 |
| Other income | 29 | 2,170 | 1,648 |
| Total income | | 1,72,014 | 1,74,131 |
| Expenses | | | |
| Cost of electrical energy purchased | 30 | 1,15,698 | 1,29,405 |
| Employee benefits expense | 31 | 4,722 | 4,612 |
| Finance costs | 32 | 1,383 | 2,031 |
| Depreciation and amortisation expense | 33 | 5,969 | 6,656 |
| Other expenses | 34 | 7,832 | 11,351 |
| Total expenses | | 1,35,604 | 1,54,055 |
| Profit before movement in regulatory deferral account balance | | 36,410 | 20,076 |
| Net movement in regulatory deferral account balance | 43 | (23,179) | (3,236) |
| Profit before tax | | 13,231 | 16,840 |
| Tax expense | | | |
| (i) Current tax | 35 | 1,771 | 3,530 |
| (ii) Deferred tax expense/(benefit) | 35 | 1,332 | (682) |
| Profit for the year | | 10,128 | 13,992 |
| Other comprehensive expense | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Remeasurements of post-employment benefit obligations | | 75 | (42) |
| -Income tax relating to above items | | (19) | 11 |
| Total other comprehensive income/(expense) for the year | | 56 | (31) |
| Total comprehensive income for the year | | 10,184 | 13,961 |
| Earnings per equity share: | | | |
| Basic earnings per share before net movement in regulatory deferral account balance (Rs.) | 42 | 55.51 | 28.71 |
| Diluted earnings per share before net movement in regulatory deferral account balance (Rs.) | | 55.51 | 28.71 |
| Basic earnings per share after net movement in regulatory deferral account balance (Rs.) | | 16.88 | 23.32 |
| Diluted earnings per share after net movement in regulatory deferral account balance (Rs.) | | 16.88 | 23.32 |

Summary of significant accounting policies and other explanatory information 1-47
 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. 99514



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: 22nd May 2021

S. N. Kuckreja
 S. N. Kuckreja
 Director
 DIN: 00152350

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

Place: Gurugram
 Date: 22nd May 2021

Noida Power Company Limited
Statement of Cash Flow for the year ended 31 March 2021
(All amount in Rs. Lakh, unless otherwise stated)

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax and after net movements in regulatory deferral account balances | 13,231 | 16,840 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 5,969 | 6,656 |
| Loss on retirement of property, plant and equipment/ intangibles assets (net) | 47 | 182 |
| Gain on sale of current investments | (113) | (57) |
| Interest income | (1,396) | (798) |
| Dividend income | (1) | (2) |
| Finance cost | 1,383 | 2,024 |
| Bad debts written off | 680 | 856 |
| Provision for doubtful debts | 1,098 | 820 |
| (Gain)/ loss on fair valuation of non-current investments (net) | (57) | 9 |
| Operating profit before working capital changes | 20,841 | 26,530 |
| Change in operating assets and liabilities | | |
| (Increase) in trade receivables | (2,517) | (2,773) |
| Decrease/ (increase) in inventories | 35 | (38) |
| Increase in trade payables | 12,672 | 6,103 |
| (Increase)/ decrease in other current financial assets | (2,989) | 1,787 |
| (Increase) in other non current financial assets | (0) | (3) |
| Decrease in other non-current assets | - | 47 |
| Decrease in other current assets | 49 | 7,209 |
| (Decrease)/ increase in employee benefit obligations | (217) | 221 |
| Increase/ (decrease) in other current financial liabilities | 291 | (63) |
| Increase in other current liabilities | 4,656 | 1,757 |
| Decrease in regulatory deferral account | 23,178 | 3,236 |
| Cash generated from operations | 55,999 | 44,013 |
| Income taxes paid | (2,168) | (5,627) |
| Net cash inflow from operating activities (A) | 53,831 | 38,386 |
| B. Cash flow from investing activities | | |
| Payment made for property, plant and equipment / intangible assets | (15,662) | (17,240) |
| Proceeds from sale of property, plant and equipment / intangible assets | 21 | 44 |
| Term deposits with banks | (22,900) | (11,800) |
| Investment in mutual funds | (15,500) | - |
| Purchase of current investments | (2,13,505) | (1,63,990) |
| Sale of current investments | 2,13,618 | 1,64,047 |
| Interest received | 960 | 671 |
| Dividend received | 1 | 2 |
| Loans to employees | 39 | 6 |
| Net cash outflow from investing activities (B) | (52,928) | (28,260) |
| C. Cash flows from financing activities | | |
| Interest and other finance cost paid | (1,383) | (2,024) |
| Consumer security deposits (net) | 1,435 | 430 |
| Dividend paid | - | (6,000) |
| Dividend distribution tax paid | - | (1,246) |
| Net cash outflow from financing activities (C) | 52 | (8,840) |



Noida Power Company Limited
Statement of Cash Flow for the year ended 31 March 2021
 (All amount in Rs. Lakh, unless otherwise stated)

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Net increase in cash and cash equivalents (A+B+C) | 955 | 1,286 |
| Cash and cash equivalents at the beginning of the financial year | <u>4,953</u> | <u>3,667</u> |
| Cash and cash equivalents at end of the year [refer note 13] | <u>5,908</u> | <u>4,953</u> |

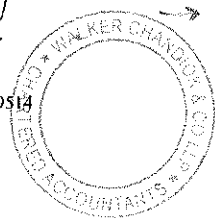
*refer note 45 for reconciliation of liabilities from financing activities

Summary of significant accounting policies and other explanatory information 1-47
 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

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

Neeraj Goel

Neeraj Goel
 Partner
 Membership No. 99514



Place: Gurugram
 Date: 22nd May 2021

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

R. C. Agarwala

R. C. Agarwala
 Managing Director & CEO
 DIN: 00987492

Manoj Jain

Manoj Jain
 Chief Financial Officer
 Place: Greater Noida
 Date: 22nd May 2021

S. N. Kulkreja

S. N. Kulkreja
 Director
 DIN: 00152350

S.K. Sinha

S.K. Sinha
 Company Secretary
 Place: Greater Noida

Noida Power Company Limited
Statement of Changes in Equity for the year ended 31 March 2021
 (All amount in Rs. Lakh, unless otherwise stated)

I) Equity share capital

| | Notes | Number of shares in lakh | Amount |
|---|-------|--------------------------|--------|
| As at 31 March 2019 | | 600 | 6,000 |
| Changes in equity share capital during the year | 19 | - | - |
| As at 31 March 2020 | | 600 | 6,000 |
| Changes in equity share capital during the year | 19 | - | - |
| As at 31 March 2021 | | 600 | 6,000 |

II) Other equity

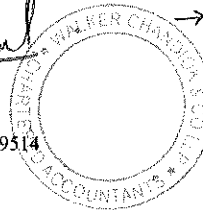
| | Notes | Reserves and surplus | | | Total |
|--|-------|----------------------|-------------------------------------|-------------------|-----------------|
| | | Securities premium | Other reserves: Contingency reserve | Retained earnings | |
| Balance as at 1 April 2019 | | 1,442 | 233 | 87,827 | 89,502 |
| Profit for the year | 20 | - | - | 13,992 | 13,992 |
| Other comprehensive loss | 20 | - | - | (31) | (31) |
| Total comprehensive income for the year | | - | - | 13,961 | 13,961 |
| Transactions with owners in their capacity as owners: | | | | | |
| Dividend paid | | - | - | (6,000) | (6,000) |
| Dividend distribution tax | | - | - | (1,246) | (1,246) |
| Balance as at 31 March 2020 | | 1,442 | 233 | 94,542 | 96,217 |
| Balance as at 31 March 2020 | | 1,442 | 233 | 94,542 | 96,217 |
| Profit for the year | 20 | - | - | 10,128 | 10,128 |
| Other comprehensive loss | 20 | - | - | 56 | 56 |
| Total comprehensive income for the year | | - | - | 10,184 | 10,184 |
| Transactions with owners in their capacity as owners: | | | | | |
| Dividend paid | | - | - | - | - |
| Dividend distribution tax | | - | - | - | - |
| Balance as at 31 March 2021 | | 1,442 | 233 | 1,04,726 | 1,06,401 |

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

1-47

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

Neeraj Goel
 Partner
 Membership No. 99514



Place: Gurugram
 Date: 22nd May 2021

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

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

Manoj Jain
 Chief Financial Officer
 Place: Greater Noida
 Date: 22nd May 2021

S. N. Kuckreja
 Director
 DIN: 00152350

S.K. Sinha
 Company Secretary
 Place: Greater Noida

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 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 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.

