

**Noida Power Company Limited**

**IND AS Financial Statements and related disclosures for the  
year ended March 31, 2017**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF NOIDA POWER COMPANY LIMITED**

#### **Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying financial statements of **Noida Power Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Ind AS Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated August 30, 2016 and August 27, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

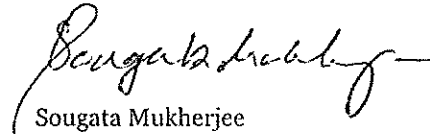
10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



INDEPENDENT AUDITORS' REPORT  
To the Members of Noida Power Company Limited  
Report on the Financial Statements  
Page 3 of 3

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 44, 49(d) and 49(e);
  - ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2017.
  - 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 March 31, 2017.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 49(h).

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants



Sougata Mukherjee  
Partner  
Membership Number: 57084

Place: Kolkata  
Date: May 15, 2017

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Noida Power Company Limited on the Ind AS financial statements for the year ended March 31, 2017

Page 1 of 2

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Noida Power Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Noida Power Company Limited on the Ind AS financial statements for the year ended March 31, 2017

Page 2 of 2

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 Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants



Sougata Mukherjee  
Partner  
Membership Number: 57084

Place: Kolkata  
Date: May 15, 2017

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Noicla Power Company Limited on the financial statements as of and for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the company excepting the underground cables in the company's transmission and distribution system for which, we have been informed, physical verification is not practicable, are physically verified by the Management according to a phased programme designed to cover all the other items of transmission and distribution, over a period of five years and all other items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification
  - (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

| Name of the statute  | Nature of dues                      | Amount disputed (Rs. Lakhs) | Amount deposited under protest (Rs. Lakhs) | Period to which the amount relates                       | Forum where the dispute is pending |
|----------------------|-------------------------------------|-----------------------------|--|--|------------------------------------|
| Income Tax Act, 1961 | Tax & Interest u/s 201(1) & 201(1A) | 981                         | 212  | A.Y 2008-09<br>A.Y 2010-11<br>A.Y 2011-12<br>A.Y 2012-13 | ITAT                               |



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Noida Power Company Limited on the financial statements for the year ended March 31, 2017

Page 2 of 3

| Name of the statute  | Nature of dues        | Amount disputed (Rs. Lakhs) | Amount deposited under protest (Rs. Lakhs) | Period to which the amount relates        | Forum where the dispute is pending |
|----------------------|-----------------------|-----------------------------|--|---|------------------------------------|
|                      |                       |                             |  | A.Y 2013-14<br>A.Y 2014-15                |                                    |
| Income Tax Act, 1961 | Income tax & Interest | 1300                        | 423  | A.Y 2012-13                               | ITAT                               |
| Income Tax Act, 1961 | Income tax & Interest | 1229                        | 1229                                       | A.Y 2011-12                               | ITAT                               |
| Income Tax Act, 1961 | Income tax & Interest | 295                         | 295  | A.Y 2010-11                               | ITAT                               |
| Income Tax Act, 1961 | Income tax & Interest | 365                         | 277  | A.Y 2008-09                               | Hon'able, Allahabad High Court     |
| Income Tax Act, 1961 | Income tax & Interest | 471                         | 471  | A.Y 2009-10                               | Hon'able, Allahabad High Court     |
| Income Tax Act, 1961 | Income tax & Interest | 207                         | 207  | A.Y 2007-08                               | Hon'able, Allahabad High Court     |
| Income Tax Act, 1961 | Penalty u/s 271(1)(c) | 9,969                       | -  | A.Y 2004-05<br>A.Y 2015-06<br>A.Y 2009-10 | ITAT                               |
| Income Tax Act, 1961 | Income tax & Interest | 42                          | 42   | A.Y 2014-15                               | CIT(A)                             |

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for certain instances of theft of electricity by third parties as noticed and reported by the loss control cell of the company, the amount for which is not ascertainable and for which the Management has taken appropriate steps including recovery proceedings, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.





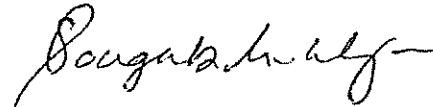
**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Noida Power Company Limited on the financial statements for the year ended March 31, 2017

Page 3 of 3

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants



Sougata Mukherjee  
Partner  
Membership Number: 57084

Place: *Kolkata*  
Date: *May 15, 2017*

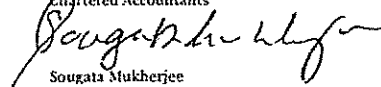
**Noida Power Company Limited**  
**Balance Sheet**  
 (All amount in Rs. Lakhs, unless otherwise stated)

|  | Notes | 31 March, 2017 | 31 March, 2016 | 1 April, 2015  |
|--|-------|----------------|----------------|----------------|
| <b>Assets</b>  |       |                |                |                |
| <b>Non-current assets</b>                                    |       |                |                |                |
| Property, plant and equipment                                | 4     | 83,873         | 75,065         | 67,337         |
| Capital work in progress                                     | 4     | 1,142          | 901            | 720            |
| Other intangible assets                                      | 5     | 1,738          | 806            | 829            |
| Intangible assets under development                          | 5     | 6              | 370            | 9              |
| <b>Financial assets</b>                                      |       |                |                |                |
| i. Investments   | 6     | 379            | 397            | 401            |
| ii. Loans  | 7     | 101            | 65             | 48             |
| iii. Other financial assets                                  | 8     | 3              | 1              | 3              |
| Other non-current assets                                     | 9     | 322            | 91             | 100            |
| <b>Total non-current assets</b>                              |       | <b>87,464</b>  | <b>77,696</b>  | <b>69,447</b>  |
| <b>Current assets</b>  |       |                |                |                |
| Inventories  | 10    | 64             | 35             | 44             |
| <b>Financial assets</b>                                      |       |                |                |                |
| i. Trade receivables   | 11    | 7,248          | 8,434          | 5,861          |
| ii. Cash and cash equivalents                                | 12    | 1,289          | 560            | 1,293          |
| iii. Bank balances other than (ii) above                     | 13    | 8              | 14             | 21             |
| iv. Loans  | 14    | 31             | 26             | 19             |
| v. Other financial assets                                    | 15    | 8,137          | 7,308          | 6,855          |
| Current tax assets (Net)                                     | 16    | -              | -              | 864            |
| Other current assets   | 17    | 1,956          | 2,099          | 1,425          |
| <b>Total current assets</b>                                  |       | <b>18,733</b>  | <b>18,476</b>  | <b>16,382</b>  |
| <b>Total assets</b>  |       | <b>106,197</b> | <b>96,172</b>  | <b>85,829</b>  |
| Regulatory deferral account balances                         | 18    | 28,419         | 49,427         | 53,286         |
| <b>Total assets and regulatory deferral account balances</b> |       | <b>134,616</b> | <b>145,599</b> | <b>139,115</b> |
| <b>Equity and liabilities</b>                                |       |                |                |                |
| <b>Equity</b>  |       |                |                |                |
| Equity share capital   | 19    | 6,000          | 6,000          | 6,000          |
| Other equity   | 20    | 70,934         | 62,998         | 51,166         |
| <b>Total equity</b>  |       | <b>76,934</b>  | <b>68,998</b>  | <b>57,166</b>  |
| <b>Liabilities</b>   |       |                |                |                |
| <b>Non-current liabilities</b>                               |       |                |                |                |
| <b>Financial liabilities</b>                                 |       |                |                |                |
| i. Borrowings  | 21    | 15,513         | 28,166         | 31,282         |
| ii. Trade payables   | 22    | -              | -              | 918            |
| iii. Other financial liabilities                             | 23    | 18,721         | 15,864         | 13,865         |
| Employee benefit obligations                                 | 24    | 608            | 365            | 387            |
| Deferred tax liabilities (Net)                               | 25    | -              | -              | -              |
| <b>Total non-current liabilities</b>                         |       | <b>34,842</b>  | <b>44,395</b>  | <b>46,452</b>  |
| <b>Current liabilities</b>                                   |       |                |                |                |
| <b>Financial liabilities</b>                                 |       |                |                |                |
| i. Borrowings  | 26    | -              | 4,205          | 10,847         |
| ii. Trade payables   | 27    | 8,380          | 9,568          | 8,348          |
| iii. Other financial liabilities                             | 28    | 10,606         | 15,161         | 13,848         |
| Employee benefit obligations                                 | 24    | 24             | 117            | 22             |
| Other current liabilities                                    | 29    | 3,553          | 2,462          | 2,430          |
| Provisions   | 30    | -              | -              | 2              |
| Current tax liabilities (Net)                                | 31    | 277            | 693            | -              |
| <b>Total current liabilities</b>                             |       | <b>22,840</b>  | <b>32,206</b>  | <b>35,497</b>  |
| <b>Total liabilities</b>                                     |       | <b>57,682</b>  | <b>76,601</b>  | <b>81,949</b>  |
| <b>Total equity and liabilities</b>                          |       | <b>134,616</b> | <b>145,599</b> | <b>139,115</b> |



The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants

  
 Sougata Mukherjee  
 Partner  
 Membership No: 57084  
 Place: Kolkata  
 Date: May 15, 2017

For and on behalf of the Board of Directors

  
 Chairman  
 DIN: 06415793  
  
 Managing Director & CEO  
 DIN: 00087492  
 Manoj Jain  
 Chief Financial Officer  
 S.K. Sinha  
 Company Secretary  
 Place: Gizaate Noida  
 Date: May 15, 2017

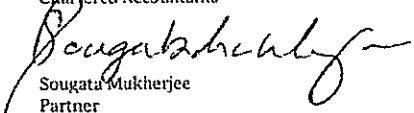
**Noida Power Company Limited**  
**Statement of profit and loss**  
 (All amount in Rs. Lakhs, unless otherwise stated)

|  | Notes | 31 March, 2017 | 31 March, 2016 |
|--|-------|----------------|----------------|
| <b>Income</b>  |       |                |                |
| Revenue from operations  | 32    | 110,804        | 98,186         |
| Other income and other gains/(losses)  | 33    | 655            | 393            |
| <b>Total income</b>  |       | <b>111,459</b> | <b>98,579</b>  |
| <b>Expenses</b>  |       |                |                |
| Cost of electrical energy purchased  |       | 63,776         | 59,694         |
| Transmission Charges   |       | 1,078          | 5,592          |
| Employee benefit expenses  | 34    | 2,181          | 2,005          |
| Finance costs  | 35    | 5,726          | 7,357          |
| Depreciation and amortisation expense  | 36    | 6,457          | 5,763          |
| Other expenses   | 37    | 6,840          | 5,335          |
| <b>Total expenses</b>  |       | <b>86,058</b>  | <b>85,746</b>  |
| <b>Profit before tax</b>   |       | <b>25,401</b>  | <b>12,833</b>  |
| <b>Income tax expense</b>  |       |                |                |
| Current tax  | 38    | 3,111          | 3,617          |
| Deferred tax   | 38    | -              | -              |
| <b>Profit for the year before net movements in regulatory deferral account balances</b>  |       | <b>22,290</b>  | <b>9,216</b>   |
| Net movement in regulatory deferral account balances related to profit and loss and the related deferred tax adjustments (Refer Note 48) |       | (12,524)       | 3,704          |
| <b>Profit for the year after net movements in regulatory deferral account balance</b>  |       | <b>9,766</b>   | <b>12,920</b>  |
| <b>Other comprehensive income</b>  |       |                |                |
| <i>Items that will not be reclassified to profit or loss</i>   |       |                |                |
| -Remeasurements of post-employment benefit obligations   |       | (38)           | (7)            |
| -Income tax relating to these items  |       | 13             | 2              |
| <b>Total Other Comprehensive Income for the year, net of tax</b>   |       | <b>(25)</b>    | <b>(5)</b>     |
| <b>Total Comprehensive Income for the year</b>   |       | <b>9,741</b>   | <b>12,915</b>  |
| <b>Earnings per equity share:</b>  |       |                |                |
| Basic earnings per share excluding net movement in regulatory deferral account balances  | 46    | 37.15          | 15.36          |
| Diluted earnings per share excluding net movement in regulatory deferral account balances  | 46    | 37.15          | 15.36          |
| Basic earnings per share after adjusting net movement in regulatory deferral account balances  | 46    | 16.28          | 21.53          |
| Diluted earnings per share after adjusting net movement in regulatory deferral account balances  | 46    | 16.28          | 21.53          |


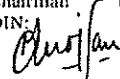
The accompanying notes are an integral part of these financial statements

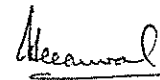
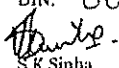
This is the Statement of Profit and Loss referred to in our report of even date

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants

  
 Sougata Mukherjee  
 Partner  
 Membership No: 57084  
 Place: Kolkata  
 Date: May 15, 2017

For and on behalf of the Board of Directors

  
 Chairman  
 DIN: 06415793  
  
 Manoj Jain  
 Chief Financial Officer  
 Place: Greater Noida  
 Date: May 15, 2017

  
 Managing Director & CEO  
 DIN: 00037492  
  
 S.K. Sinha  
 Company Secretary

**Noida Power Company Limited**  
**Statement of cash flows**  
(All amount in Rs. Lakhs, unless otherwise stated)

March 31, 2017      March 31, 2016

**Cash flow from operating activities**

|  |        |        |
|--|--------|--------|
| <b>Profit before tax and after net movements in regulatory deferral account balances</b> | 12,877 | 16,537 |
| Adjustments for:   |        |        |
| Depreciation and amortisation expense  | 6,457  | 5,763  |
| Loss on disposal of property, plant and equipment  | 134    | 86     |
| Gain on sale of current investments  | (10)   | (12)   |
| Interest income  | (100)  | (68)   |
| Dividend income  | (2)    | (4)    |
| Interest Expense   | 5,432  | 6,481  |
| Other finance cost   | 249    | 245    |
| Discount on issue of commercial paper  | 32     | 584    |
| Interest for advance tax shortfall   | 58     | 166    |
| Finance Cost capitalised   | (45)   | (119)  |
| Bad debts written off  | 196    | 246    |
| Provision for doubtful debts   | 1,446  | 766    |
| Fair Value (Gain)/Loss on Investment in Mutual fund                                      | (4)    | 3      |

|  |               |               |
|--|---------------|---------------|
| <b>Operating profit before working capital changes</b> | <b>26,720</b> | <b>30,674</b> |
|--|---------------|---------------|