Impact of Covid -19

Spread of Coronavirus disease (COVID-19) led to nationwide lock from 25 March, 2020 which was gradually lifted in the Company's distribution license area. However, the economic activity in general is significantly impacted and remained below normal level during the year till date post lockdown period. The Company has seen reduction in demand of electricity in its distribution area and delays in collection from consumers which has now improved and normalized. The Company has adequate short terms funds and avenues to raise further funds to be able to meet its liquidity needs. The Company has also increased the review frequency of cash flow situation and closely monitoring developments, its operations, liquidity, and capital resources and is actively working to minimize the impact of this unprecedented situation.



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

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.

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 35.

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

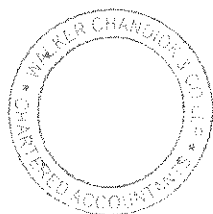
The Company operates under single reportable operating segment viz. distribution of electricity. Accordingly, disclosure relating to operating reportable segment as required under Ind AS 108 are not applicable.

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').



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

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 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.

d) Recognition of dividend income, interest income or expense

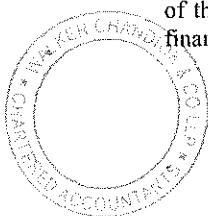
Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

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



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

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.

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

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:



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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

As a lessee

(i) Right-of-use-assets

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company has all the lease agreements for a period 90 years except one lease which is for 29 years with land development authorities for land used in its operations.

(ii) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

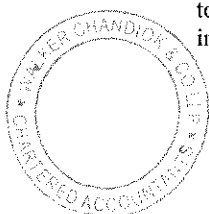
The Company has shown the right-of-use assets and lease liabilities under the head Property Plant and Equipment and in line item include those liabilities respectively of statement of financial position.

(iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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.



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

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.

iii. Financial assets measured at amortized cost:

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

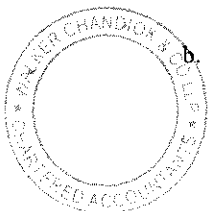
- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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.



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

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.

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

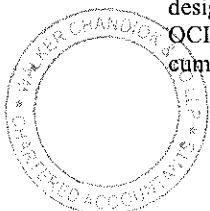
The measurement of financial liabilities depends on their classification, as described below:

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



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

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).

k) Impairment

i. Financial Assets

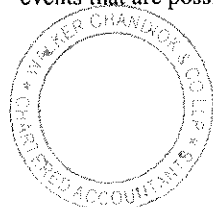
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- 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.



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

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 Statement of Profit and Loss in the period in which they are incurred.

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.

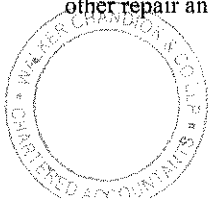
n) Property, plant and equipment

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.



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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:

Till previous year ended 31 March 2020, the Company was providing depreciation using the Written Down Value (WDV) and the rates as provided in UPERC (Multi Year Distribution Tariff) Regulations, 2014, hereinafter referred to as 'MYT Regulations, 2014'. During the year, pursuant to a change in the applicable regulations UPERC (Multi Year Tariff for Distribution & Transmission) Regulation, 2019, hereinafter referred to as 'MYT Regulations, 2019', applicable with effect from 1 April 2020, the Company has provided depreciation using Straight-Line Method (SLM) method at the rates as prescribed in Annexure-A of such regulations.

UPERC in these MYT Regulations, 2019 also stated that in case of existing assets, the balance depreciable value as on 1 April 2020, shall be worked out taking into consideration the life of the assets, and by deducting the cumulative depreciation as admitted by the Commission up to 31 March 2020, from the gross depreciable value of the assets. Accordingly, effective from 1 April 2020, Company has computed and recorded depreciation based on the straight line method on prospective basis.

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.

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.

Till previous year ended 31 March 2020, the Company was providing amortisation using the Written Down Value (WDV) and the rates as provided in UPERC (Multi Year Distribution Tariff) Regulations, 2014, hereinafter referred to as 'MYT Regulations, 2014'. During the year, pursuant to a change in the applicable regulations UPERC (Multi Year Tariff for Distribution & Transmission) Regulation, 2019, hereinafter referred to as 'MYT Regulations, 2019', the Company has provided amortisation using Straight-Line Method (SLM) method at the rates as prescribed in Annexure-A of such regulations.

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



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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.

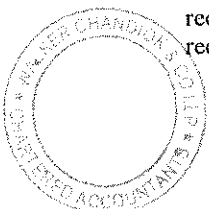
The Company provides for gratuity, a defined benefits plan (the "Gratuity Plan") covering eligible employees in accordance with the payment of Gratuity Act, 1972. The Gratuity Plan provides lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an 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 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'.



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

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.



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

3 Property, plant and equipment

| Asset description | Gross carrying amount | | | | Accumulated depreciation and amortisation | | | | Net carrying amount as at 31 March 2021 |
|---|-----------------------|---------------------------|---------------------------------|---------------------|---|--|--------------------|---------------------|---|
| | As at 1 April 2020 | Additions during the year | Sales/ disposal during the year | As at 31 March 2021 | As at 1 April 2020 | Depreciation and amortisation for the year | Sales/ Adjustments | As at 31 March 2021 | |
| Freehold land | 392 | - | - | 392 | - | - | - | - | 392 |
| Right-of-use assets (Refer note v below) | 14,832 | - | - | 14,832 | 652 | 168 | - | 820 | 14,012 |
| Building and structures | 21,666 | 808 | - | 22,474 | 2,167 | 658 | - | 2,825 | 19,649 |
| Plant and equipment | 4,891 | 873 | 5 | 5,759 | 1,352 | 201 | 5 | 1,548 | 4,211 |
| Solar power generation equipment | 24 | - | - | 24 | 6 | 1 | - | 7 | 17 |
| Distribution network | 84,914 | 6,087 | 141 | 90,860 | 18,846 | 3,765 | 120 | 22,491 | 68,369 |
| Meters and other apparatus on consumer's premises | 6,234 | 1,053 | 101 | 7,186 | 1,685 | 252 | 65 | 1,872 | 5,314 |
| Furniture and fixtures | 3,135 | 55 | - | 3,190 | 973 | 138 | - | 1,111 | 2,079 |
| Office equipment | 1,634 | 36 | - | 1,670 | 814 | 49 | - | 863 | 807 |
| Computers | 1,823 | 514 | 46 | 2,291 | 614 | 249 | 39 | 824 | 1,467 |
| Vehicles | 540 | 15 | 13 | 542 | 182 | 37 | 10 | 209 | 333 |
| Total | 1,40,085 | 9,441 | 306 | 1,49,220 | 27,291 | 5,518 | 239 | 32,570 | 1,16,650 |
| Capital work in progress [refer note (i) below] | 1,561 | 8,783 | 9,427 | 917 | - | - | - | - | 917 |
| Total | 1,561 | 8,783 | 9,427 | 917 | - | - | - | - | 917 |

| Asset description | Gross carrying amount | | | | Accumulated depreciation and amortisation | | | | Net carrying amount as at 31 March 2020 |
|---|-----------------------|---------------------------|---------------------------------|---------------------|---|--|--------------------|---------------------|---|
| | As at 1 April 2019 | Additions during the year | Sales/ disposal during the year | As at 31 March 2020 | As at 1 April 2019 | Depreciation and amortisation for the year | Sales/ Adjustments | As at 31 March 2020 | |
| Freehold land | 392 | - | - | 392 | - | - | - | - | 392 |
| Right-of-use assets (Refer note v below) | 12,233 | 2,599 | - | 14,832 | 507 | 145 | - | 652 | 14,180 |
| Building and structures | 19,918 | 1,748 | - | 21,666 | 1,610 | 557 | - | 2,167 | 19,499 |
| Plant and equipment | 4,075 | 816 | - | 4,891 | 991 | 361 | - | 1,352 | 3,539 |
| Solar power generation equipment | 24 | - | - | 24 | 5 | 1 | - | 6 | 18 |
| Distribution network | 71,751 | 13,666 | 503 | 84,914 | 15,313 | 3,888 | 355 | 18,846 | 66,068 |
| Meters and other apparatus on consumer's premises | 5,248 | 1,115 | 129 | 6,234 | 1,270 | 501 | 86 | 1,685 | 4,549 |
| Furniture and fixtures | 3,135 | - | - | 3,135 | 656 | 317 | - | 973 | 2,162 |
| Office equipment | 1,605 | 30 | 1 | 1,634 | 564 | 251 | 1 | 814 | 820 |
| Computers | 1,644 | 248 | 69 | 1,823 | 466 | 202 | 54 | 614 | 1,209 |
| Vehicles | 433 | 192 | 85 | 540 | 132 | 115 | 65 | 182 | 358 |
| Total | 1,20,458 | 20,414 | 787 | 1,40,085 | 21,514 | 6,338 | 561 | 27,291 | 1,12,794 |
| Capital work in progress [refer note (i) below] | 1,303 | 17,880 | 17,622 | 1,561 | - | - | - | - | 1,561 |
| Total | 1,303 | 17,880 | 17,622 | 1,561 | - | - | - | - | 1,561 |

Notes:

- The capital work-in-progress represents distribution network, other capital assets under constructions/development and capital stores and spares.
- Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- During the current year, the Company has been handed over distribution assets by Greater Noida Industrial Development Authority (GNIDA), Delhi Mumbai Industrial Corridor (DMIC) and other entities. The value of these assets as communicated by the said authorities/entities is Rs. 13,528 Lakh (31 March 2020: Rs. 2,001 Lakh). Till financial year 2020-21, total assets handed over by GNIDA, Uttar Pradesh State Industrial Development Corporation Limited (UPSIDC), DMIC and other entities amount to Rs. 35,582 Lakh (31 March 2020: Rs. 22,127 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.
- Company do not have physical possession of one sub-station which is included above in Distribution Network (refer note No 44 (d))
- The Company has all the lease agreements for a period 90 years except one lease which is for 29 years with land development authorities for land used in its operations.



Noida Power Company Limited

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

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 2021 |
|---|-----------------------|---------------------------|---------------------------------|---------------------|---|--|--------------------|---------------------|---|
| | As at 1 April 2020 | Additions during the year | Sales/ disposal during the year | As at 31 March 2021 | As at 1 April 2020 | Depreciation and amortisation for the year | Sales/ Adjustments | As at 31 March 2021 | |
| Freehold land | 392 | - | - | 392 | - | - | - | - | 392 |
| Right-of-use assets [refer note 45] | 15,114 | - | - | 15,114 | 934 | 168 | - | 1,102 | 14,012 |
| Building and structures | 22,264 | 808 | - | 23,072 | 2,765 | 658 | - | 3,423 | 19,649 |
| Plant and Equipment | 5,365 | 873 | 5 | 6,233 | 1,826 | 201 | 5 | 2,022 | 4,211 |
| Solar power generation equipment | 30 | - | - | 30 | 12 | 1 | - | 13 | 17 |
| Distribution network | 1,03,354 | 6,087 | 141 | 1,09,300 | 37,286 | 3,765 | 120 | 40,931 | 68,369 |
| Meters and other apparatus on consumer's premises | 8,263 | 1,053 | 101 | 9,215 | 3,714 | 252 | 65 | 3,901 | 5,314 |
| Furniture and fixtures | 3,299 | 55 | - | 3,354 | 1,137 | 138 | - | 1,275 | 2,079 |
| Office equipment | 1,734 | 36 | - | 1,770 | 914 | 49 | - | 963 | 807 |
| Computers | 2,423 | 514 | 46 | 2,891 | 1,214 | 249 | 39 | 1,424 | 1,467 |
| Vehicles | 663 | 15 | 13 | 665 | 305 | 37 | 10 | 332 | 333 |
| Total | 1,62,901 | 9,441 | 306 | 1,72,036 | 50,107 | 5,518 | 239 | 55,386 | 1,16,650 |
| Capital work in progress | 1,561 | 8,783 | 9,427 | 917 | - | - | - | - | 917 |
| Total | 1,561 | 8,783 | 9,427 | 917 | - | - | - | - | 917 |



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

4 Other intangible assets

| Asset description | Gross carrying amount | | | | Accumulated amortisation | | | | Net carrying amount as at 31 March 2021 |
|--|-----------------------|---------------------------|---------------------------------|---------------------|--------------------------|---------------------------|--------------------|---------------------|---|
| | As at 1 April 2020 | Additions during the year | Sales/ disposal during the year | As at 31 March 2021 | As at 1 April 2020 | Amortisation for the year | Sales/ adjustments | As at 31 March 2021 | |
| <i>Acquired intangible assets</i> | | | | | | | | | |
| Computer software | 3,767 | 579 | - | 4,346 | 1,320 | 445 | - | 1,765 | 2,581 |
| Other intangible asset | 46 | - | - | 46 | 30 | 6 | - | 36 | 10 |
| Total | 3,813 | 579 | - | 4,392 | 1,350 | 451 | - | 1,801 | 2,591 |
| <i>Intangible assets under development</i> | | | | | | | | | |
| Intangible assets under development | 522 | 795 | 579 | 738 | - | - | - | - | 738 |
| Total | 522 | 795 | 579 | 738 | - | - | - | - | 738 |

| Asset description | Gross carrying amount | | | | Accumulated amortisation | | | | Net carrying amount as at 31 March 2020 |
|--|-----------------------|---------------------------|---------------------------------|---------------------|--------------------------|---------------------------|--------------------|---------------------|---|
| | As at 1 April 2019 | Additions during the year | Sales/ disposal during the year | As at 31 March 2020 | As at 1 April 2019 | Amortisation for the year | Sales/ adjustments | As at 31 March 2020 | |
| <i>Acquired intangible assets</i> | | | | | | | | | |
| Computer software | 3,314 | 453 | - | 3,767 | 1,008 | 312 | - | 1,320 | 2,447 |
| Other intangible asset | 46 | - | - | 46 | 24 | 6 | - | 30 | 16 |
| Total | 3,360 | 453 | - | 3,813 | 1,032 | 318 | - | 1,350 | 2,463 |
| <i>Intangible assets under development</i> | | | | | | | | | |
| Intangible assets under development | 522 | 453 | 453 | 522 | - | - | - | - | 522 |
| Total | 522 | 453 | 453 | 522 | - | - | - | - | 522 |