**Change in operating assets and liabilities**

|  |         |         |
|--|---------|---------|
| Increase in trade receivables                              | (455)   | (3,586) |
| (Increase)/Decrease in inventories                         | (29)    | 9       |
| Increase/(Decrease) in trade payables                      | (1,249) | 61      |
| Increase in other Current financial assets                 | (837)   | (452)   |
| (Increase)/decrease in other Non Current financial assets  | (2)     | 2       |
| Increase in other non-current assets                       | (41)    | (1)     |
| (Increase)/decrease in other current assets                | 303     | (305)   |
| Increase in employee benefit obligations                   | 112     | 66      |
| Increase/(Decrease) in other current Financial liabilities | (136)   | 231     |
| Increase in other current liabilities                      | 1,091   | 32      |
| Decrease in Regulatory Deferral Account                    | 21,008  | 3,859   |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| <b>Cash generated from operations</b> | <b>46,485</b> | <b>30,590</b> |
|---------------------------------------|---------------|---------------|

|                                |         |         |
|--------------------------------|---------|---------|
| Income taxes paid (net of TDS) | (3,769) | (2,727) |
|--------------------------------|---------|---------|

|  |               |               |
|--|---------------|---------------|
| <b>Net cash inflow from operating activities</b> | <b>42,716</b> | <b>27,863</b> |
|--|---------------|---------------|

**Cash flows from investing activities**

|   |          |          |
|---|----------|----------|
| Payments for property, plant and equipment / intangible assets (including capital advances) | (17,178) | (13,030) |
| (Increase)/Decrease in capital work in progress   | (241)    | (181)    |
| (Increase)/Decrease in Intangible under Development   | 364      | (361)    |
| Proceeds from sale of property, plant and equipment / intangible assets                     | 32       | 33       |
| Sale of non current investments   | 120      | -        |
| Redemption of Long term deposits with banks   | 6        | 7        |
| Purchase of current Investments   | (49,505) | (26,789) |
| Sale of current investments   | 49,518   | 26,801   |
| Interest received   | 90       | 67       |
| Dividend received   | 2        | 4        |
| Loans to employees  | (40)     | (25)     |

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Net cash outflow from investing activities</b> | <b>(16,832)</b> | <b>(13,474)</b> |
|---|-----------------|-----------------|



**Noida Power Company Limited**  
**Statement of cash flows**  
 (All amount in Rs. Lakhs, unless otherwise stated)

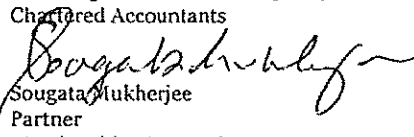
March 31, 2017      March 31, 2016

|   | March 31, 2017  | March 31, 2016  |
|---|-----------------|-----------------|
| <b>Cash flows from financing activities</b>                                       |                 |                 |
| Interest and other finance cost   | (5,303)         | (6,376)         |
| Proceeds from long term borrowings  | 4,000           | 10,500          |
| Repayment of long term borrowings   | (20,607)        | (12,957)        |
| Proceeds from issue of commercial paper   | 2,468           | 9,615           |
| Repayment of commercial paper   | (2,500)         | (20,000)        |
| Consumer security deposits (net)  | 2,797           | 2,020           |
| Movement of other short term borrowing (Net)                                      | (4,205)         | 3,159           |
| Dividend paid   | (1,500)         | (900)           |
| Dividend distribution tax paid  | (305)           | (183)           |
| <b>Net cash outflow from financing activities</b>                                 | <b>(25,155)</b> | <b>(15,122)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                       | <b>729</b>      | <b>(733)</b>    |
| Cash and cash equivalents at the beginning of the financial year                  | 560             | 1,293           |
| <b>Cash and cash equivalents at end of the year</b>                               | <b>1,289</b>    | <b>560</b>      |
| <b>Reconciliation of cash and cash equivalent as per the cash flow statement:</b> |                 |                 |
| Cash and Cash equivalent as per above comprise the following:                     |                 |                 |
| Cash and Cash equivalent (Note 12)  | 1,289           | 560             |
| <b>Balance as per statement of cash flows</b>                                     | <b>1,289</b>    | <b>560</b>      |


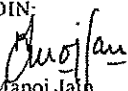
The accompanying notes are an integral part of these financial statements

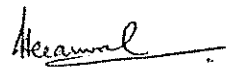
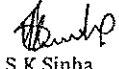
This is the Cash Flow Statement referred to in our report of even date

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants

  
 Sougata Mukherjee  
 Partner  
 Membership No: 57084  
 Place: Kolkata  
 Date: May 15, 2017

For and on behalf of the Board of Directors

  
 Chairman 06415793  
 DIN:   
 Manoj Jain  
 Chief Financial Officer  
 Place: Gurgaon, Noida  
 Date: May 15, 2017

  
 Managing Director & CEO  
 DIN: 00087492  
  
 S.K. Sinha  
 Company Secretary

**Noida Power Company Limited**  
**Statement of changes in equity**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**I) Equity Share Capital**

|   | Notes | Amounts      |
|---|-------|--------------|
| As at 1 April 2015                              |       | 6,000        |
| Changes in equity share capital during the year | 19    | -            |
| <b>As at 31 March 2016</b>                      |       | <b>6,000</b> |
| Changes in equity share capital during the year | 19    | -            |
| <b>As at 31 March 2017</b>                      |       | <b>6,000</b> |

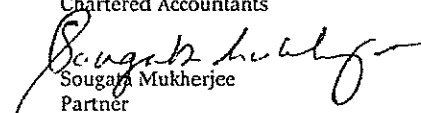
**II) Other equity**

|  | Notes | Reserves and surplus       |                                     |                   | Total         |
|--|-------|----------------------------|-------------------------------------|-------------------|---------------|
|  |       | Securities premium account | Other Reserves: Contingency reserve | Retained earnings |               |
| <b>Balance as at 1 April 2015</b>                            |       | 1,442                      | 233                                 | 49,491            | 51,166        |
| Profit for the period  | 20    | -                          | -                                   | 12,920            | 12,920        |
| Other comprehensive income                                   | 20    | -                          | -                                   | (5)               | (5)           |
| <b>Total comprehensive income for the year</b>               |       | -                          | -                                   | 12,915            | 12,915        |
| <b>Transactions with owners in their capacity as owners:</b> |       |                            |                                     |                   |               |
| Dividend paid  |       | -                          | -                                   | (900)             | (900)         |
| Dividend distribution tax                                    |       | -                          | -                                   | (183)             | (183)         |
| <b>Balance as at 31 March 2016</b>                           |       | <b>1,442</b>               | <b>233</b>                          | <b>61,323</b>     | <b>62,998</b> |
| <b>Balance as at 31 March 2016</b>                           |       | 1,442                      | 233                                 | 61,323            | 62,998        |
| Profit for the period  | 20    | -                          | -                                   | 9,766             | 9,766         |
| Other comprehensive income                                   | 20    | -                          | -                                   | (25)              | (25)          |
| <b>Total comprehensive income for the year</b>               |       | -                          | -                                   | 9,741             | 9,741         |
| <b>Transactions with owners in their capacity as owners:</b> |       |                            |                                     |                   |               |
| Dividend paid for FY 2015-16                                 |       | -                          | -                                   | (1,500)           | (1,500)       |
| Dividend distribution tax                                    |       | -                          | -                                   | (305)             | (305)         |
| <b>Balance as at 31 March 2017</b>                           |       | <b>1,442</b>               | <b>233</b>                          | <b>69,259</b>     | <b>70,934</b> |

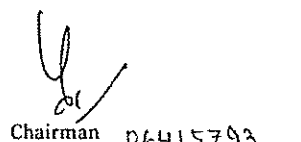
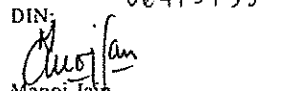
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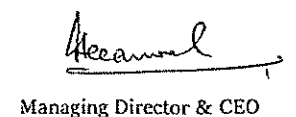
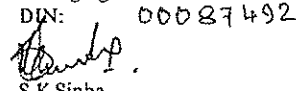
This is the Statement of changes in equity referred to in our report of even date

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants

  
 Sougata Mukherjee  
 Partner  
 Membership No : 57084  
 Place: Kolkata  
 Date: May 15, 2017

For and on behalf of the Board of Directors

  
 Chairman 06415793  
 DIN:  
  
 Manoj Jain  
 Chief Financial Officer  
 Place: Greater Noida  
 Date: May 15, 2017

  
 Managing Director & CEO  
 DIN: 00027492  
  
 S.K. Sinha  
 Company Secretary

# Noida Power Company Limited

## Notes to the Financial Statements

### General Information

The Company is a 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, Regulations etc. have been duly considered.

#### 1. Significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### a) Basis of preparation

###### i. Compliance with Ind AS

The separate financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and the regulations under the Electricity Act, 2003 to the extent applicable.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Section 211(3C) [Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ('Previous GAAP') and the regulations under the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards". Refer Note 47 for an explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

###### ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and

##### b) 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.

##### c) Foreign currency translation

###### i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statement are presented in Indian Rupee (Rs.), which is Company's functional and presentation currency.

###### ii. Transaction and balances

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



## Noida Power Company Limited

### Notes to the Financial Statements

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 recognised 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').

#### d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of any trade allowances, rebates, discount, etc. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

##### *Sale of Electricity*

Revenue from sale of electricity is recognised 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 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 it 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.

##### *Delayed Payment Surcharge*

Delayed Payment Surcharge as a general practice is recognised and accounted for upon receipt of overdue payments from consumers as it is such cases, generally it is not probable that the future economic benefits will flow to the Company.

##### *Capital Contribution from Customers:*

The Company receives capital contribution from consumers in accordance with Tariff Regulation 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.

#### 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.





## Noida Power Company Limited

### Notes to the Financial Statements

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 realised 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

##### As a lessee

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the



# Noida Power Company Limited

## Notes to the Financial Statements

period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### Arrangements which contain Lease

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

### g) Cash and cash equivalents

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

### h) Inventories

Inventories consist of stores and spares which do not qualify to be classified as Property, plant & 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.



# Noida Power Company Limited

## Notes to the Financial Statements

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 represent SPPL.

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.

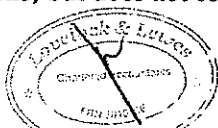
When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of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

#### vii. Income recognition

##### a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



# Noida Power Company Limited

## Notes to the Financial Statements

### b. Dividend income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## j) Financial liability

### i. Initial recognition and measurement

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

### ii. Subsequent measurement

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

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

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

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

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

#### c. Borrowings

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

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

### iii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same



# Noida Power Company Limited

## Notes to the Financial Statements

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 of assets

#### i. Tangible 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.

#### ii. 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 that are debt instruments and are measured at amortized cost e.g. loans, deposits and trade receivables.
- b) Financial assets that are debt instruments and are measured at Fair Value through Other Comprehensive Income (FVTOCI).

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

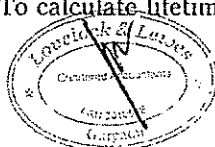
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

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

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

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To calculate lifetime expected credit losses, the Company uses a



## Noida Power Company Limited

### Notes to the Financial Statements

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.

#### **l) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed 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) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **o) Property, plant and equipment**

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

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

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

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

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on pro-rata basis on the "Straight Line Method" as per the rates and in the manner prescribed under Annexure-B of the UPERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2006 [hereinafter referred to as "*Distribution Tariff Regulation*"], issued by UPERC on 6th October, 2006, effective from 1st April, 2007 except for Solar power



## **Noida Power Company Limited**

### **Notes to the Financial Statements**

generation equipment and computers. Solar power generation equipment are being depreciated as per the rates and in the manner prescribed under Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations 2009.

Computer are being depreciated at the rate of 30% based on the UPERC Tariff Order dated 1st September, 2008.

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

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

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.

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.

Capital work-in-progress:

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment.

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.

a) Intangible assets:

Intangible assets (where expected to provide future enduring economic benefit) are carried at cost of acquisition less amortization. Amortization is provided on pro-rata basis on the "Straight Line Method" as per the rates and in the manner prescribed under Annexure-B of the UPERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2006 [hereinafter referred to as "Distribution Tariff Regulation"], issued by UPERC on 6th October, 2006, effective from 1st April, 2007, except for computer software.

Computer software are being depreciated at the rate of 30% based on the UPERC Tariff Order dated 1st September, 2008, and Investment in Capacity Augmentation is being amortised over the balance period of License, which is the period over which economic benefits is expected to be derived..

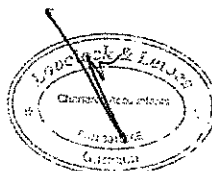
b) Transition to Ind AS:

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 obligations:

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



## Noida Power Company Limited

### Notes to the Financial Statements

service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations:

#### (i) Defined Contribution Plan

**Provident Fund:** Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are recognised as employee benefit expense, when they are due.

#### (ii) Defined Benefit Obligations

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.

Gratuity:

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 Scheme is administered through LIC under its Company Gratuity Scheme. 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

**Leave Liability:** Accumulated leave liability, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating leave liability as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated leave liability, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The leave obligations are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### 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 Uttar Pradesh Electricity Regulatory Commission (UPERC) Tariff Regulations are recognized as 'Regulatory deferral account balances'.





# Noida Power Company Limited

## Notes to the Financial Statements

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 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 is calculated by dividing:

- The profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

#### 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

### 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**

### **Notes to the Financial Statements**

#### **t) Contributed equity**

Equity shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **u) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **v) Rounding of amounts**

All accounts disclosed in the financial statements has been rounded off to the nearest lakhs as per the requirement of Schedule III of the companies Act, 2013 unless otherwise stated.



**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakhs, unless otherwise stated)

**2 Critical 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.

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

As set out below, amendments to standards are effective for annual periods beginning on or after 1 April 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company:

**Amendments to Ind AS 102, Share-based Payment:**

The amendment to Ind AS 102 clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

Since the Company does not have any share based payments plan at the reporting date, the abovementioned amendment will not have any impact on the financial statements of the Company.

**Amendments to Ind AS 7, Cash Flow Statements:**

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The said amendment will not have any impact on the Company's cash flow, since the amendment requires only additional disclosures.

There are no other Ind ASs that are not yet effective that would be expected to have a material impact on the Company.