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 2021 |
|--|-----------------------|---------------------------|---------------------------------|---------------------|--------------------------|---------------------------|--------------------|---------------------|---|
| | As at 1 April 2020 | Additions during the year | Sales/ disposal during the year | As at 31 March 2021 | As at 1 April 2020 | Amortisation for the year | Sales/ adjustments | As at 31 March 2021 | |
| <i>Acquired intangible assets</i> | | | | | | | | | |
| Computer software | 4,786 | 579 | - | 5,365 | 2,339 | 445 | - | 2,784 | 2,581 |
| Other intangible asset | 117 | - | - | 117 | 101 | 6 | - | 107 | 10 |
| Total | 4,903 | 579 | - | 5,482 | 2,440 | 451 | - | 2,891 | 2,591 |
| <i>Intangible assets under development</i> | | | | | | | | | |
| Intangible assets under development | 522 | 795 | 579 | 738 | - | - | - | - | 738 |
| Total | 522 | 795 | 579 | 738 | - | - | - | - | 738 |



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

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| 5 Non-current investments | | |
| Investments in government securities (unquoted) (held till maturity) * | | |
| 135,000 units (31 March 2020: 135,000 units) of 8.33% Government of India Treasury Bonds | 135 | 135 |
| Investments in mutual funds (quoted) (at FVTPL) * | | |
| 106,886 units (31 March 2020: 106,886 units) of UTI Balance Fund Dividend Plan | 31 | 20 |
| | <u>166</u> | <u>155</u> |
| Aggregate amount of quoted investments and market value thereof | 31 | 20 |
| Aggregate amount of unquoted investments at cost | 135 | 135 |
| Aggregate amount of impairment in the value of investment | - | - |
| | <u>166</u> | <u>155</u> |
| <i>* restricted investment against contingency reserve</i> | | |
| 6 Non-current financial assets - loans (at amortised cost) | | |
| Loans to employees | | |
| Considered good - unsecured | 100 | 136 |
| | <u>100</u> | <u>136</u> |
| 7 Other non-current financial assets | | |
| Security deposits | 8 | 8 |
| Bank deposits with maturity for more than 12 month | 2 | 2 |
| | <u>10</u> | <u>10</u> |
| 8 Income tax assets (net) | | |
| Advance tax (net of income tax liability) | 408 | 30 |
| | <u>408</u> | <u>30</u> |
| 9 Other non-current assets | | |
| Capital advances | 5,691 | 209 |
| | <u>5,691</u> | <u>209</u> |



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 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| 10 Inventories | | |
| Stores and spares | 79 | 114 |
| | <u>79</u> | <u>114</u> |
| 11 Current investments | | |
| Investments in mutual funds (quoted) (at FVTPL) | 15,546 | - |
| | <u>15,546</u> | <u>-</u> |
| Aggregate purchase price of quoted investments | 15,500 | - |
| Aggregate carrying value of quoted investments | 15,546 | - |
| 12 Trade receivables (at amortised cost) | | |
| Considered good - secured | 6,475 | 5,389 |
| Considered good - unsecured | 3,105 | 3,451 |
| Credit impaired | 9,159 | 8,061 |
| | <u>18,739</u> | <u>16,901</u> |
| Less: Allowance for doubtful trade receivables | (9,159) | (8,061) |
| | <u>9,580</u> | <u>8,840</u> |
| The Company's exposure to credit risk and loss allowance related to trade receivables are disclosed in note 37. | | |
| 13 Cash and cash equivalents | | |
| Balances with banks | | |
| - Demand deposits (with original maturity of three months or less) | 3,895 | 4,285 |
| - On current accounts | 1,963 | 631 |
| Cheques on hand | 25 | 29 |
| Cash on hand | 25 | 8 |
| | <u>5,908</u> | <u>4,953</u> |
| 14 Other bank balances | | |
| Bank deposits with maturity for more than 3 month and less than 12 month* | 36,708 | 13,808 |
| | <u>36,708</u> | <u>13,808</u> |
| *includes margin money deposits amounting to Rs. 8 lakh (31 March 2020: Rs. 8 lakh) | | |
| 15 Current financial assets - Loans (at amortised cost) | | |
| Loans to employees | | |
| Considered good - unsecured | 57 | 60 |
| | <u>57</u> | <u>60</u> |
| 16 Other current financial assets | | |
| Recoverables from UPPCL | | |
| - Consumers' security deposits [Refer note 44(f)] | 1,129 | 1,129 |
| - Others [Refer note 44(a)] | 3,077 | 3,077 |
| Interest accrued on bank deposits | 632 | 196 |
| Interest accrued on non-current investments | 2 | 2 |
| Unbilled revenue (including electricity duty) | 6,152 | 3,163 |
| | <u>10,992</u> | <u>7,567</u> |



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

| 17 Other current assets | As at | As at |
|---|---------------|---------------|
| | 31 March 2021 | 31 March 2020 |
| Balance with government authorities | 507 | 507 |
| Prepaid expenses | 451 | 539 |
| Balance with gratuity trust [refer note 25] | 185 | 82 |
| Power banking | - | 64 |
| | 1,143 | 1,192 |

| | | |
|--|---|---------------|
| 18 Regulatory deferral account debit balance | | |
| Regulatory deferral account [refer note 43] | - | 21,066 |
| | - | 21,066 |

| 19 Equity share capital | Authorised equity share capital | |
|-------------------------|---------------------------------|--------|
| | Number of shares (in lakh) | Amount |
| As at 31 March 2020 | 750 | 7,500 |
| As at 31 March 2021 | 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 2019 | 600 | 6,000 |
| Add: Issued during the year | - | - |
| As at 31 March 2020 | 600 | 6,000 |
| Add: Issued during the year | - | - |
| As at 31 March 2021 | 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 | | As at | |
|--|-------------------------------|----------------|-------------------------------|---------------|
| | 31 March 2021 | | 31 March 2020 | |
| | 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% |
| CESC Limited | 297 | 49.55% | 297 | 49.55% |
| Eminent Electricity Distribution Limited | 139 | 23.18% | - | - |
| | 600 | 100.00% | 570 | 95.00% |

Eminent Electricity Distribution Limited acquired 109 lakhs equity shares from Shaft Investments Private Limited on 10 February 2021 and 30 lakhs equity shares from STEL Holdings Limited on 30 March 2021



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

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

| 20 Other equity | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------|------------------------|------------------------|
| Securities premium | 1,442 | 1,442 |
| Contingency reserve | 233 | 233 |
| Retained earnings | 1,04,726 | 94,542 |
| Total reserves and surplus | 1,06,401 | 96,217 |
| 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 UPERC in prescribed securities only. Also refer to note 43(d).

c) Retained earnings

| | | |
|--|-----------------|---------------|
| Opening balance | 94,542 | 87,827 |
| Profit for the year | 10,128 | 13,992 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurements of post-employment benefit obligation, net of tax | 56 | (31) |
| Appropriations | | |
| -Dividend | - | (6,000) |
| -Dividend distribution tax | - | (1,246) |
| Closing balance | 1,04,726 | 94,542 |

Retained Earnings are the profits of the Company earned till date net of appropriations.

| 21 Other non-current financial liabilities | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Consumers' security deposits [refer note 39] | 27,439 | 25,969 |
| | 27,439 | 25,969 |