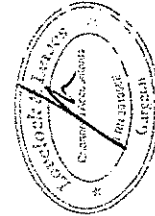
Noida Power Company Limited  
Notes to Balance sheet  
(All amount in Rs. Lakhs, unless otherwise stated)

4 Property, plant and equipment

| Asset Description                                 | Gross carrying amount |                           |                                | Accumulated Depreciation and Amortisation |                     |                           | Net carrying amount as at 31 March, 2017 |
|---|-----------------------|---------------------------|--------------------------------|---|---------------------|---------------------------|--|
|   | As at 1 April, 2016   | Additions during the year | Sales/disposal during the year | As at 31 March, 2017                      | As at 1 April, 2016 | For the year              |  |
|   |                       |                           |                                |   | As at 1 April, 2016 | Depreciation for the year | As at 31 March, 2016                     |
| Freehold land                                     | 392                   | -                         | -                              | 392                                       | -                   | -                         | -  |
| Leasehold land                                    | 14,200                | 353                       | -                              | 14,613                                    | 112                 | 130                       | 242                                      |
| Building and structures                           | 14,341                | 3,943                     | -                              | 15,262                                    | 263                 | 365                       | 628                                      |
| Plant and equipment                               | 1,333                 | 1,625                     | 27                             | 2,973                                     | 153                 | 193                       | 322                                      |
| Solar power generation equipment                  | 16                    | 6                         | -                              | 22  | 2                   | 1                         | 3  |
| Distribution network                              | 54,895                | 6,427                     | 306                            | 58,016                                    | -1,190              | -4,676                    | 8,668                                    |
| Meters and other apparatus on consumer's premises | 2,824                 | 1,905                     | 142                            | 3,687                                     | 358                 | 476                       | 4,954                                    |
| Furniture and fixtures                            | 359                   | 1,105                     | -                              | 1,464                                     | 78                  | 60                        | 1,396                                    |
| Office equipment                                  | 217                   | 410                       | -                              | 627                                       | 26                  | 51                        | 77                                       |
| Computers   | 495                   | 188                       | 15                             | 669                                       | 119                 | 177                       | 292                                      |
| Assets acquired from UPSEB                        | 120                   | -                         | -                              | 120                                       | -                   | -                         | -  |
| Leasehold improvements                            | -                     | -                         | -                              | -   | -                   | -                         | -  |
| Vehicles  | 150                   | 129                       | 76                             | 291                                       | 37                  | 66                        | 120                                      |
| <b>Total</b>                                      | <b>80,403</b>         | <b>15,169</b>             | <b>566</b>                     | <b>95,906</b>                             | <b>5,338</b>        | <b>6,195</b>              | <b>11,133</b>                            |
| Capital work in progress [Refer Note (f) below]   | 901                   | 13,823                    | 13,582                         | 1,442                                     | -                   | -                         | -  |
|   | 901                   | 13,823                    | 13,582                         | 1,442                                     | -                   | -                         | -  |

| Description                                       | Gross carrying amount           |                             |                                  | Accumulated Depreciation and Amortisation |                     |                | Net carrying amount as at 31 March, 2016 |
|---|---------------------------------|-----------------------------|----------------------------------|---|---------------------|----------------|--|
|   | Deemed cost as at 1 April, 2015 | Additions during the period | Sales/disposal during the period | Carrying amount as at 31 March, 2016      | As at 1 April, 2015 | For the period |  |
| Freehold land                                     | 392                             | -                           | -                                | 392                                       | -                   | -              | -  |
| Leasehold land                                    | 9,390                           | 1,870                       | -                                | 11,260                                    | -                   | 112            | 11,148                                   |
| Building and structures                           | 8,071                           | 3,270                       | -                                | 11,341                                    | -                   | 263            | 11,078                                   |
| Plant and equipment                               | 1,027                           | 306                         | -                                | 1,333                                     | -                   | 153            | 1,180                                    |
| Solar power generation equipment                  | 16                              | 6                           | -                                | 22  | -                   | 2              | 2  |
| Distribution network                              | 45,176                          | 6,893                       | 114                              | 51,895                                    | -                   | -4,241         | 47,705                                   |
| Meters and other apparatus on consumer's premises | 2,439                           | 681                         | 96                               | 2,824                                     | -                   | -418           | 2,406                                    |
| Furniture and fixtures                            | 355                             | 4                           | -                                | 359                                       | -                   | 78             | 281                                      |
| Office equipment                                  | 158                             | 59                          | -                                | 217                                       | -                   | 26             | 191                                      |
| Computers   | 283                             | 221                         | 8                                | 496                                       | -                   | 126            | 377                                      |
| Assets acquired from UPSEB                        | 120                             | -                           | -                                | 120                                       | -                   | -              | 120                                      |
| Leasehold improvements                            | -                               | 81                          | -                                | 81  | -                   | -              | -  |
| Vehicles  | 110                             | 81                          | 44                               | 235                                       | -                   | 62             | 173                                      |
| <b>Total</b>                                      | <b>67,337</b>                   | <b>13,328</b>               | <b>262</b>                       | <b>80,403</b>                             | <b>-</b>            | <b>5,481</b>   | <b>25,066</b>                            |
| Capital work in progress [Refer Note (f) below]   | 720                             | 11,551                      | 11,370                           | 901                                       | -                   | -              | -  |
|   | 720                             | 11,551                      | 11,370                           | 901                                       | -                   | -              | -  |



**Noida Power Company Limited**  
Notes to balance sheet  
(All amount in Rs. Lakhs, unless otherwise stated)

**Notes:**

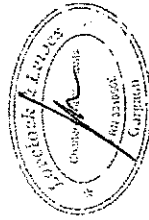
- i. The capital work-in-progress represents distribution network, other capital assets under constructions/development and capital stores and spares.
  - ii. Refer to note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
  - iii. The Company have taken land on leases for which period is usually 99-99 years. On most of the land taken on lease, company's power sub-stations are in operation. Therefore as required by Ind AS 101 and Ind AS 17, land lease has been classified into finance lease on the basis of terms and conditions of the respective lease agreement. Due to complexities involved in determining useful life of land, the leasehold lands except perpetual leases are amortised over the primary period of respective lease.
  - iv. During the current year, the Company has been handed over Distribution assets by GNIDA. The value of these assets as communicated by the said authorities is Rs. 1,843 Lakhs (March 31, 2016: Rs. 1,022 Lakhs, March 31, 2015: Rs. 3,149 Lakhs). Till F.Y 2016-17, total assets handed over by GNIDA and UPSIDC amounted to Rs. 16,428 Lakhs (March 31, 2016: Rs. 11,806 Lakhs, March 31, 2015: Rs. 13,784 Lakhs). The said assets, though not capitalised in the books of account, are in the possession of the Company for distribution of electricity to its consumers and maintenance thereof.
  - v. Additions to property plant & equipment and capital work in progress during the year includes capitalisation of borrowing costs of Rs. 45 Lakhs (March 31, 2016 : Rs. 119 Lakhs, March 31, 2015 : Rs. 161 Lakhs).
  - vi. Physical possession of one sub-station is pending which is included above in Distribution Network
- Additional Information related to Property, Plant & Equipment presented as per Previous GAAP:**  
The changes in the carrying value of property, plant and equipment for the period reported are as follows:

| Asset Description                                 | Gross carrying amount |                           |                                | Accumulated Depreciation and Amortisation |                     |              |                    | Net block As at 31 March, 2017 |
|---|-----------------------|---------------------------|--------------------------------|---|---------------------|--------------|--------------------|--------------------------------|
|   | As at 1 April, 2016   | Additions during the year | Sales/disposal during the year | As at 31 March, 2017                      | As at 1 April, 2016 | For the year | Sales/ Adjustments |                                |
| Freehold land                                     | 392                   | -                         | -                              | 392                                       | -                   | -            | -                  | 392                            |
| Leasehold land                                    | 11,512                | 953                       | -                              | 11,805                                    | 394                 | 130          | -                  | 11,371                         |
| Building and structures                           | 11,939                | 3,921                     | -                              | 15,860                                    | 861                 | 365          | -                  | 14,634                         |
| Plant and Equipment                               | 1,807                 | 1,645                     | 27                             | 3,475                                     | 627                 | 191          | -                  | 2,609                          |
| Solar power generation equipment                  | 22                    | 6                         | -                              | 28  | 8                   | 1            | -                  | 19                             |
| Distribution network                              | 69,539                | 6,427                     | 306                            | 75,600                                    | 21,834              | 1,676        | -                  | 49,318                         |
| Meters and other apparatus on consumer's premises | 4,853                 | 1,095                     | 144                            | 5,716                                     | 2,387               | 476          | -                  | 2,954                          |
| Furniture and fixtures                            | 523                   | 1,105                     | -                              | 1,628                                     | 242                 | 60           | -                  | 1,326                          |
| Office equipment                                  | 317                   | 410                       | -                              | 727                                       | 126                 | 51           | -                  | 550                            |
| Computers   | 1,096                 | 188                       | 15                             | 1,269                                     | 719                 | 177          | -                  | 307                            |
| Assets acquired from UPSRB                        | 916                   | -                         | -                              | 916                                       | 796                 | -            | -                  | 120                            |
| Leasehold improvements                            | 12                    | -                         | -                              | 12  | 12                  | -            | -                  | -                              |
| Vehicles  | 272,533               | 139                       | 76,142                         | 326                                       | 160                 | 66           | -                  | 163                            |
| <b>Total</b>                                      | <b>1,03,231</b>       | <b>15,169</b>             | <b>566</b>                     | <b>1,17,834</b>                           | <b>28,166</b>       | <b>6,195</b> | <b>400</b>         | <b>83,873</b>                  |
| Capital work in progress                          | 901                   | 13,823                    | 13,582                         | 1,142                                     | -                   | -            | -                  | 1,142                          |
|   | 901                   | 13,823                    | 13,582                         | 1,142                                     | -                   | -            | -                  | 1,142                          |



**Noida Power Company Limited**  
Notes to balance sheet  
(All amount in Rs. Lakhs, unless otherwise stated)

| Asset Description                                 | Gross carrying amount |                              |                                   | Accumulated Depreciation and Amortisation |              |                       | Net block<br>As at<br>31 March, 2016 | Deemed Cost<br>As at<br>1 April, 2015 |
|---|-----------------------|------------------------------|-----------------------------------|---|--------------|-----------------------|--------------------------------------|---------------------------------------|
|   | As at<br>1 April 2015 | Additions<br>during the year | Sales/disposal<br>during the year | As at<br>1 April, 2015                    | For the year | Sales/<br>Adjustments |                                      |                                       |
| Freehold land                                     | 392                   | -                            | -                                 | -   | -            | -                     | 392                                  | 392                                   |
| Leasehold land                                    | 9,672                 | 1,870                        | -                                 | 282                                       | 112          | -                     | 11,148                               | 9,490                                 |
| Building and structures                           | 8,669                 | 3,270                        | -                                 | 598                                       | 261          | -                     | 11,078                               | 8,071                                 |
| Plant and equipment                               | 1,591                 | 396                          | -                                 | 474                                       | 153          | -                     | 1,180                                | 1,027                                 |
| Solar power generation equipment                  | 22                    | -                            | -                                 | 6   | 2            | -                     | 14                                   | 16                                    |
| Distribution network                              | 62,820                | 6,893                        | 114                               | 37,644                                    | 4,241        | 51                    | 47,765                               | 45,176                                |
| Meters and other apparatus on consumer's premises | 4,268                 | 681                          | 96                                | 2,029                                     | 418          | 60                    | 2,466                                | 2,239                                 |
| Furniture and fixtures                            | 519                   | -                            | -                                 | 164                                       | 78           | -                     | 281                                  | 355                                   |
| Office equipment                                  | 258                   | 59                           | -                                 | 100                                       | 26           | -                     | 191                                  | 158                                   |
| Computers   | 881                   | 221                          | 8                                 | 600                                       | 126          | 7                     | 377                                  | 283                                   |
| Assets acquired from UPSEB                        | 916                   | -                            | -                                 | 796                                       | -            | -                     | 120                                  | -                                     |
| Leasehold improvements                            | 12                    | -                            | -                                 | 12  | -            | -                     | -                                    | -                                     |
| Vehicles  | 231                   | 84                           | 34                                | 124                                       | 64           | 25                    | 113                                  | 110                                   |
| <b>Total</b>                                      | <b>90,165</b>         | <b>13,328</b>                | <b>262</b>                        | <b>22,828</b>                             | <b>5,481</b> | <b>143</b>            | <b>75,065</b>                        | <b>67,337</b>                         |
| <b>Capital work in progress</b>                   | <b>720</b>            | <b>11,551</b>                | <b>11,370</b>                     | <b>901</b>                                | <b>-</b>     | <b>-</b>              | <b>901</b>                           | <b>720</b>                            |
|   | <b>720</b>            | <b>11,551</b>                | <b>11,370</b>                     | <b>901</b>                                | <b>-</b>     | <b>-</b>              | <b>901</b>                           | <b>720</b>                            |



5 Other Intangible assets

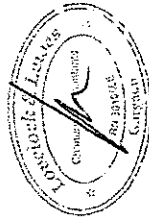
| Description                                | Gross carrying amount |                           |                                | As at 31 March, 2017 | Accumulated Amortisation |              | Net carrying amount as at 31 March, 2017 |
|--|-----------------------|---------------------------|--------------------------------|----------------------|--------------------------|--------------|--|
|  | As at 1 April 2016    | Additions during the year | Sales/disposal during the year |                      | As at 1 April, 2016      | For the year |  |
| <b>Acquired intangible assets</b>          |                       |                           |                                |                      |                          |              |  |
| Computer software                          | 1,042                 | 1,194                     | -                              | 2,236                | 276                      | 256          | 1,704                                    |
| Investment in capacity augmentation        | 46                    | -                         | -                              | 46                   | 6                        | 6            | 34                                       |
| <b>Total</b>                               | <b>1,088</b>          | <b>1,194</b>              | <b>-</b>                       | <b>2,282</b>         | <b>282</b>               | <b>262</b>   | <b>1,738</b>                             |
| <b>Intangible assets under development</b> |                       |                           |                                |                      |                          |              |  |
| Intangible assets under development        | 370                   | 830                       | 1,194                          | 6                    | 6                        | 6            | 6  |
| <b>Total</b>                               | <b>370</b>            | <b>830</b>                | <b>1,194</b>                   | <b>6</b>             | <b>6</b>                 | <b>6</b>     | <b>6</b>                                 |

| Description                                | Gross carrying amount          |                             |                                  | As at 31 March, 2016 | Accumulated Depreciation |                | Net carrying amount as at 31 March, 2016 |
|--|--------------------------------|-----------------------------|----------------------------------|----------------------|--------------------------|----------------|--|
|  | Deemed cost as at 1 April 2015 | Additions during the period | Sales/disposal during the period |                      | As at 1 April, 2015      | For the Period |  |
| <b>Acquired intangible assets</b>          |                                |                             |                                  |                      |                          |                |  |
| Computer software                          | 783                            | 259                         | -                                | 1,042                | -                        | 276            | 706                                      |
| Investment in capacity augmentation        | 45                             | -                           | -                                | 46                   | 6                        | 6              | 40                                       |
| <b>Total</b>                               | <b>829</b>                     | <b>259</b>                  | <b>-</b>                         | <b>1,088</b>         | <b>282</b>               | <b>282</b>     | <b>806</b>                               |
| <b>Intangible assets under development</b> |                                |                             |                                  |                      |                          |                |  |
| Intangible assets under development        | 9                              | 620                         | 259                              | 370                  | -                        | -              | 370                                      |
| <b>Total</b>                               | <b>9</b>                       | <b>620</b>                  | <b>259</b>                       | <b>370</b>           | <b>-</b>                 | <b>-</b>       | <b>370</b>                               |

Notes:

Intangible assets under development represents various IT and automation software under installation/development.