Noida Power Company Limited

Summary of significant accounting policies and other explanatory information

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

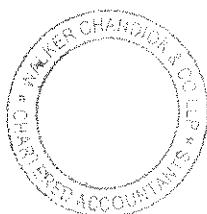
| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| 22 Deferred tax liabilities (net) | | |
| a. The balance comprises temporary differences attributable to: | | |
| Deferred tax liabilities on account of: | | |
| Depreciation | 7,506 | 5,952 |
| Total deferred tax liabilities (A) | 7,506 | 5,952 |
| Deferred tax assets on account of: | | |
| Provision for employee benefits | 172 | 226 |
| Provision for trade and other receivables | 2,305 | 2,029 |
| Total deferred tax asset (B) | 2,477 | 2,255 |
| Net deferred tax liabilities (A)-(B) | 5,029 | 3,697 |

b. Movement in deferred tax assets

| | Provision for employee benefits | Provision for trade and other receivables | Total |
|----------------------------|---------------------------------------|--|--------------|
| As at 1 April 2019 | 220 | 2,530 | 2,750 |
| (Charged)/credited: | | | |
| - to profit or loss | 6 | (501) | (495) |
| As at 31 March 2020 | 226 | 2,029 | 2,255 |
| (Charged)/credited: | | | |
| - to profit or loss | (54) | 276 | 222 |
| As at 31 March 2021 | 172 | 2,305 | 2,477 |

Movement in deferred tax liabilities

| | Depreciation | Total |
|----------------------------|--------------|--------------|
| As at 1 April 2019 | 7,129 | 7,129 |
| Charged/(credited): | | |
| - to profit or loss | (1,177) | (1,177) |
| As at 31 March 2020 | 5,952 | 5,952 |
| Charged/(credited): | | |
| - to profit or loss | 1,554 | 1,554 |
| As at 31 March 2021 | 7,506 | 7,506 |



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

| 23 Trade payables | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Dues to micro and small enterprises (refer note a below) | 74 | 28 |
| Dues to enterprises other than micro and small enterprises [refer note 39] | 44,787 | 32,161 |
| | 44,861 | 32,189 |

Note a:

| | | |
|---|-----------|-----------|
| (a) Principal amount remaining unpaid | 74 | 28 |
| (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 | - | - |
| | 74 | 28 |

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 Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37.

| 24 Other current financial liabilities | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Employee benefits payable | 726 | 617 |
| Consumers' security deposits | 9 | 43 |
| Creditors for capital goods and services [refer note 39] | 3,046 | 3,635 |
| Other contractual obligations | 893 | 710 |
| | 4,674 | 5,005 |



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

25 Provisions

| | Current | Non-current | Total |
|----------------------------|------------|-------------|------------|
| As at 31 March 2021 | | | |
| Compensated absences | 37 | - | 37 |
| | <u>37</u> | <u>-</u> | <u>37</u> |
| As at 31 March 2020 | | | |
| Compensated absences | 329 | - | 329 |
| | <u>329</u> | <u>-</u> | <u>329</u> |

(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. 309 lakh (31 March 2020: Rs. 282 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 has evaluated its impact on the financial statement and 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 at 1 April 2019 | 559 | (646) | (87) |
| Current service cost | 111 | - | 111 |
| Interest expense/(income) | 42 | (54) | (12) |
| Total amount recognised in profit or loss | <u>153</u> | <u>(54)</u> | <u>99</u> |
| <i>Remeasurements:</i> | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 7 | 7 |
| Gain from change in financial assumptions | (13) | - | (13) |
| Experience losses | 48 | - | 48 |
| Total amount recognised in other comprehensive income | <u>35</u> | <u>7</u> | <u>42</u> |
| Employer contributions | - | (139) | (139) |
| Benefit payments | (15) | 15 | - |
| Balance as at 31 March 2020 | <u>732</u> | <u>(817)</u> | <u>(85)</u> |
| Current service cost | 111 | - | 111 |
| Interest expense/(income) | 49 | (59) | (10) |
| Total amount recognised in profit or loss | <u>160</u> | <u>(59)</u> | <u>101</u> |



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

Remeasurements:

| | | | |
|--|-------------|--------------|--------------|
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 6 | 6 |
| Gain from change in financial assumptions | (34) | - | (34) |
| Experience losses | (47) | - | (47) |
| Total amount recognised in other comprehensive income | (81) | 6 | (75) |
| Employer contributions | - | (126) | (126) |
| Benefit payments | (9) | 9 | - |
| Balance as at 31 March 2021 | 802 | (987) | (185) |

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

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Present value of funded obligations | 802 | 732 |
| Fair value of plan assets | 987 | 817 |
| Surplus/(deficit) of funded plan | 185 | 85 |
| Unfunded plans | - | - |
| Surplus before asset ceiling | 185 | 85 |
| Effect of asset ceiling | - | - |
| Surplus/(deficit) after asset ceiling | 185 | 85 |

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 2021 | As at 31 March 2020 |
|-----------------------|--|--|
| Discount rate | 6.76% | 6.75% |
| Return on plan assets | 6.75% | 7.60% |
| Salary growth rate | 11.00% | 12.00% |
| Attrition rate | 8.00% | 8.00% |
| Mortality table | standard table – Indian Assured Lives Mortality (2012-14) | 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 2021 | Increase in assumption As at 31 March 2021 | Decrease in assumption As at 31 March 2021 |
|--------------------|---|---|---|
| Discount rate | 1% | (57) | 66 |
| Salary growth rate | 1% | 47 | (45) |
| Attrition rate | 1% | (14) | 16 |



Noida Power Company Limited

Summary of significant accounting policies and other explanatory information

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

| | Change in assumption As at 31 March 2020 | Increase in assumption As at 31 March 2020 | Decrease in assumption As at 31 March 2020 |
|--------------------|---|---|---|
| Discount rate | 1% | (55) | 64 |
| Salary growth rate | 1% | 44 | (42) |
| Attrition Rate | 1% | (16) | 19 |

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 2021 | Unquoted | Total | in % |
|------------------------------------|------------|------------|-------------|
| Investment funds with LIC of India | 987 | 987 | 100% |
| | 987 | 987 | 100% |
| As at 31 March 2020 | Unquoted | Total | in % |
| Investment funds with LIC of India | 817 | 817 | 100% |
| Total | 817 | 817 | 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) 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 26.12 years (31 March 2020 – 26.87 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 2021 | | | | | |
| Defined benefit obligation (gratuity) | 99 | 76 | 190 | 1,190 | 1,555 |
| Total | 99 | 76 | 190 | 1,190 | 1,555 |
| As at 31 March 2020 | | | | | |
| Defined benefit obligation (gratuity) | 50 | 91 | 179 | 1,151 | 1,471 |
| Total | 50 | 91 | 179 | 1,151 | 1,471 |



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

| 26 Other current liabilities | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Advance payment received from consumers for capital jobs | 7,069 | 1,282 |
| Advances from customers | 1,586 | 2,842 |
| Statutory dues payable | 2,075 | 1,950 |
| | 10,730 | 6,074 |
| | | |
| 27 Regulatory deferral account credit balances | | |
| Regulatory deferral account [refer note 43] | 2,113 | - |
| | 2,113 | - |
| | | |
| 28 Revenue from operations | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
| Revenue from sale of electricity | 1,76,106 | 1,78,689 |
| Less: Electricity duty (including duty on unbilled revenue) | 8,388 | 8,802 |
| | 1,67,718 | 1,69,887 |
| | | |
| Other operating income | | |
| Capital contribution from consumers | 1,997 | 2,465 |
| Processing charges | 30 | 34 |
| Disconnection and reconnection fees | 84 | 96 |
| Meter testing charges | 15 | 1 |
| | 1,69,844 | 1,72,483 |