**Noida Power Company Limited**

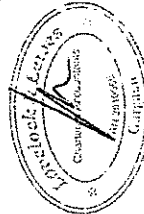
Notes to balance sheet

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

**Additional Information related to Intangible Assets presented as per Previous GAAP:**

The changes in the carrying value of intangible assets for the period reported are as follows:

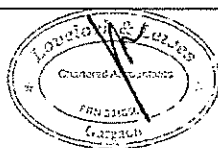
| Asset Description                                     | Gross Block (at cost) |                           |                                |                      | Accumulated Amortisation |                           |           | Net Block            | Net Block                       |
|---|-----------------------|---------------------------|--------------------------------|----------------------|--------------------------|---------------------------|-----------|----------------------|---------------------------------|
|   | As at 1 April, 2016   | Additions during the year | Sales/disposal during the year | As at March 31, 2017 | As at April 1, 2016      | Depreciation for the year | Deletions | As at March 31, 2017 | As at March 31, 2016            |
| Computer software Investment in capacity augmentation | 2,061<br>117          | 1,194<br>-                | -<br>-                         | 3,255<br>117         | 1,295<br>77              | 256<br>6                  | -<br>-    | 1,794<br>34          | 766<br>40                       |
| <b>Total</b>  | <b>2,178</b>          | <b>1,194</b>              | <b>-</b>                       | <b>3,372</b>         | <b>1,372</b>             | <b>262</b>                | <b>-</b>  | <b>1,728</b>         | <b>806</b>                      |
| Intangible assets under development                   | 370                   | 830                       | 1,194                          | 6                    | -                        | -                         | -         | 6                    | 370                             |
| <b>Total</b>  | <b>370</b>            | <b>830</b>                | <b>1,194</b>                   | <b>6</b>             | <b>-</b>                 | <b>-</b>                  | <b>-</b>  | <b>6</b>             | <b>370</b>                      |
| Asset Description                                     | Gross Block (at cost) |                           |                                |                      | Accumulated Amortisation |                           |           | Net Block            | Net Block                       |
|   | As at 1 April 2015    | Additions during the year | Sales/disposal during the year | As at 31 March, 2016 | As at April 1, 2015      | Depreciation for the year | Deletions | As at March 31, 2016 | Deemed Cost As at 1 April, 2015 |
| Computer software Investment in capacity augmentation | 1,802<br>117          | 259<br>-                  | -<br>-                         | 2,061<br>117         | 1,019<br>71              | 276<br>6                  | -<br>-    | 1,295<br>77          | 783<br>40                       |
| <b>Total</b>  | <b>1,919</b>          | <b>259</b>                | <b>-</b>                       | <b>2,178</b>         | <b>1,090</b>             | <b>282</b>                | <b>-</b>  | <b>1,372</b>         | <b>823</b>                      |
| Intangible assets under development                   | 9                     | 620                       | 259                            | 370                  | -                        | -                         | -         | 370                  | 9                               |
| <b>Total</b>  | <b>9</b>              | <b>620</b>                | <b>259</b>                     | <b>370</b>           | <b>-</b>                 | <b>-</b>                  | <b>-</b>  | <b>370</b>           | <b>9</b>                        |





**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakhs, unless otherwise stated)

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| <b>6 Non-current investments</b>  |                |                |               |
| <b>Investments in Government securities</b>   |                |                |               |
| <b>Unquoted</b>   |                |                |               |
| 1,35,000 units of 8.33% Govt of India Treasury Bonds (31 March, 2016: 1,35,000 units, 1 April, 2015: 1,35,000 units)            | 135            | 135            | 135           |
| <b>Investments in bonds</b>   |                |                |               |
| 3 nos. 9.75% LIC Housing Finance Limited Bonds of Rs.10 Lakhs each fully paid (31 March, 2016: 3 units, 1 April, 2015: 3 units) | 30             | 30             | 30            |
| Nil nos. 9.98% ICICI Bank Perpetual Bonds of Rs.10 Lakhs each fully paid (31 March, 2016: 12 units, 1 April, 2015: 12 units)    | -              | 123            | 123           |
| 3 nos. 10.55% Bank of India Bonds of Rs.10 Lakhs each fully paid (31 March, 2016: 3 units, 1 April, 2015: 3 units)              | 30             | 30             | 30            |
| 5 nos. 11.15% REC Bonds of Rs. 10 Lakh each (31 March, 2016: 5 units, 1 April, 2015: 5 units)                                   | 50             | 50             | 50            |
| 11 nos 10% ICICI Regular Income Bond of Rs. 10,000 each fully paid up (31 March, 2016: 11 units, 1 April, 2015: 11 units)       | 1              | 1              | 1             |
| <b>Investments in mutual funds</b>  |                |                |               |
| 106,886 Units of UTI Balance Fund Dividend Plan (31 March, 2016: 106,886 units, 1 April, 2015: 106,886 units)                   | 33             | 28             | 32            |
| <b>Total non-current investment</b>   | <b>279</b>     | <b>397</b>     | <b>401</b>    |
| Aggregate amount of quoted investments and market value thereof   | 33             | 28             | 32            |
| Aggregate amount of unquoted investments  | 246            | 369            | 369           |
| Aggregate amount of impairment in the value of investment   | -              | -              | -             |
| <b>7 Loans</b>  |                |                |               |
| <i>Unsecured considered good</i>  |                |                |               |
| Loans to employees  | 101            | 65             | 48            |
| <b>Total non-current loans</b>  | <b>101</b>     | <b>65</b>      | <b>48</b>     |
| <b>8 Other non-current financial assets</b>   |                |                |               |
| Security deposits   | 3              | 1              | 3             |
| <b>Total other non-current financial assets</b>   | <b>3</b>       | <b>1</b>       | <b>3</b>      |
| <b>9 Other non-current assets</b>   |                |                |               |
| Capital advances  | 265            | 75             | 85            |
| <u>Advances other than capital advances:</u>  |                |                |               |
| Prepaid expenses  | 57             | 16             | 15            |
| <b>Total other non-current assets</b>   | <b>322</b>     | <b>91</b>      | <b>100</b>    |



**Noida Power Company Limited**

**Notes to balance sheet**

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

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| <b>10 Inventories</b>   |                |                |               |
| Stores and spares   | 64             | 35             | 44            |
| <b>Total</b>  | <b>64</b>      | <b>35</b>      | <b>44</b>     |
| <b>11 Trade receivables</b>   |                |                |               |
| Trade receivables   | 10,520         | 10,322         | 7,287         |
| Receivables from related parties (GNIDA) (Refer Note No. 43)              | 1,636          | 1,575          | 1,271         |
| <b>Total</b>  | <b>12,156</b>  | <b>11,897</b>  | <b>8,558</b>  |
| Less: Provision for doubtful receivables                                  | (4,908)        | (3,463)        | (2,697)       |
| <b>Total trade receivables</b>  | <b>7,248</b>   | <b>8,434</b>   | <b>5,861</b>  |
| <b>Break-up of security details</b>                                       |                |                |               |
| Secured, considered good  | 3,987          | 4,650          | 2,917         |
| Unsecured, considered good  | 3,261          | 3,784          | 2,944         |
| Doubtful  | 4,908          | 3,463          | 2,697         |
| <b>Total</b>  | <b>12,156</b>  | <b>11,897</b>  | <b>8,558</b>  |
| Allowance for doubtful debts  | (4,908)        | (3,463)        | (2,697)       |
| <b>Total trade receivables</b>  | <b>7,248</b>   | <b>8,434</b>   | <b>5,861</b>  |
| <b>12 Cash and cash equivalents</b>                                       |                |                |               |
| Balances with banks   |                |                |               |
| - Demand deposits (less than 3 months maturity)                           | 500            | 5              | -             |
| - On current accounts   | 756            | 344            | 582           |
| Cheques on hand   | 19             | 140            | 615           |
| Cash on hand  | 14             | 71             | 96            |
| <b>Total cash and cash equivalents</b>                                    | <b>1,289</b>   | <b>560</b>     | <b>1,293</b>  |
| <b>13 Other Bank Balances</b>   |                |                |               |
| Deposits with maturity more than three months but less than twelve months | -              | 6              | 13            |
| Margin money deposits   | 8              | 8              | 8             |
| <b>Total Other Bank balances</b>  | <b>8</b>       | <b>14</b>      | <b>21</b>     |
| <b>14 Loans</b>   |                |                |               |
| Unsecured considered good:  |                |                |               |
| Loans to employees  | 31             | 26             | 19            |
| <b>Total non-current loans</b>  | <b>31</b>      | <b>26</b>      | <b>19</b>     |
| <b>15 Other current financial assets</b>                                  |                |                |               |
| Consumers' security deposits (Refer note 49 (c))                          | 1,128          | 1,128          | 1,128         |
| Interest accrued on margin money/ fixed deposit                           | 2              | 4              | 3             |
| Interest accrued on investments   | 8              | 13             | 13            |
| Unbilled revenue  | 3,922          | 3,072          | 2,622         |
| Recoverables from UPPCL (Refer note 49(d))                                | 3,077          | 3,077          | 3,077         |
| Other recoverables  | -              | 14             | 12            |
| <b>Total other non-current financial assets</b>                           | <b>8,137</b>   | <b>7,308</b>   | <b>6,855</b>  |
| <b>16 Current tax assets (Net)</b>  |                |                |               |
| Opening balance   | -              | -              | (1,771)       |
| Less: Current tax payable for the year                                    | -              | -              | 1,755         |
| Less: Current tax payable for earlier year                                | -              | -              | 434           |
| Less: Interest on short fall of tax                                       | -              | -              | 195           |
| Add: Taxes paid   | -              | -              | 5,019         |
| <b>Closing balance</b>  | <b>-</b>       | <b>-</b>       | <b>864</b>    |



**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakhs, unless otherwise stated)

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| <b>17 Other current assets</b>                  |                |                |               |
| <i>Advances other than capital advances:</i>    |                |                |               |
| Balance with government authorities             | 1,550          | 1,338          | 832           |
| Deferred transaction cost on borrowings         | 119            | 172            | 308           |
| Prepaid expenses                                | 252            | 541            | 209           |
| Balance with gratuity trust (Refer note no. 24) | 35             | 48             | 76            |
| <b>Total other current assets</b>               | <b>1,956</b>   | <b>2,099</b>   | <b>1,425</b>  |

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>18 Regulatory Deferral Account Balance</b>     |               |               |               |
| Regulatory assets recoverable (Refer Note 48)     | 28,419        | 49,427        | 53,286        |
| <b>Total regulatory deferral account balances</b> | <b>28,419</b> | <b>49,427</b> | <b>53,286</b> |

**19 Equity share capital**

**Authorised equity share capital**

|                     | Number of shares<br>(in lakhs) | Amount |
|---------------------|--------------------------------|--------|
| As at 1 April 2015  | 750                            | 7,500  |
| As at 31 March 2016 | 750                            | 7,500  |
| As at 31 March 2017 | 750                            | 7,500  |

**(i) Movements in equity share capital: Issued and fully subscribed**

|                     | Number of shares<br>(in lakhs) | Equity share capital (par value) |
|---------------------|--------------------------------|----------------------------------|
| As at 1 April 2015  | 600                            | 6,000                            |
| As at 31 March 2016 | 600                            | 6,000                            |
| As at 31 March 2017 | 600                            | 6,000                            |

**(ii) 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.

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

|  | 31 March 2017                  |            | 31 March 2016                  |            | 1 April 2015                   |            |
|--|--------------------------------|------------|--------------------------------|------------|--------------------------------|------------|
|  | Number of shares<br>(in lakhs) | % holding  | Number of shares<br>(in lakhs) | % holding  | Number of shares<br>(in lakhs) | % holding  |
| Greater Noida Industrial Development Authority | 164                            | 27.27%     | 164                            | 27.27%     | 164                            | 27.27%     |
| Shaft Investments Private Limited              | 109                            | 18.18%     | 109                            | 18.18%     | 109                            | 18.18%     |
| CESC Infrastructure Limited                    | -                              | 0.00%      | 297                            | 49.55%     | 297                            | 49.55%     |
| CESC Limited                                   | 297                            | 49.55%     | -                              | 0.00%      | -                              | 0.00%      |
|  | <b>570</b>                     | <b>95%</b> | <b>570</b>                     | <b>95%</b> | <b>570</b>                     | <b>95%</b> |



**Noida Power Company Limited**  
**Notes to balance sheet**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**20 Other Equity**

| <b>Reserves and surplus</b>       | <b>31 March, 2017</b> | <b>31 March, 2016</b> | <b>1 April, 2015</b> |
|-----------------------------------|-----------------------|-----------------------|----------------------|
| Securities premium account        | 1,442                 | 1,442                 | 1,442                |
| Contingency reserve               | 233                   | 233                   | 233                  |
| Retained Earnings                 | 69,259                | 61,323                | 49,491               |
| <b>Total reserves and surplus</b> | <b>70,934</b>         | <b>62,998</b>         | <b>51,166</b>        |
| <b>Total other equity</b>         | <b>70,934</b>         | <b>62,998</b>         | <b>51,166</b>        |

|  | <b>31 March, 2017</b> | <b>31 March, 2016</b> | <b>1 April, 2015</b> |
|--|-----------------------|-----------------------|----------------------|
| <b>a) Securities premium account</b>   |                       |                       |                      |
| Opening balance  | 1,442                 | 1,442                 | 1,442                |
| <b>Closing balance</b>   | <b>1,442</b>          | <b>1,442</b>          | <b>1,442</b>         |
| <b>b) Contingency reserve</b>  |                       |                       |                      |
| Opening balance  | 233                   | 233                   | 233                  |
| <b>Closing balance</b>   | <b>233</b>            | <b>233</b>            | <b>233</b>           |
| <b>c) Retained Earnings</b>  |                       |                       |                      |
| Opening balance  | 61,323                | 49,491                |                      |
| Net profit for the period  | 9,766                 | 12,920                |                      |
| Items of other comprehensive income recognised directly in retained earnings |                       |                       |                      |
| - Remeasurements of post-employment benefit obligation, net of tax           | (25)                  | (5)                   |                      |
| Appropriations   |                       |                       |                      |
| -Dividend  | (1,500)               | (900)                 |                      |
| -Dividend Distribution Tax   | (305)                 | (183)                 |                      |
| <b>Closing balance</b>   | <b>69,259</b>         | <b>61,323</b>         |                      |

**Notes:**

**1 Nature and purpose of Reserves**

(i) **Securities premium account:**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(ii) **Contingency reserve:**

As per the provisions of Distribution Tariff Regulation, Contingencies Reserve shall be created up to 0.50% of the gross book value of the fixed assets of the Company as at the beginning of the year subject to the approval of UPERC. The contingency reserve is created to meet cost of replacement of equipment damaged due to force majeure situations. The company is required to invest Contingency Reserve as allowed by the Commission in prescribed securities only.