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

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 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue from contracts with customers* | | |
| (A) Distribution of electricity | | |
| (a) Sale of electricity | 1,67,718 | 1,69,887 |
| (B) Other ancillary revenue | | |
| (a) Capital contribution from consumers | 1,997 | 2,465 |
| (b) Processing charges | 30 | 34 |
| (c) Disconnection and reconnection fees | 84 | 96 |
| (d) Meter testing charges | 15 | 1 |
| Total revenue | 1,69,844 | 1,72,483 |

* 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:

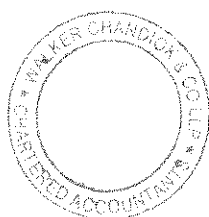
| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Contract assets | | |
| Unbilled revenue other than passage of time | - | - |
| Total contract assets | - | - |
| Contract liabilities | | |
| Advance payment received from consumers for capital jobs | 7,069 | 1,282 |
| Advance from consumers | 1,586 | 2,842 |
| Total contract liabilities | 8,655 | 4,124 |
| Receivables | | |
| Unbilled revenue for passage of time | 6,152 | 3,163 |
| Trade receivables | 18,739 | 16,901 |
| Less: Allowance for doubtful trade receivables | (9,159) | (8,061) |
| Net receivables | 15,732 | 12,003 |

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:

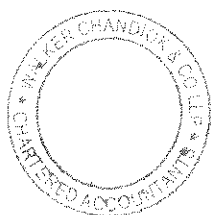
| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|------------------------------------|--|------------------------|--|------------------------|
| | Contract Liabilities | | Contract Liabilities | |
| | Advance payment received from consumers for capital jobs | Advance from consumers | Advance payment received from consumers for capital jobs | Advance from consumers |
| Opening balance | 1,282 | 2,842 | 970 | 1,240 |
| Addition during the year | 6,394 | 1,586 | 931 | 2,842 |
| Revenue recognised during the year | (607) | (2,842) | (619) | (1,240) |
| Closing balance | 7,069 | 1,586 | 1,282 | 2,842 |

Current year revenue includes revenue from performance obligations satisfied in previous periods amounting to Rs. nil (31 March 2020: nil).



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 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| 29 Other income | | |
| Interest income: | | |
| On non-current investments | 11 | 11 |
| On bank deposits | 1,385 | 564 |
| Other | - | 223 |
| Dividend income | 1 | 2 |
| Gain on sale of short term investments (net) | 113 | 57 |
| Other non-operating income: | | |
| Liquidated damages recovery | 16 | 54 |
| Supervision charges | 29 | 121 |
| Miscellaneous income | 90 | 120 |
| Delayed payment surcharge | 525 | 496 |
| | 2,170 | 1,648 |
| 30 Cost of electrical energy purchased | | |
| Energy charges | 1,01,747 | 1,18,865 |
| Transmission charges | 13,951 | 10,540 |
| | 1,15,698 | 1,29,405 |
| 31 Employee benefits expense | | |
| Salaries, wages and bonus | 5,187 | 5,143 |
| Contribution to provident and other funds | 309 | 282 |
| Gratuity [refer note 25] | 101 | 99 |
| Staff welfare expenses | 107 | 120 |
| | 5,704 | 5,644 |
| Less:- Capitalisation of expenses | (982) | (1,032) |
| | 4,722 | 4,612 |
| 32 Finance costs | | |
| Interest on working capital facilities and short term loans | 0 | 9 |
| Interest on consumers' security deposit | 1,260 | 1,841 |
| Other borrowing costs | 123 | 174 |
| Interest on delay in payment of taxes | 0 | 7 |
| | 1,383 | 2,031 |
| 33 Depreciation and amortisation expense | | |
| Depreciation & amortisation of property, plant and equipment | 5,518 | 6,338 |
| Amortisation of intangible assets | 451 | 318 |
| | 5,969 | 6,656 |



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

| 34 Other expenses | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Repairs and maintenance - transmission and distribution system | 3,269 | 3,581 |
| Repairs and maintenance - others | 581 | 941 |
| Security expenses | 653 | 724 |
| Insurance | 139 | 87 |
| Power and fuel | 10 | 10 |
| Loss on fair valuation of non-current investments (net) | - | 9 |
| Rent | 10 | 5 |
| Rates and taxes | 3 | 0 |
| Travelling and conveyance | 49 | 85 |
| Legal and professional charges | 898 | 872 |
| Directors fees | 11 | 10 |
| Payment to auditors [refer note (a) below] | 72 | 63 |
| Corporate social responsibility expenditure [refer note (b) below] | 17 | 2,656 |
| Loss on retirement of property, plant and equipment/ intangibles assets | 47 | 182 |
| Bad debts written off (net) | 680 | 856 |
| Provision for doubtful debts | 1,098 | 820 |
| Miscellaneous expenses | 295 | 450 |
| | 7,832 | 11,351 |
| (a) Details of payments to auditors | | |
| Audit fee | 55 | 44 |
| Tax audit fee | 5 | 5 |
| Reimbursement of expenses (including applicable taxes) | 12 | 14 |
| | 72 | 63 |
| (b) Corporate social responsibility expenditure | | |
| Amount required to be spent as per Section 135 of the Act: | 448 | 425 |
| Amount spent during the year on: | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 17 | 2,656 |
| | 17 | 2,656 |



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

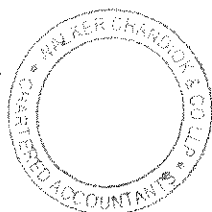
| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| 35 Income tax expense | | |
| (a) Tax expense | | |
| Current tax | | |
| Income tax on profits for the year | 1,987 | 3,862 |
| Income tax for earlier years | (216) | (332) |
| Total current tax expense | 1,771 | 3,530 |
| Deferred tax | | |
| Decrease in deferred tax assets | (222) | 495 |
| (Increase)/decrease in deferred tax liabilities | 1,554 | (1,177) |
| Total deferred tax expense/ (benefit) | 1,332 | (682) |
| Total income tax expense for the year | 3,103 | 2,848 |

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

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit before tax | 13,231 | 16,840 |
| Add/(less): deffered tax adjusted from regulatory deferral balance | (1,332) | 682 |
| Net profit after adjustment | 11,899 | 17,522 |
| Tax at the Indian tax rate of 25.17%* | 2,996 | 4,410 |
| Expense not considered in determining taxable profit | 338 | (585) |
| Deduction under chapter VI A | - | (642) |
| Taxes for earlier years | (216) | (332) |
| Others | (15) | (3) |
| Income tax expense recognised in statement of profit & loss | 3,103 | 2,848 |

* Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legistive Department) which is effective 1 April 2019, domestic companies have the option to pay corporate income tax at a concessional tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax credit and certain other concessional tax rate benefits enjoyed by the Company presently.

During the last year ended 31 March 2020, the Company had reviewed the implications of Ordinance on its tax liability and had opted to apply concessional tax rate of 25.17%. Therefore, the Company has measured current and deferred tax at concessional income-tax rate of 25.17% for last year and current year.