**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakhs, unless otherwise stated)

|  | Maturity Date | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|---------------|----------------|----------------|---------------|
| <b>21 NON-CURRENT BORROWINGS</b>   |               |                |                |               |
| <b>Term Loans from banks</b>   |               |                |                |               |
| <b>Secured</b>   |               |                |                |               |
| Bank of Maharashtra  | 01-Sep-16     | -              | 1,059          | 2,366         |
| IDBI Bank Limited  | 01-Jul-17     | 312            | 1,558          | 2,797         |
| ICICI Bank Limited   | 27-Sep-18     | 3,098          | 5,158          | 7,195         |
| ICICI Bank Limited   | 18-Dec-19     | 1,809          | 2,464          | 3,109         |
| Central Bank of India  | 11-May-15     | -              | -              | 5,177         |
| ICICI Bank Limited   | 31-Jul-21     | 7,629          | 9,102          | 9,797         |
| HDFC Bank Limited  | 31-May-21     | 5,193          | 6,429          | 7,444         |
| State Bank of Mysore   | 07-Dec-16     | -              | 4,278          | 2,948         |
| IDBI Bank Limited  | 24-Jan-17     | -              | 8,279          | -             |
| HDFC Bank Limited  | 01-Oct-23     | 3,966          | -              | -             |
| <b>Total Non-current Borrowings</b>  |               | <b>22,007</b>  | <b>38,327</b>  | <b>40,833</b> |
| Current maturities of long-term debt (included in Other Current Financial Liabilities Note 28) |               | 6,414          | 10,049         | 9,402         |
| Interest accrued   |               | 80             | 112            | 149           |
| <b>Non-current Borrowings as per balance sheet</b>   |               | <b>15,513</b>  | <b>28,166</b>  | <b>31,282</b> |

**i. Nature of Security:-**

(a) Term Loan from Banks amounting to Rs. 22,007 Lakhs (March 31, 2016: Rs. 37,268 Lakhs, March 31, 2015: Rs. 38,467 Lakhs) was secured by first pari-passu charge on all present and future fixed assets of the company and second pari-passu charge on all immoveable properties (both present and future) of the company and all current assets of the Company.

(b) Term Loan from Banks amounting to Rs. Nil (March 31, 2016: Rs. 1,059 Lakhs, March 31, 2015: Rs. 2,366 Lakhs) was secured by first pari-passu charge on all present and future fixed assets of the company and second pari-passu charge on all immoveable properties (both present and future) of the company.

**ii. Terms of repayment\***

(a) The term loan of Rs. 7,500 Lakhs is payable in 72 equal monthly installments starting from July, 2011 alongwith interest. The balance of this loan outstanding as at year end is Rs. 312 Lakhs.

(b) The term loan of Rs 10,000 Lakhs is payable in 24 equal quarterly installments starting from October'2015 alongwith interest. The balance of this loan outstanding as at year end is Rs. 7,629 Lakhs.

(c) The term loan of Rs. 12,500 Lakhs is payable in 24 equal quarterly installments starting from Dec'2012 alongwith interest. The balance of this loan outstanding as at year end is Rs. 3,098 Lakhs.

(d) The term loan of Rs. 4,000 Lakhs is payable in 24 equal quarterly installments starting from Mar'2014 alongwith interest. The balance of this loan outstanding as at year end is Rs. 1,809 Lakhs.

(e) The term loan of Rs. 7,500 Lakhs is payable in 72 monthly installments (71 installments of Rs. 104.40 Lakhs and final installment of Rs. 87.60 Lakhs) starting from June'2015 alongwith interest. The balance of this loan outstanding as at year end is Rs. 5,193 Lakhs.

(f) The term loan of Rs. 10,000 Lakhs is payable in 72 equal quarterly installments starting from Nov'2017 alongwith interest. The balance of this loan outstanding as at year end is Rs. 3,966 Lakhs.

\*Interest rates on Rupee Term Loan from Banks are based on spread over respective Lender's benchmark rate.

**22 Trade Payables**

|  |          |          |            |
|--|----------|----------|------------|
| Trade payables   | -        | -        | 918        |
| Trade payables to related parties                          | -        | -        | -          |
| <b>Total trade payables</b>                                | <b>-</b> | <b>-</b> | <b>918</b> |
| Dues to Micro and Small Enterprises **                     | -        | -        | -          |
| Dues to enterprises other than Micro and Small Enterprises | -        | -        | 918        |
| <b>Total trade payables</b>                                | <b>-</b> | <b>-</b> | <b>918</b> |

\*\* There are no amounts due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2017 (March 31, 2016: Rs. Nil and March 31, 2015 : Rs. Nil) based on the information available with the company. No interest has been paid/ is payable by the company during the year ended March 31, 2017 (March 31, 2016: Rs. Nil and March 31, 2015 : Rs. Nil) in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006

**23 Other non-current financial liabilities**

|  |               |               |               |
|--|---------------|---------------|---------------|
| Consumers' security deposits                         | 18,721        | 15,864        | 13,865        |
| <b>Total other non-current financial liabilities</b> | <b>18,721</b> | <b>15,864</b> | <b>13,865</b> |



**24 Employee benefit obligations**

| As on 31 March, 2017                      | Current   | Non-current | Total      |
|---|-----------|-------------|------------|
| Compensated absences                      | 24        | 608         | 632        |
| Gratuity                                  | -         | -           | -          |
| <b>Total employee benefit obligations</b> | <b>24</b> | <b>608</b>  | <b>632</b> |

| As on 31 March, 2016                      | Current    | Non-current | Total      |
|---|------------|-------------|------------|
| Compensated absences                      | 117        | 365         | 482        |
| Gratuity                                  | -          | -           | -          |
| <b>Total employee benefit obligations</b> | <b>117</b> | <b>365</b>  | <b>482</b> |

| As on 1 April, 2015                       | Current   | Non-current | Total      |
|---|-----------|-------------|------------|
| Compensated absences                      | 22        | 387         | 409        |
| Gratuity                                  | -         | -           | -          |
| <b>Total employee benefit obligations</b> | <b>22</b> | <b>387</b>  | <b>409</b> |

**(i) Compensated absences**

The leave obligations cover the Company's liability for leaves cashable on termination of employment. The leave obligation plan is a unfunded plan. The amount of the provision of Rs. 24 Lakhs (31 March, 2016: 117 Lakhs and 1 April 2015 - 22 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The obligation towards compensated leaves which are expected to be availed or encashed beyond 12 months from the end of the year is determined by the actuary using the Projected Unit Credit Method (PUC) at the end of each year. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

|  | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|----------------|----------------|---------------|
| Current leave obligations expected to be settled within the next 12 months | 24             | 117            | 22            |

**(ii) Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years 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 Gratuity Trust makes contributions to Life Insurance Corporation of India funds.

**(iii) Defined contribution plans**

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 152 Lakhs (31 March 2016: INR 115 Lakhs, 1 April, 2015: INR 98 Lakhs).



**Noida Power Company Limited**  
**Notes to balance sheet**  
 (All amount in Rs. Lakhs, unless otherwise stated)

| Gratuity   | Present value of obligation | Fair value of plan assets | Net amount  |
|--|-----------------------------|---------------------------|-------------|
| <b>1 April, 2015</b>   | <b>158</b>                  | <b>(234)</b>              | <b>(76)</b> |
| Current service cost   | 29                          | -                         | 29          |
| Interest expense/(income)  | 11                          | (18)                      | (7)         |
| <b>Total amount recognised in profit or loss</b>                               | <b>40</b>                   | <b>(18)</b>               | <b>22</b>   |
| <i>Remeasurements:</i>   |                             |                           |             |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | *                         | *           |
| (Gain)/loss from change in financial assumptions                               | (7)                         | -                         | (7)         |
| Experience (gains)/losses  | 14                          | -                         | 14          |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>7</b>                    | <b>*</b>                  | <b>7</b>    |
| Employer contributions   | -                           | (1)                       | (1)         |
| Benefit payments   | (15)                        | 15                        | -           |
| <b>31 March, 2016</b>  | <b>191</b>                  | <b>(239)</b>              | <b>(48)</b> |
| <b>April 1, 2016</b>   | <b>191</b>                  | <b>(239)</b>              | <b>(48)</b> |
| Current service cost   | 44                          | -                         | 44          |
| Interest expense/(income)  | 16                          | (21)                      | (5)         |
| <b>Total amount recognised in profit or loss</b>                               | <b>60</b>                   | <b>(21)</b>               | <b>39</b>   |
| <i>Remeasurements:</i>   |                             |                           |             |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | 2                         | 2           |
| (Gain)/loss from change in financial assumptions                               | 25                          | -                         | 25          |
| Experience (gains)/losses  | 11                          | -                         | 11          |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>36</b>                   | <b>2</b>                  | <b>38</b>   |
| Employer contributions   | -                           | (64)                      | (64)        |
| Benefit payments   | (8)                         | 8                         | -           |
| <b>March 31, 2017</b>  | <b>279</b>                  | <b>(314)</b>              | <b>(35)</b> |

\*Amount is below rounding off norm

The net asset disclosed above relates to funded and unfunded plans are as follows:

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| Present value of funded obligations     | 279            | 191            | 158           |
| Fair value of plan assets               | 314            | 239            | 234           |
| <b>Surplus/(Deficit) of funded plan</b> | <b>35</b>      | <b>48</b>      | <b>76</b>     |
| Unfunded plans                          | -              | -              | -             |
| <b>Surplus before asset ceiling</b>     | <b>35</b>      | <b>48</b>      | <b>76</b>     |
| Effect of asset ceiling                 | -              | -              | -             |
| <b>Surplus after asset ceiling</b>      | <b>35</b>      | <b>48</b>      | <b>76</b>     |



**Noida Power Company Limited**  
**Notes to balance sheet**  
 (All amount in Rs. Lakhs, unless otherwise stated)

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.

Significant estimates: actuarial assumptions and sensitivity

(iv) The significant actuarial assumptions were as follows:

|                        | Gratuity   |  |  |
|------------------------|--|--|--|
|                        | 31 March, 2017   | 31 March, 2016   | 1 April, 2015  |
| Discount rate          | 7.5%   | 8.05%  | 7.85%  |
| Return on Plan Assets  | 7.5%   | 8.0%   | 8.7%   |
| Salary growth rate     | 12.00%   | 12.00%   | 12.0%  |
| Remaining working life | 27.94 years  | 27.15 years  | 27.05 years  |
| Attrition rate         | 13.00%   | 15.00%   | 12.0%  |
| Mortality Table        | standard table –<br>Indian Assured<br>Lives Mortality<br>(2006-08) | standard table –<br>Indian Assured<br>Lives Mortality<br>(2006-08) | standard table –<br>Indian Assured<br>Lives Mortality<br>(2006-08) |

(v) Sensitivity analysis

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

Impact on defined benefit obligation:

|                    | Change in assumption | Increase in assumption | Decrease in assumption |
|--------------------|----------------------|------------------------|------------------------|
|                    | 31 March, 2017       | 31 March, 2017         | 31 March, 2017         |
| <b>Gratuity</b>    |                      |                        |                        |
| Discount rate      | 1%                   | (15)                   | 16                     |
| Salary growth rate | 1%                   | 10                     | (10)                   |
| Attrition Rate     | 1%                   | (2)                    | 3                      |
|                    | Change in assumption | Increase in assumption | Decrease in assumption |
|                    | 31 March, 2016       | 31 March, 2016         | 31 March, 2016         |
| Discount rate      | 1%                   | (9)                    | 10                     |
| Salary growth rate | 1%                   | 7                      | (7)                    |
| Attrition Rate     | 1%                   | (1)                    | 1                      |

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.

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

| 31 March, 2017                     | Unquoted   | Total      | in %        |
|------------------------------------|------------|------------|-------------|
| Investment funds with LIC of India | 314        | 314        | 100%        |
| <b>Total</b>                       | <b>314</b> | <b>314</b> | <b>100%</b> |
| 31 March, 2016                     | Unquoted   | Total      | in %        |
| Investment funds with LIC of India | 239        | 239        | 100%        |
| <b>Total</b>                       | <b>239</b> | <b>239</b> | <b>100%</b> |





**Noida Power Company Limited**  
**Notes to balance sheet**  
 (All amount in Rs. Lakhs, unless otherwise stated)

| 1 April, 2015                      | Unquoted   | Total      | in %        |
|------------------------------------|------------|------------|-------------|
| Investment funds with LIC of India | 234        | 234        | 100%        |
| <b>Total</b>                       | <b>234</b> | <b>234</b> | <b>100%</b> |

Note: 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.

**(vii) Risk exposure**

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

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

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

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

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

The weighted average duration of the defined benefit obligation is 27.94 years (2016 - 27.15 years, 2015- 27.05 years). The expected maturity analysis of gratuity is as follows:

|                                       | Less than a year | Between 1 - 2 years | Between 2 - 5 years | Over 5 years | Total      |
|---------------------------------------|------------------|---------------------|---------------------|--------------|------------|
| <b>31 March, 2017</b>                 |                  |                     |                     |              |            |
| Defined benefit obligation (Gratuity) | 45               | 48                  | 144                 | 505          | 742        |
| <b>Total</b>                          | <b>45</b>        | <b>48</b>           | <b>144</b>          | <b>505</b>   | <b>742</b> |
| <b>31 March, 2016</b>                 |                  |                     |                     |              |            |
| Defined benefit obligation (Gratuity) | 56               | 47                  | 177                 | 417          | 697        |
| <b>Total</b>                          | <b>56</b>        | <b>47</b>           | <b>177</b>          | <b>417</b>   | <b>697</b> |
| <b>1 April, 2015</b>                  |                  |                     |                     |              |            |
| Defined benefit obligation (Gratuity) | 22               | 34                  | 157                 | 428          | 641        |
| <b>Total</b>                          | <b>22</b>        | <b>34</b>           | <b>157</b>          | <b>428</b>   | <b>641</b> |



**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakhs, unless otherwise stated)

**25 Deferred tax liability (net)**

The balance comprises temporary differences attributable to:

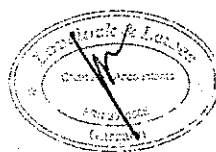
|  | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|----------------|----------------|---------------|
| <b>Deferred tax liabilities on account of:</b> |                |                |               |
| Depreciation                                   | 4,597          | 3,830          | 3,086         |
| Borrowings measured at amortised cost          | 144            | 273            | 310           |
| Trade Payable measured at amortised cost       | -              | 21             | 103           |
| <b>Total deferred tax liabilities (A)</b>      | <b>4,741</b>   | <b>4,124</b>   | <b>3,499</b>  |
| <b>Deferred tax assets on account of:</b>      |                |                |               |
| Provision for employee benefits                | 377            | 318            | 258           |
| Provision for trade and other receivables      | 1,699          | 1,199          | 917           |
| Others   | 5              | 10             | 9             |
| <b>Total deferred tax asset (B)</b>            | <b>2,081</b>   | <b>1,527</b>   | <b>1,184</b>  |
| <b>Net deferred tax liability (A)-(B)</b>      | <b>2,660</b>   | <b>2,597</b>   | <b>2,315</b>  |
| Less: Deferred Tax Liability recoverable       | 2,660          | 2,597          | 2,315         |
| <b>Net deferred tax liability</b>              | <b>-</b>       | <b>-</b>       | <b>-</b>      |

**Movement in deferred tax assets**

|                                 | Provision for<br>employee benefits | Provision for trade<br>and other<br>receivables | Others    | Total        |
|---------------------------------|------------------------------------|---|-----------|--------------|
| As at 1 April, 2015             | 258                                | 917   | 9         | 1,184        |
| (Charged)/credited:             |                                    |   |           |              |
| - to profit or loss             | 60                                 | 282   | 1         | 343          |
| - to other comprehensive income | -                                  | -   | -         | -            |
| <b>As at 31 March, 2016</b>     | <b>318</b>                         | <b>1,199</b>                                    | <b>10</b> | <b>1,527</b> |
| (Charged)/credited:             |                                    |   |           |              |
| - to profit or loss             | 59                                 | 500   | (5)       | 554          |
| - to other comprehensive income | -                                  | -   | -         | -            |
| <b>As at 31 March, 2017</b>     | <b>377</b>                         | <b>1,699</b>                                    | <b>5</b>  | <b>2,081</b> |

**Movement in deferred tax liabilities**

|                                 | Depreciation | Borrowings<br>measured at<br>amortised cost | Trade Payable<br>measured at<br>amortised cost | Total        |
|---------------------------------|--------------|---|--|--------------|
| As at 1 April, 2015             | 3,086        | 310   | 103  | 3,499        |
| (Charged)/credited:             |              |   |  |              |
| - to profit or loss             | 744          | (37)  | (82)   | 625          |
| - to other comprehensive income | -            | -   | -  | -            |
| <b>As at 31 March, 2016</b>     | <b>3,830</b> | <b>273</b>                                  | <b>21</b>                                      | <b>4,124</b> |
| (Charged)/credited:             |              |   |  |              |
| - to profit or loss             | 767          | (129)                                       | (21)   | 617          |
| - to other comprehensive income | -            | -   | -  | -            |
| <b>As at 31 March, 2017</b>     | <b>4,597</b> | <b>144</b>                                  | <b>-</b>                                       | <b>4,741</b> |



**Noida Power Company Limited****Notes to balance sheet**

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

|  | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|----------------|----------------|---------------|
| <b>26 CURRENT BORROWINGS</b>               |                |                |               |
| <b>Secured:</b>                            |                |                |               |
| Working capital loans repayable on demand: |                |                |               |
| From Banks:                                |                |                |               |
| ICICI Bank Limited                         | -              | -              | 4             |
| Bank Of Maharashtra                        | -              | -              | 150           |
| IDBI Bank Limited                          | -              | 1,510          | 17            |
| Axis Bank Limited                          | -              | 45             | 1             |
| Central Bank of India                      | -              | -              | 160           |
| HDFC Bank Limited                          | -              | 150            | 714           |
| Yes Bank Limited                           | -              | -              | -             |
| <b>Unsecured:</b>                          |                |                |               |
| From Banks:                                |                |                |               |
| HDFC Bank                                  | -              | 2,500          | -             |
| Commercial Paper                           | -              | -              | 9,801         |
| <b>Current Borrowings</b>                  | <b>-</b>       | <b>4,205</b>   | <b>10,847</b> |

**Nature of Security**

(a) First pari passu charge on stocks of consumable stores and spares and receivables including regulatory assets and other current assets of the company except "Incremental Receivables".

(b) Second pari-passu charge on all movable property of the Company situated at Greater Noida in the State of Uttar Pradesh and "Incremental Receivables", both present and future.



**Noida Power Company Limited**  
**Notes to balance sheet**  
(All amount in Rs. Lakh, unless otherwise stated)

**27 Trade payables**

|  | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|----------------|----------------|---------------|
| Trade Payables   | 8,370          | 9,558          | 8,348         |
| Trade Payables to related parties (GNIDA) (Refer Note 43)  | 10             | 10             | -             |
| <b>Total trade payables</b>                                | <b>8,380</b>   | <b>9,568</b>   | <b>8,348</b>  |
| Dues to Micro and Small Enterprises**                      | -              | -              | -             |
| Dues to enterprises other than Micro and Small Enterprises | 8,380          | 9,568          | 8,348         |
| <b>Total trade payables</b>                                | <b>8,380</b>   | <b>9,568</b>   | <b>8,348</b>  |

\*\* There are no amounts due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2017 (March 31, 2016: Rs. Nil and March 31, 2015 : Rs. Nil) based on the information available with the company. No interest has been paid/ is payable by the company during the year ended March 31, 2017 (March 31, 2016: Rs. Nil and March 31, 2015 : Rs. Nil) in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006

**28 Other financial liabilities**

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| Current maturities of long-term debts (Refer Note 21)           | 6,414          | 10,049         | 9,402         |
| Interest accrued and due on borrowings                          | -              | 11             | -             |
| Interest accrued but not due on borrowings                      | 80             | 124            | 149           |
| Employee benefits payable                                       | 465            | 585            | 351           |
| Consumers' security deposits                                    | 17             | 77             | 56            |
| Creditors for Capital goods and services                        | 3,525          | 4,194          | 3,784         |
| Other contractual obligations-Earnest Money and other bank dues | 105            | 121            | 106           |
| <b>Total other current financial liabilities</b>                | <b>10,606</b>  | <b>15,161</b>  | <b>13,848</b> |

**29 Other current liabilities**

|  | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--|----------------|----------------|---------------|
| Advance payment received from consumers for capital jobs | 989            | 333            | 390           |
| Advances from customers                                  | 1,023          | 856            | 831           |
| Other Advances:  |                |                |               |
| Statutory dues including provident fund and TDS          | 1,541          | 1,273          | 1,209         |
| <b>Total other current liabilities</b>                   | <b>3,553</b>   | <b>2,462</b>   | <b>2,430</b>  |

**30 Provisions**

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| Provision for Wealth Tax                    | -              | -              | 2             |
| <b>Closing balance</b>                      | <b>-</b>       | <b>-</b>       | <b>2</b>      |
| <b>Movement in Provision for wealth tax</b> |                |                |               |
| Opening balance                             | -              | 2              | 2             |
| Add: Tax payable for the year               | -              | -              | -             |
| Less: Taxes paid                            | -              | (2)            | -             |
|   | <b>-</b>       | <b>-</b>       | <b>2</b>      |

**31 Current Tax Liability (Net)**

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| Opening balance                         | 693            | (864)          | -             |
| Add: Current tax provision for the year | 3,098          | 3,615          | -             |
| Add: Interest on short fall of tax      | 58             | 162            | -             |
| Less: Taxes paid                        | 3,572          | 2,220          | -             |
| <b>Closing balance</b>                  | <b>277</b>     | <b>693</b>     | <b>-</b>      |



**Noida Power Company Limited**  
**Notes to profit or loss**  
(All amount in Rs. Lakhs, unless otherwise stated)

**32 Revenue from operations**

|  | 31 March, 2017         | 31 March, 2016       |
|--|------------------------|----------------------|
| Revenue from sale of electricity (Refer note 48) | 1,15,458               | 1,02,695             |
| Less: Electricity duty                           | 6,775                  | 6,336                |
|  | <u>1,08,683</u>        | <u>96,359</u>        |
| Other operating income                           |                        |                      |
| Capital contribution from consumers              | 2,007                  | 1,754                |
| Processing charges                               | 20                     | 12                   |
| Disconnection and Reconnection fees              | 37                     | 25                   |
| Meter testing charges                            | 57                     | 36                   |
| <b>Total revenue</b>                             | <b><u>1,10,804</u></b> | <b><u>98,186</u></b> |

**33 Other income and other gains/(losses)**

|   | 31 March, 2017    | 31 March, 2016    |
|---|-------------------|-------------------|
| <b>Other income</b>                           |                   |                   |
| Interest income:                              |                   |                   |
| On non-current investments                    | 28                | 35                |
| On bank deposits                              | 72                | 33                |
| Dividend income                               | 2                 | 4                 |
| Gain on sale of short term investments        | 10                | 12                |
| Other Non-operating income:                   |                   |                   |
| Delayed payment charges                       | 388               | 181               |
| Liquidated damages recovery                   | 107               | 87                |
| Miscellaneous income                          | 44                | 44                |
| <b>Other gains/(losses)</b>                   |                   |                   |
| Fair Value gain/(loss) on sale of investments | 4                 | (3)               |
| <b>Total other income</b>                     | <b><u>655</u></b> | <b><u>393</u></b> |

**34 Employee benefit expense**

|   | 31 March, 2017      | 31 March, 2016      |
|---|---------------------|---------------------|
| Salaries, wages and bonus                                   | 3,105               | 2,430               |
| Contribution to provident and other funds                   | 162                 | 121                 |
| Gratuity  | 39                  | 23                  |
| Staff welfare expenses                                      | 107                 | 121                 |
|   | <u>3,413</u>        | <u>2,695</u>        |
| Less:- Expenses allocated to tangible and intangible assets | (1,232)             | (690)               |
| <b>Total employee benefit expense</b>                       | <b><u>2,181</u></b> | <b><u>2,005</u></b> |

**35 Finance costs**

|   | 31 March, 2017      | 31 March, 2016      |
|---|---------------------|---------------------|
| <b>Interest and finance charges on financial liabilities not at FVTPL</b> |                     |                     |
| Interest on Non-current Borrowings  | 3,875               | 4,665               |
| Interest on Working Capital Facilities & Short Term Loan                  | 125                 | 264                 |
| Interest on Consumers' Security Deposit                                   | 1,370               | 1,311               |
| Interest on Trade Payable   | 62                  | 241                 |
| Other borrowing costs   | 249                 | 245                 |
| Discount on Issue of Commercial paper                                     | 32                  | 584                 |
| Interest on delay in payment of taxes                                     | *                   | 4                   |
| Interest on shortfall of advance tax                                      | 58                  | 162                 |
|   | <u>5,771</u>        | <u>7,476</u>        |
| Less: Capitalisation of interest on long-term borrowings                  | (45)                | (119)               |
| <b>Finance costs expensed in profit or loss</b>                           | <b><u>5,726</u></b> | <b><u>7,357</u></b> |

\*Amount is below rounding off norm



**Noida Power Company Limited**  
**Notes to profit or loss**  
(All amount in Rs. Lakhs, unless otherwise stated)

| 36 Depreciation and amortisation expense           | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Depreciation of property, plant and equipment      | 6,195          | 5,481          |
| Amortisation of intangible assets                  | 262            | 282            |
| <b>Total depreciation and amortisation expense</b> | <b>6,457</b>   | <b>5,763</b>   |

| 37 Other expenses   | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Repairs - Transmission and Distribution system                    | 2,456          | 2,299          |
| Maintenance & Repairs - Others                                    | 276            | 237            |
| Security Expenses   | 434            | 344            |
| Insurance   | 91             | 72             |
| Manpower Contracting Charges                                      | 374            | 93             |
| Rent  | 14             | 13             |
| Power and Fuel  | 8              | 6              |
| Rates & Taxes   | 2              | 1              |
| Travelling & Conveyance   | 121            | 114            |
| Legal & Professional Charges                                      | 352            | 218            |
| Directors Fees  | 8              | 8              |
| Payment to Auditors [Refer Note (a) below]                        | 32             | 32             |
| Corporate Social Responsibilities Expenses [Refer Note (b) below] | 252            | 257            |
| Loss on retirement of fixed assets (net)                          | 134            | 86             |
| Bad Debts written off   | 196            | 246            |
| Provision for Doubtful Debts                                      | 1,446          | 766            |
| Miscellaneous expenses  | 644            | 543            |
| <b>Total other expenses</b>                                       | <b>6,840</b>   | <b>5,335</b>   |

| (a) Details of payments to auditors               | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Audit fee   | 23             | 23             |
| Tax audit fee                                     | 4              | 4              |
| Reimbursement of expenses (including service tax) | 5              | 5              |
| <b>Total payments to auditors</b>                 | <b>32</b>      | <b>32</b>      |

| (b) Corporate social responsibility expenditure            | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Amount required to be spent as per Section 135 of the Act: |                |                |
| Amount spent during the year on:                           |                |                |
| (i) Construction/acquisition of an asset                   | -              | -              |
| (ii) On purposes other than (i) above                      | 252            | 257            |
| <b>Total</b>   | <b>252</b>     | <b>257</b>     |



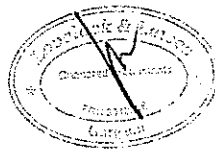
**Noida Power Company Limited**  
**Notes to profit or loss**  
(All amount in Rs. Lakhs, unless otherwise stated)

**38 Income tax expense**

|   | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| <b>(a) Income tax expense</b>                   |                |                |
| Current tax                                     |                |                |
| Current tax on profits for the year             | 3,111          | 3,617          |
| <b>Total current tax expense</b>                | <b>3,111</b>   | <b>3,617</b>   |
| Deferred tax                                    |                |                |
| Decrease (increase) in deferred tax assets      | 554            | 343            |
| (Decrease) increase in deferred tax liabilities | (617)          | (625)          |
| Recoverable as tariff regulation                | 63             | 282            |
| <b>Total deferred tax expense/(benefit)</b>     | <b>-</b>       | <b>-</b>       |
| <b>Total income tax expense for the year</b>    | <b>3,111</b>   | <b>3,617</b>   |