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

36 Fair value measurements

(i) Financial instruments by category

| | 31 March 2021 | | 31 March 2020 | |
|------------------------------------|---------------|----------------|---------------|----------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Investments | | | | |
| Government bonds | - | 135 | - | 135 |
| Mutual funds | 15,577 | - | 20 | - |
| Loans | - | 157 | - | 196 |
| Trade receivables | - | 9,580 | - | 8,840 |
| Cash and cash equivalents | - | 5,908 | - | 4,953 |
| Other bank balances | - | 36,708 | - | 13,808 |
| Other financial assets | - | 11,002 | - | 7,577 |
| Total financial assets | 15,577 | 63,490 | 20 | 35,509 |
| Financial liabilities | | | | |
| Trade payables | - | 44,861 | - | 32,189 |
| Other financial liabilities | - | 32,113 | - | 30,974 |
| Total financial liabilities | - | 76,974 | - | 63,163 |

(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

| As at 31 March 2021 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|---------------|----------|----------|---------------|
| Financial assets | | | | |
| Financial investments at FVTPL: | | | | |
| Investment in mutual fund | 15,577 | - | - | 15,577 |
| Total financial assets | 15,577 | - | - | 15,577 |

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

| As at 31 March 2020 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|-----------|----------|----------|-----------|
| Financial assets | | | | |
| Financial investments at FVTPL: | | | | |
| Investment in mutual fund | 20 | - | - | 20 |
| Total financial assets | 20 | - | - | 20 |

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.



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

37 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 | Invest only in securities having credit rating of AAA and above. |

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 45 days 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 2019 | 7,241 |
| Changes in loss allowance | 820 |
| Loss allowance on 31 March 2020 | <u>8,061</u> |
| Changes in loss allowance | 1,098 |
| Loss allowance on 31 March 2021 | <u>9,159</u> |



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

(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 2021 | 31 March 2020 |
|---|---------------|---------------|
| - Expiring within one year (working capital facilities) | 14,500 | 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 2021 | | | | | |
| Non-derivatives | | | | | |
| Trade payables | 44,861 | - | - | - | 44,861 |
| Other financial liabilities | 32,113 | - | - | - | 32,113 |
| Total non-derivative liabilities | 76,974 | - | - | - | 76,974 |
| 31 March 2020 | | | | | |
| Non-derivatives | | | | | |
| Trade payables | 32,189 | - | - | - | 32,189 |
| Other financial liabilities | 30,974 | - | - | - | 30,974 |
| Total non-derivative liabilities | 63,163 | - | - | - | 63,163 |

* 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.



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

38 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.

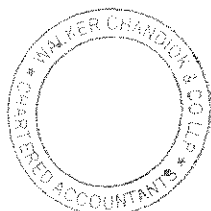
The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The Company do not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

(b) Dividends

| | <u>31 March 2021</u> | <u>31 March 2020</u> |
|---|----------------------|----------------------|
| (i) Equity shares | | |
| Final dividend for the year ended 31 March 2020 of Rs. nil (31 March 2019 – Rs. 5.00) per fully paid share | - | 3,000 |
| Interim dividend for the year ended 31 March 2021 of Rs. nil (31 March 2020 – Rs. 5.00) per fully paid share | - | 3,000 |
| Dividend distribution Tax | - | 1,246 |

(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
Summary of significant accounting policies and other explanatory information
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39 Related party transactions

- (a) (i) Parent : CESC Limited (from 10 February 2021)
 (ii) Entities having significant influence : Greater Noida Industrial Development Authority (GNIDA)
 Shaft Investments Private Limited (till 9 February 2021)
 Eminent Electricity Distribution Limited (from 10 February 2021)
 Government of State of Uttar Pradesh
 (iii) Key Management Personnel (KMP) : Mr. Alok Tandon, Chairman
 Mr. Narendra Bhooshan, Director
 Mr. Krishna Kumar Gupta, Director
 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) Fellow subsidiary : Dhariwal Infrastructure Limited (DIL)
 (vi) Fellow subsidiary of Holding company : Phillips Carbon Black Limited
 (vii) Entity in which KMP of parent is interested : Khaitan & Co

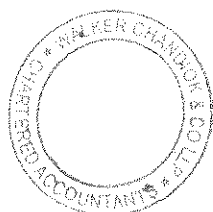
(b) Key management personnel compensation

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Short-term employee benefits* | 674 | 640 |
| Employers PF contribution | 22 | 20 |
| Senior staff pension Fund | 2 | 2 |
| Total compensation | 698 | 662 |

* 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 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| (i) Entities having significant influence | | |
| Sale of electricity | 1,591 | 5,791 |
| Interest and Finance Charges | 18 | 16 |
| Purchase of electricity | 84 | 83 |
| Fee for professional service | 0 | 295 |
| Purchase of property, plant and equipment [#] | 1,137 | 2,675 |
| Dividend | - | 5,700 |
| Electricity duty | 8,388 | 8,802 |
| (ii) Key Management Personnel | | |
| Director Sitting Fee | 11 | 10 |
| (iii) Employee Benefit Plan | | |
| Contribution to Employee Benefit Plan | 202 | 212 |
| (iv) Fellow subsidiary | | |
| Purchase of electricity | 67,109 | 67,107 |
| Dividend | - | 300 |
| Others miscellaneous expenses | 0 | 8 |
| [#] 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. | | |
| (vi) Other related party | | |
| Fee for professional service | 507 | - |



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

(d) Outstanding balances of related parties

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Payable to Entities having Significant Influence | | |
| -Trade payable | 9 | 8 |
| -Payable balance for capital goods and services | 432 | 432 |
| -Payable balance for rent | 11 | 11 |
| -Consumer Security Deposit | 411 | 273 |
| -Advance from customers | 45 | 52 |
| -Electricity duty | 1,720 | 1,574 |
| Payable to Key Management Personnel | 132 | 120 |
| Payable to subsidiary of entity having significant influence | | |
| -Power purchase | 30,465 | 18,438 |
| -Others | - | 139 |
| Total payables | 33,225 | 21,047 |
| Receivable from Entities having significant influence | | |
| -Trade receivables | 1,240 | 987 |
| Total receivables | 1,240 | 987 |

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

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

40 Contingent liabilities

Bank Guarantee issued in favour of Govt of Uttar Pradesh in respect of License u/s 14 of Electricity Act, 2003 of Rs. 5 Lakh (31 March 2020: Rs. 5 Lakh).

41 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:

| | <u>As at</u> <u>31 March 2021</u> | <u>As at</u> <u>31 March 2020</u> |
|-------------------------------|--------------------------------------|--------------------------------------|
| Property, plant and equipment | 2,129 | 4,433 |
| Intangible assets | 249 | 65 |
| | <u>2,378</u> | <u>4,498</u> |



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

42 Earnings per share

(a) Basic earnings per share

| | <u>31 March 2021</u> | <u>31 March 2020</u> |
|--|----------------------|----------------------|
| Basic earnings per share before adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount) | 55.51 | 28.71 |
| Basic earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount) | 16.88 | 23.32 |

(b) Diluted earnings per share

| | <u>31 March 2021</u> | <u>31 March 2020</u> |
|--|----------------------|----------------------|
| Diluted earnings per share before adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount) | 55.51 | 28.71 |
| Diluted earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company (Amount) | 16.88 | 23.32 |