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

|   | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Profit before tax and after net movements in regulatory deferral account balances                         | 12,877         | 16,537         |
| <b>Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)</b>  | <b>4,457</b>   | <b>5,723</b>   |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income in current period: |                |                |
| Difference in Depreciation between books and Income Tax Act   | (385)          | (622)          |
| Loss on retirement of fixed assets (net)  | 46             | 13             |
| Provision for doubtful debts  | 500            | 265            |
| Difference in Amounts allowable u/s. 43B on actual payment basis  | 214            | 156            |
| Tax effect of amounts which are never be deducted (taxed) under tax laws:                                 |                |                |
| Corporate social responsibility expenditure   | 44             | 44             |
| Income from Dividend(Exempt)  | (1)            | (1)            |
| Interest in Shortfall of Advance Tax  | 20             | 56             |
| Borrowing cost measured at amortised cost   | 129            | 43             |
| Trade Payable measured at amortised cost  | 21             | 84             |
| Change in fair value of investments   | (1)            | 1              |
| Tax effect for non-taxable income :   |                |                |
| Capital contribution in nature of capital receipts  | (695)          | (607)          |
| Adjustments of unutilised credits available under tax returns   | (1,238)        | (1,538)        |
| <b>Income tax expense</b>   | <b>3,111</b>   | <b>3,617</b>   |



**Noida Power Company Limited**  
**Financial instruments and risk management**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**39 Fair value measurements**

**Financial instruments by category**

|                                    | 31 March, 2017 |                | 31 March, 2016 |                | 1 April, 2015 |                |
|------------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|
|                                    | FVTPL          | Amortised cost | FVTPL          | Amortised cost | FVTPL         | Amortised cost |
| <b>Financial assets</b>            |                |                |                |                |               |                |
| Investments                        |                |                |                |                |               |                |
| Government Bond                    | -              | 135            | -              | 135            | -             | 135            |
| Bond                               | -              | 111            | -              | 234            | -             | 235            |
| Mutual funds                       | 33             | -              | 28             | -              | 32            | -              |
| Loans                              |                |                |                |                |               |                |
| Trade receivables                  | -              | 7,248          | -              | 8,434          | -             | 5,861          |
| Cash and cash equivalents          | -              | 1,289          | -              | 560            | -             | 1,293          |
| Other Bank Balances                | -              | 8              | -              | 14             | -             | 21             |
| Security deposits                  | -              | 1,131          | -              | 1,129          | -             | 1,131          |
| Other financial assets             | -              | 7,009          | -              | 6,180          | -             | 5,726          |
| <b>Total financial assets</b>      | <b>33</b>      | <b>17,063</b>  | <b>28</b>      | <b>16,777</b>  | <b>32</b>     | <b>14,469</b>  |
| <b>Financial liabilities</b>       |                |                |                |                |               |                |
| Borrowings                         | -              | 21,927         | -              | 42,420         | -             | 51,531         |
| Trade payables                     | -              | 8,380          | -              | 9,568          | -             | 9,266          |
| Consumers' security deposits       | -              | 17             | -              | 77             | -             | 56             |
| Other financial liabilities        | -              | 22,896         | -              | 20,899         | -             | 18,255         |
| <b>Total financial liabilities</b> | <b>-</b>       | <b>53,220</b>  | <b>-</b>       | <b>72,964</b>  | <b>-</b>      | <b>79,108</b>  |

**(i) 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 group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

| At 31 March 2017                | Notes    | Level 1   | Level 2  | Level 3  | Total     |
|---------------------------------|----------|-----------|----------|----------|-----------|
| <b>Financial assets</b>         |          |           |          |          |           |
| Financial Investments at FVTPL: |          |           |          |          |           |
| Investment in Mutual Fund       | 6        | 33        | -        | -        | 33        |
| <b>Total financial assets</b>   | <b>6</b> | <b>33</b> | <b>-</b> | <b>-</b> | <b>33</b> |

**Assets and liabilities which are measured amortised cost for which fair values are disclosed**

| At 31 March 2017                   | Notes    | Level 1  | Level 2       | Level 3  | Total         |
|------------------------------------|----------|----------|---------------|----------|---------------|
| <b>Financial liabilities</b>       |          |          |               |          |               |
| Borrowings                         | 21       | -        | 22,363        | -        | 22,363        |
| <b>Total financial liabilities</b> | <b>-</b> | <b>-</b> | <b>22,363</b> | <b>-</b> | <b>22,363</b> |

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

| At 31 March 2016                | Notes    | Level 1   | Level 2  | Level 3  | Total     |
|---------------------------------|----------|-----------|----------|----------|-----------|
| <b>Financial assets</b>         |          |           |          |          |           |
| Financial Investments at FVTPL: |          |           |          |          |           |
| Investment in Mutual Fund       | 6        | 28        | -        | -        | 28        |
| <b>Total financial assets</b>   | <b>-</b> | <b>28</b> | <b>-</b> | <b>-</b> | <b>28</b> |

**Assets and liabilities which are measured amortised cost for which fair values are disclosed**

| At 31 March 2016                   | Notes    | Level 1  | Level 2       | Level 3  | Total         |
|------------------------------------|----------|----------|---------------|----------|---------------|
| <b>Financial Liabilities</b>       |          |          |               |          |               |
| Borrowings                         | 21       | -        | 43,554        | -        | 43,554        |
| <b>Total financial liabilities</b> | <b>-</b> | <b>-</b> | <b>43,554</b> | <b>-</b> | <b>43,554</b> |





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

| At April 1, 2015              | Notes | Level 1   | Level 2  | Level 3  | Total     |
|-------------------------------|-------|-----------|----------|----------|-----------|
| <b>Financial assets</b>       |       |           |          |          |           |
| Investment in Mutual Fund     | 6     | 32        | -        | -        | 32        |
| <b>Total financial assets</b> |       | <b>32</b> | <b>-</b> | <b>-</b> | <b>32</b> |

**Financial liabilities**

At the reporting date, the Company does not have any financial liability which is required or designated to be measured at fair value through profit & loss.

**Assets and liabilities which are measured amortised cost for which fair values are disclosed**

| At April 1, 2015                   | Notes | Level 1  | Level 2       | Level 3  | Total         |
|------------------------------------|-------|----------|---------------|----------|---------------|
| <b>Financial Liabilities</b>       |       |          |               |          |               |
| Borrowings                         | 21    | -        | 52,206        | -        | 52,206        |
| <b>Total financial liabilities</b> |       | <b>-</b> | <b>52,206</b> | <b>-</b> | <b>52,206</b> |

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

2) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**(ii) 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 NAV of the respective funds on the closing date.
- the fair value of the borrowings is determined using discounted cash flow analysis.

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

|                                    | 31 March, 2017  |               | 31 March, 2016  |               | 1 April, 2015   |               |
|------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|                                    | Carrying amount | Fair value    | Carrying amount | Fair value    | Carrying amount | Fair value    |
| <b>Financial Liabilities</b>       |                 |               |                 |               |                 |               |
| Borrowings                         | 21,927          | 22,363        | 42,420          | 43,554        | 51,531          | 52,206        |
| <b>Total financial liabilities</b> | <b>21,927</b>   | <b>22,363</b> | <b>42,420</b>   | <b>43,554</b> | <b>51,531</b>   | <b>52,206</b> |

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.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing 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.



**40 Financial risk management**

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

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

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

**(A) Credit risk**

Credit risk 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 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 receivable the company takes security deposits from each consumers as per the parameter defined in Electricity Supply Code, 2010 to cover payment for supply of power equivalent to the average 2 months consumption. Further, the company reassess 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.



**Noida Power Company Limited**  
**Financial instruments and risk management (contd.)**  
 (All amount in Rs. Lakhs, unless otherwise stated)

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 be collected are insignificant.

**(ii) Reconciliation of loss allowance provision – Trade receivables**

|  |              |
|--|--------------|
| Loss allowance on 1 April 2015         | 2,697        |
| Changes in loss allowance              | 766          |
| <b>Loss allowance on 31 March 2016</b> | <b>3,463</b> |
| Changes in loss allowance              | 1,446        |
| <b>Loss allowance on 31 March 2017</b> | <b>4,908</b> |

The increase in loss allowance for trade receivable is mainly attributable to the higher amount of outstanding balance of trade receivable at the end of reporting period partially set-off by the trade receivable recovered during the period.

**(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:

|   | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---|----------------|----------------|---------------|
| <b>Floating rate</b>                                    |                |                |               |
| - Expiring within one year (Working Capital Facilities) | 28,000         | 31,245         | 28,178        |
| - Expiring within one year (Term Loan)                  | 6,000          | 6,500          | 2,000         |

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

Subject to the continuance of satisfactory credit ratings, undrawn bank loan facilities may be drawn at any time within stipulated drawdown period and drawn borrowings generally have tenure of '7 to 8' years (2016 '7 to 8' years, 2015 '7 to 8' years).

**(ii) Maturities of financial liabilities**

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

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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         |
|---|-----------------------|-----------------------|-----------------------|--------------------|---------------|
| <b>31 March 2017</b>                    |                       |                       |                       |                    |               |
| <b>Non-derivatives</b>                  |                       |                       |                       |                    |               |
| Borrowings                              | 8,054                 | 6,529                 | 11,255                | 1,133              | 26,971        |
| Trade payables                          | 8,380                 | -                     | -                     | -                  | 8,380         |
| Other financial liabilities             | 22,913                | -                     | -                     | -                  | 22,913        |
| <b>Total non-derivative liabilities</b> | <b>39,347</b>         | <b>6,529</b>          | <b>11,255</b>         | <b>1,133</b>       | <b>58,264</b> |
| <b>31 March 2016</b>                    |                       |                       |                       |                    |               |
| <b>Non-derivatives</b>                  |                       |                       |                       |                    |               |
| Borrowings                              | 18,416                | 11,810                | 20,695                | 1,347              | 52,268        |
| Trade payables                          | 9,568                 | -                     | -                     | -                  | 9,568         |
| Other financial liabilities             | 20,976                | -                     | -                     | -                  | 20,976        |
| <b>Total non-derivative liabilities</b> | <b>48,960</b>         | <b>11,810</b>         | <b>20,695</b>         | <b>1,347</b>       | <b>82,812</b> |



**Noida Power Company Limited**  
**Financial instruments and risk management (contd.)**  
 (All amount in Rs. Lakhs, unless otherwise stated)

|   | Not later than 1 year | Between 1 and 2 years | Between 2 and 5 years | Later than 5 years | Total         |
|---|-----------------------|-----------------------|-----------------------|--------------------|---------------|
| <b>1 April 2015</b>                     |                       |                       |                       |                    |               |
| <b>Non-derivatives</b>                  |                       |                       |                       |                    |               |
| Borrowings                              | 24,111                | 12,888                | 22,314                | 5,313              | 64,626        |
| Trade payables                          | 1,679                 | 1,119                 | -                     | -                  | 2,798         |
| Other financial liabilities             | 23,167                | -                     | -                     | -                  | 23,167        |
| <b>Total non-derivative liabilities</b> | <b>48,957</b>         | <b>14,007</b>         | <b>22,314</b>         | <b>5,313</b>       | <b>90,591</b> |

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

**(C) Market risk**

**(i) Foreign currency risk**

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

**(ii) Interest rate risk**

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

|                          | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|--------------------------|----------------|----------------|---------------|
| Variable rate borrowings | 21,927         | 42,420         | 51,530        |
| <b>Total borrowings</b>  | <b>21,927</b>  | <b>42,420</b>  | <b>51,530</b> |

|  | Balance       | % of total loans |
|--|---------------|------------------|
| <b>31 March 2017</b>                     |               |                  |
| Term Loans from bank                     | 21,927        | 100%             |
| Bank overdrafts, bank loans, Cash Credit | -             | 0%               |
|  | <b>21,927</b> | <b>100%</b>      |
| <b>31 March 2016</b>                     |               |                  |
| Term Loans from bank                     | 38,215        | 90%              |
| Bank overdrafts, bank loans, Cash Credit | 4,205         | 10%              |
|  | <b>42,420</b> | <b>100%</b>      |
| <b>01 April 2015</b>                     |               |                  |
| Term Loans from bank                     | 40,683        | 79%              |
| Bank overdrafts, bank loans, Cash Credit | 1,046         | 2%               |
| Commercial Paper                         | 9,801         | 19%              |
|  | <b>51,530</b> | <b>100%</b>      |



**Noida Power Company Limited**  
**Financial instruments and risk management (contd.)**  
(All amount in Rs. Lakhs, unless otherwise stated)

**41 Capital management**

**(a) Risk management**

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Company manages the share capital issued and subscribed alongwith shareholder's fund appearing in the financial statement as capital of the company. Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The company has complied with these covenants throughout the reporting period.

There is no change in the objectives, policies and processes for managing capital

**(b) Dividends**

|  | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| (i) Equity shares  |                |                |
| Final dividend for the year ended 31 March 2016 of Rs. 2.50<br>(31 March 2015 – Rs. 1.50) per fully paid share | 1,500          | 900            |
| Dividend Distribution Tax  | 305            | 183            |
| Interim dividend for the year ended 31 March 2017 of Rs. Nil<br>(31 March 2016 – Rs. Nil) per fully paid share | Nil            | Nil            |

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

\*The directors have recommended the payment of a final dividend of Rs. 2.50 per equity share at the year end which is subject to the approval of shareholders in the ensuing annual general meeting.

**42 Segment information**

**(a) Description of segments and principal activities**

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" is 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 & 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.



**Noida Power Company Limited**  
**Notes to financial statements**  
(All amount in Rs. Lakhs, unless otherwise stated)

**43 Related party transactions**

- (a) (i) Entities having Significant Influence : Greater Noida Industrial Development Authority (GNIDA)  
: CESC Limited (w.e.f. 24th March,2017)  
: CESC Infrastructures Limited (till 23rd March,2017)  
: Shaft Investment Limited  
: Government of State of Uttar Pradesh
- (ii) Key Management Personnel (KMP) : Mr. Sanjay Agarwal, Chairman  
Mr. Krishna Kumar, Director  
Mr. S. Banerjee, Director  
Mr. Ajai Raj Sharma, Director  
Mr. S. N. Kuckreja, Director  
Mr. Utpal Bhattacharyya, Director  
Mr. Pradip Roy, Director  
Mr. Deepak Agarwal, Director  
Mrs. Gargi Chatterjea, Director  
Mr. R. C. Agarwala, Managing Director & CEO
- (iii) Employee Benefit Plan : Noida Power Company Limited Gratuity Fund  
NPCL Executives Pension Scheme
- (iv) Subsidiary of Entity having significant influence : Dhariwal Infrastructure Limited (DIL)  
Harrisons Malayalam Limited  
STEL Holdings Limited  
Phillips Carbon Black Limited  
RPG Industries Private Limited  
Spencers Retail Limited

**(b) Key management personnel compensation**

|                              | March 31, 2017 | March 31, 2016 |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 404            | 357            |
| Employers PF Contribution    | 12             | 10             |
| Voluntary Provident Fund     | 1              | 1              |
| Senior Staff Pension Fund    | 2              | 1              |
| Post-employment benefits*    |                |                |
| Long-term employee benefits* |                |                |
| <b>Total compensation</b>    | <b>419</b>     | <b>369</b>     |

\* 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**

i The following transactions occurred with related parties:

|  | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| Sale of Electricity to GNIDA                       | 4,301          | 3,960          |
| Interest and Finance Charges to GNIDA              | 9              | 9              |
| Purchase of Electricity from GNIDA                 | 96             | 95             |
| Purchase of Electricity from DIL                   | 4,158          | -              |
| Cash discount on Electricity Purchases from GNIDA  | 2              | 2              |
| Cash discount on Electricity Purchases from DIL    | 80             | -              |
| Purchase of Fixed Assets from GNIDA*               | 1,327          | 2,625          |
| Rent to GNIDA                                      | 9              | 9              |
| Dividend to GNIDA                                  | 409            | 245            |
| Dividend to CESC Infrastructures Ltd.              | 743            | 446            |
| Dividend to Shaft Investment Ltd.                  | 273            | 164            |
| Dividend to STEL Holdings Ltd.                     | 75             | 45             |
| Contribution to Employee Benefit Plan              | 116            | 42             |
| Others Miscellaneous Expenses with:-               |                |                |
| -Entity having significant influence               | 5              | 7              |
| -Subsidiary of Entity having significant influence | 6              | 5              |

\*Does not include distribution assets handed over by GNIDA for distribution of electricity to its consumers and maintenance thereof by the Company (Refer Note 4)

ii Company has deposited statutory dues with Government of Uttar Pradesh as applicable from time to time.