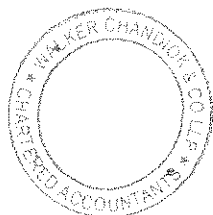
(c) Reconciliations of earnings used in calculating earnings per share

| | <u>31 March 2021</u> | <u>31 March 2020</u> |
|---|----------------------|----------------------|
| <i>Basic earnings per share</i> | | |
| i Profit attributable to equity holders of the Company used in calculating basic earnings per share before adjusting net movement in regulatory deferral account balances | 33,307 | 17,228 |
| ii Profit attributable to equity holders of the Company used in calculating basic earnings per share after adjusting net movement in regulatory deferral account balances | 10,128 | 13,992 |
| <i>Diluted earnings per share</i> | | |
| i Profit attributable to equity holders of the Company | | |
| - used in calculating basic earnings per share before adjusting net movement in regulatory deferral account balances | 33,307 | 17,228 |
| Add/Less: Adjustments | - | - |
| - used in calculating diluted earnings per share before adjusting net movement in regulatory deferral account balances | 33,307 | 17,228 |
| ii Profit attributable to equity holders of the Company | | |
| - used in calculating basic earnings per share after adjusting net movement in regulatory deferral account balances | 10,128 | 13,992 |
| Add/Less: Adjustments | - | - |
| - used in calculating diluted earnings per share after adjusting net movement in regulatory deferral account balances | 10,128 | 13,992 |

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

| | <u>31 March 2021</u> | <u>31 March 2020</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
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43 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) through formulation of various Regulations (State Regulations). For the purpose of determination of tariff recoverable from the Consumers, UPERC has framed UPERC (Multi Year Tariff for Distribution & Transmission) Regulation, 2019 applicable from FY 2020-21 to FY 2024-25. Accordingly, the State Commission determines the Tariff chargeable from consumers by approving the cost of supply including return on equity viz. Annual Revenue Requirement (ARR) of the Company in accordance with aforesaid Tariff Regulations, 2019.

For the aforesaid purpose, the Company is required to file a petition for the approval of its Annual Revenue Requirement (ARR) comprising details of all the costs and stipulated return on equity for the approval of the State Commission every year who approves the same alongwith tariff in accordance with the Tariff Regulations, 2019, various tariff orders and Electricity Act, 2003. The tariffs so approved is binding on both the Company and Consumers.

- b. In the latest Tariff Order dated 4 December, 2020, the State Commission has approved the ARR for FY 2020-21 and has trued up regulatory deferral account balance up to 31 March, 2019 at Rs. 6,174 Lakh as against Rs. 19,922 Lakh as per books of accounts excluding amount recoverable towards deferred tax liabilities of Rs. 4,379 Lakh. The State Commission has deviated on already several settled principles, practices/ methodologies as per UPERC MYT Regulations, 2014 and followed till previous orders/ true-up orders. The Company is not in agreement with the methodology followed by UPERC in the aforesaid tariff order and has filed an appeal against the same before the Appellate Tribunal for Electricity (APTEL) on 25 January 2021. Based on the evaluation supported by legal opinion, the Company is of the view that it is more likely than not the matters will be decided in its favour. Accordingly, necessary adjustment, if any, will be made on final adjudication of the Appeal.

The State Commission vide Tariff Order dated 4th December 2020 approved the same tariff as approved vide tariff order dated 3 September 2019. Accordingly, during FY 2020- 21, the billing has been done as per tariff rates approved by State Commission vide its order dated 3 September 2019

- c. The State Commission vide Gazette dated 23rd September 2019 notified UPERC (Multi Year Tariff for Distribution and Transmission) Regulations 2019 applicable from 1st April 2020 till 31st March 2025. Accordingly, during the year, the Company has computed its revenue requirement and return in accordance with the provisions of UPERC (Multi Year Tariff for Distribution & Transmission) Regulation, 2019, provisional Tariff Order dated 4th December 2020 and as per the past practices and best estimates. 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 2021 | 31 March 2020 |
|--|----------------|---------------|
| i) Regulatory deferral account debit /(credit) balance | | |
| Opening balance | 17,369 | 19,922 |
| Addition/ (Deletion) during the year recognized in the Statement of Profit and Loss* | (24,511) | (2,553) |
| Closing balance (i) | (7,142) | 17,369 |
| ii) Deferred tax recoverable/(payable)-adjustable in future tariff | | |
| Opening balance | 3,697 | 4,379 |
| Addition/ (Deletion) during the year recognized in the Statement of Profit and Loss | 1,332 | (682) |
| Closing balance (ii) | 5,029 | 3,697 |
| Closing balance (i+ii) | (2,113) | 21,066 |

*Includes recovery through regulatory surcharge of Rs. nil abolished w.e.f. 12 September 2019 (31 March 2020: Rs. 4,891 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 4 December 2020. 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 through subsequent years tariff determination.



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Summary of significant accounting policies and other explanatory information

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44 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 16.

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 Lacs. 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 16.

b Power Purchase from Dharwad Infrastructures Limited (DIL)

In earlier year, UPERC vide its orders approved DIL's claim for additional coal charges upto FY 2019-20 as well as change in law events towards taxes, duties and washing of coal etc. upto FY 2018-19. Accordingly, the Company has provided Rs.6,850 lakh for additional coal charges and Rs. 3,292 lakh for impact of change in law events towards the cost of power purchased from DIL as per the bills (including supplementary bills) raised by DIL. UPERC in the said orders has stated that claim towards carrying cost shall be dealt at the time of true-up which would be provided in the year of receipt of the order.

c 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 true-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.

d 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.

e 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.



Noida Power Company Limited

Summary of significant accounting policies and other explanatory information

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

f 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. 1,129 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.

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. Meanwhile, the Company has filed an intervention petition on 13 November, 2019 before the Hon'ble Supreme Court against the SLP filed by Revenue department on the same issue. Pending final adjudication of the matter, the amount payable, if any, cannot be ascertained at this stage.

45 Reconciliation of liabilities from financing activities

| | Interest accrued on borrowings | Consumer security deposit | Total liabilities from financing activities |
|---------------------|--------------------------------|---------------------------|---|
| As at 31 March 2020 | - | 26,011 | 26,011 |
| Cash flows: | | | |
| -Additions | - | 1,435 | 1,435 |
| -Payments | (1,383) | - | (1,383) |
| Non cash changes: | | | |
| -Interest expense | 1,383 | - | 1,383 |
| As at 31 March 2021 | - | 27,446 | 27,446 |

46 Restatement of financial statement

During the current year, based on an opinion pronounced by the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI), the Company has recognised delayed payment surcharge (DPS) as "other income" instead of "other operating income". Accordingly, the comparative financial information included in these financial statements, have been restated. As an effect of restatement of financial statements, Statement of Profit and Loss for the year ended 31 March, 2020 has been restated. Accordingly, DPS of Rs. 496 lakhs has been recognised in other income instead of other operating income.

Impact on Statement of Profit and Loss for the year ended 31 March, 2020

| Particulars | Year ended 31 March 2021 (Restated) | Year ended 31 March 2020 (Original) |
|-----------------------------|-------------------------------------|-------------------------------------|
| (i) Revenue from operations | 1,72,483 | 1,72,979 |
| (ii) Other income | 1,648 | 1,152 |

The above reclassification in the previous period have been made to confirm to the current period's classification/disclosure. This does not have any impact on the profit of the Company of previous period.

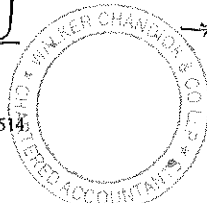
There is no impact on the retained earnings balance as at opening date of the comparative period i.e. 1 April, 2019 therefore, opening date balances have not been restated or presented.

47 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 Chandlok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Gocl
Neeraj Gocl
Partner
Membership No. 99514



Place: Gurugram
Date: 22nd May 2021

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

S. N. Kuckreja
S. N. Kuckreja
Director
DIN: 00152350

Manoj Jain
Manoj Jain
Chief Financial Officer
Place: Greater Noida
Date: 22nd May 2021

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