**Noida Power Company Limited**  
**Notes to financial statements**  
(All amount in Rs. Lakhs, unless otherwise stated)

- (d) **Outstanding balances arising from sales/purchases of goods and services**  
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

|  | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--|----------------|----------------|---------------|
| Payables to GNIDA                          |                |                |               |
| Trade Payable                              | 10             | 10             | -             |
| Payable balance for PPE Purchase and rent  | 699            | 392            | 157           |
| Consumer Security Deposit                  | 123            | 117            | 88            |
| Credit Balances in Debtors                 | 51             | 30             | 10            |
| Payable to KMP                             | 90             | 109            | 72            |
| Payable to DIL for Power Purchase & Others | 1,464          | 45             | 45            |
| Statutory Dues                             | 1,149          | 1,044          | 973           |
| <b>Total payables to related parties</b>   | <b>3,586</b>   | <b>1,747</b>   | <b>1,345</b>  |

|   | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|----------------|----------------|---------------|
| (e) <b>Receivable from GNIDA</b>              |                |                |               |
| Trade receivables                             | 1,636          | 1,575          | 1,271         |
| Advance for Land                              | -              | -              | 10            |
| <b>Total receivables from related parties</b> | <b>1,636</b>   | <b>1,575</b>   | <b>1,281</b>  |

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

- (f) **Terms and conditions**  
The transactions with related parties are carried in the normal course of business.



**Noida Power Company Limited****Other disclosures**

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

**44 Contingent liabilities and contingent assets****Contingent liabilities**

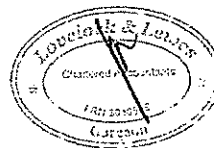
- 1 Income tax department has raised tax demands for various assessment years which have been challenged by the Company with respective appellate authority.

| Nature              | 31 March, 2017 | 31 March, 2016 | 1 April, 2015 |
|---------------------|----------------|----------------|---------------|
| Income Tax Demands* | 1,922          | 1,922          | -             |
| Penalty Demands     | 9,969          | 11,649         | 880           |
| TDS Demands#        | 981            | 981            | 981           |
| <b>Total</b>        | <b>12,872</b>  | <b>14,552</b>  | <b>1,861</b>  |

\*against which the Company has paid Rs. 1,045 Lakhs (March 31, 2016: Rs. 832 Lakhs and March 31, 2015: Rs. Nil) under protest.

#against which the Company has paid Rs. 212 Lakhs (March 31, 2016: Rs. 212 Lakhs and March 31, 2015: Rs. 212 Lakhs) under protest.

- a. The JCIT has passed the assessment order dated 21st March, 2014 disallowing power purchase price not debited to P&L A/c & transmission charges u/s 40(a)(ia) and raised a demand of Rs. 1229 Lakhs for Assessment Year 2011-12. The Company has filed an appeal before the CIT (A) on 24th April, 2014. CIT (A) has vide its Order dated 31st March, 2016 dismissed the Appeals. Further, the company has filed an appeal against the order of CIT (A) on 10th June, 2016 before ITAT. Company has deposited the demand of Rs. 1229 Lakhs (March 31, 2016: Rs. 1229 Lakhs and March 31, 2015: Rs. 1229 Lakhs) under protest and also has made provision of Rs. 397 Lakhs (March 31, 2016: Rs. 397 Lakhs and March 31, 2015: Rs. 397 Lakhs) towards power purchase disallowance. The amount disclosed above under contingent liability is Rs. 832 Lakhs (March 31, 2016: Rs. 832 Lakhs and March 31, 2015: Rs. Nil)
- b. The ACIT has passed the assessment order dated 30th March, 2015 disallowing power purchase price not debited to P&L A/c & transmission charges u/s 40(a)(ia) and raised a demand of Rs. 3167 Lakhs for Assessment Year 2012-13. The Company has filed a rectification application u/s 154 of the IT Act, 1961 on 6th April, 2015. Further, the ACIT has passed the rectification order dated 15th June, 2015 and raised a demand of Rs. 1300 Lakhs. The Company has filed an appeal before the CIT (A) on 30th April, 2015 against the assessment order passed u/s 143(3) of the Act. The CIT (A) has vide its Order dated 30th June, 2016 dismissed the appeal on disallowance of power purchase price not debited to P&L A/c and disallowance of transmission charges u/s 40(a)(ia). The Company has filed an appeal before ITAT against the aforesaid CIT(A)'s Order on 12th September, 2016. The Company has deposited the demand of Rs. 423 Lakhs (March 31, 2016: Rs. 210 Lakhs and March 31, 2015: Nil) under protest and the balance demand is stayed till 31st December, 2017 or disposal of appeal by the Hon'ble ITAT whichever is earlier. The Company has made provision of Rs. 210 Lakhs (March 31, 2016: Rs. 210 Lakhs and March 31, 2015: Rs. 210 Lakhs) towards power purchase disallowance. The amount disclosed above under contingent liability is Rs. 1090 Lakhs (March 31, 2016: Rs. 1090 Lakhs and March 31, 2015: Rs. Nil)
- c. JCIT vide its order u/s 271(1)(c) dated 29th March, 2012 imposed a penalty of Rs. 880 Lakhs for Assessment Year 2007-08. The Company has filed an appeal before CIT (A) against the said order on 13th April, 2012. The CIT (A) has decided the appeal in favour of the Company vide its order dated 24th December, 2012 quashing the demand of Rs 880 Lakhs. Further, Income tax department has filed an appeal before ITAT against the order of CIT(A). The Hon'ble ITAT, vide its Order dated 05th September, 2016 dismissed the appeal of the revenue and pronounced its order in favour of the Company quashing the demand of Rs. 880 Lakhs u/s 271(1)(C). The amount disclosed above under contingent liability is Rs. Nil (March 31, 2016: Rs. 880 Lakhs and March 31, 2015: Rs. 880 Lakhs)





## Noida Power Company Limited

### Other disclosures

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

- d. JCIT has passed an Order u/s 271(1)(c) dated 26th March, 2013 in respect of the disallowance of power purchase price not debited to P& L A/c and imposed a penalty of Rs. 800 Lakhs for Assessment Year 2008-09. The Company has filed an appeal before the CIT (A) on 30th April, 2013. The CIT (A) has decided the appeal in favour of the Company vide its order dated 31st October, 2013 quashing the demand of Rs 800 Lakhs. Income tax department has filed an appeal before ITAT. The Hon'ble ITAT, vide its Order dated 28th March, 2017 dismissed the appeal of the revenue and pronounced its order in favour of the Company quashing the demand of Rs. 800 Lakhs u/s 271(1)(C). The amount disclosed above under contingent liability is Rs. Nil (March 31, 2016: Rs. 800 Lakhs and March 31, 2015: Rs. Nil)
  - e. JCIT has passed an Order u/s 271(1)(c) dated 7th March, 2014 in respect of the disallowance of power purchase price not debited to P& L A/c and imposed a penalty of Rs. 4600 Lakhs and 5300 Lakhs for Assessment Year 2004-05 and 2005-06 respectively. The Company has filed an appeal before the CIT (A) on 15th April, 2014. The CIT (A) has decided the appeal in favour of the Company vide its order dated 12th March, 2015 quashing the aforesaid demand. Further, Income tax department has filed an appeal against the aforesaid orders before ITAT. The amount disclosed above under contingent liability is Rs. 9900 Lakhs (March 31, 2016: Rs. 9900 Lakhs and March 31, 2015: Rs. Nil)
  - f. JCIT has passed an Order u/s 271(1)(c) dated 11th March, 2014 in respect of the disallowance of power purchase price not debited to P& L A/c and imposed a penalty of Rs.69 lakhs. The Company has filed an appeal before the CIT (A) on 15th April, 2014. CIT(A) decided the Appeal in favour of the Company. Further, income tax department has filed an appeal before ITAT. The amount disclosed above under contingent liability is Rs. 69 Lakhs (March 31, 2016: Rs. 69 Lakhs and March 31, 2015: Rs. Nil)
  - g. DCIT (TDS) vide its order dated 19th May, 2014 u/s 154/ 201(1)/(1A) has raised a demand of Rs. 1.58 Lakhs & Rs. 1.45 Lakhs for non-deduction of TDS on Lease Rent u/s 194I the Income Tax Act, 1961 for Assessment year 2011-12 & 2012-13 respectively. The Company has filed an appeal before the CIT (A) on 25th June, 2014. The CIT (A) has vide its Order dated 10th March, 2016 dismissed the appeals and confirmed the demand raised by AO. The Company has filed an appeal against the order of CIT(A) before ITAT on 26th May, 2016. The amount disclosed above under contingent liability is Rs. 3 Lakhs (March 31, 2016: Rs. 3 Lakhs and March 31, 2015: Rs. 3 Lakhs)
  - h. ACIT(TDS) vide its order dated 05th March, 2015 raised a demand of Rs. 909 Lakhs u/s 201(1) & (1A) for Assessment Years 2010-11, 2013-14 and 2014-15 for non-deduction of TDS on transmission charges u/s 194J and lease rent u/s 194I. The Company has filed an appeal before CIT(A) against the said order on 20th March, 2015. The CIT (A) has vide its Order dated 10th March, 2016 dismissed the appeals and confirmed the demand raised by Assessing Officer in complete contrasts to the order dated 25th May, 2015 of its predecessor CIT(A) who have allowed the appeal and quashed the demand of the Assessing officer on similar matter of Transmission charges. The Company has filed an appeal against the aforesaid order before ITAT on 26th May, 2016. Meanwhile, the company has deposited Rs. 212 Lakhs (March 31, 2016: Rs. 212 Lakhs and March 31, 2015: Rs. 212 Lakhs) under protest. The amount disclosed above under contingent liability is Rs. 909 Lakhs (March 31, 2016: Rs. 909 Lakhs and March 31, 2015: Rs. 909 Lakhs)
  - i. ACIT(TDS) vide its order dated 30th March, 2015 raised a demand of Rs. 69 Lakhs u/s 201(1) & (1A) for Assessment Year 2008-09 for non-deduction of TDS on transmission charges u/s 194J and lease rent u/s 194I. The Company has filed an appeal before CIT(A) against the said order on 31th March, 2015. The CIT (A) has vide its Order dated 10th March, 2016 dismissed the appeals and confirmed the demand raised by Assessing officer in complete contrasts to the order dated 25th May, 2015 of its predecessor CIT(A) who have allowed the appeal and quashed the demand of the Assessing Officer on similar matter of Transmission charges. The Company has filed an appeal against the aforesaid order before ITAT on 26th May, 2016. The amount disclosed above under contingent liability is Rs. 69 Lakhs (March 31, 2016: Rs. 69 Lakhs and March 31, 2015: Rs. 69 Lakhs)
- 2 Outstanding Bank Guarantee (favouring Govt. of U. P. in respect of License u/s 14 of Electricity Act, 2003) – Rs. 5 Lakhs (March 31, 2016: Rs. 5 Lakhs and March 31, 2015: Rs. 5 Lakhs).

**Note:** It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above demands, pending resolution of the respective proceedings.



**Noida Power Company Limited**

**Other disclosures**

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

**45 Commitments**

**(a) Capital commitments**

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

|                               | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------------------|----------------|----------------|---------------|
| Property, plant and equipment | 1,167          | 2,880          | 2,015         |
| Intangible assets             | 185            | 500            | 721           |
| <b>Total</b>                  | <b>1,352</b>   | <b>3,380</b>   | <b>2,736</b>  |

**(b) Non-cancellable financial leases**

General description of the Company's operating lease arrangements:

i) The Company has entered into finance lease arrangements for:

a. Leasehold Land:

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



**Noida Power Company Limited**  
**Notes to financial statements**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**46 Earnings per share**

| <b>(a) Basic earnings per share</b>  | <b>31 March 2017</b> | <b>31 March, 2016</b> |
|--|----------------------|-----------------------|
| Basic earnings per share attributable to the equity holders of the Company   | 37.15                | 15.36                 |
| Basic earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company   | 16.28                | 21.53                 |
| <b>(b) Diluted earnings per share</b>  | <b>31 March 2017</b> | <b>31 March, 2016</b> |
| Diluted earnings per share attributable to the equity holders of the Company   | 37.15                | 15.36                 |
| Diluted earnings per share after adjusting net movement in regulatory deferral account balance attributable to the equity holders of the Company                                       | 16.28                | 21.53                 |
| <b>(c) Reconciliations of earnings used in calculating earnings per share</b>  | <b>31 March 2017</b> | <b>31 March, 2016</b> |
| <i>Basic earnings per share</i>  |                      |                       |
| i Profit attributable to equity holders of the company used in calculating basis earnings per share  | 22,290               | 9,216                 |
| ii Profit attributable to equity holders of the company used in calculating basis earnings per share after adjusting net movement in regulatory deferral account balances              | 9,766                | 12,920                |
| <i>Diluted earnings per share</i>  |                      |                       |
| i Profit attributable to equity holders of the company<br>- used in calculating basis earnings per share<br>Add/Less:  | 22,290               | 9,216                 |
| Used in calculating diluted earnings per share   | 22,290               | 9,216                 |
| ii Profit attributable to equity holders of the company used in calculating basis earnings per share after adjusting net movement in regulatory deferral account balances<br>Add/Less: | 9,766                | 12,920                |
| Used in calculating diluted earnings per share   | 9,766                | 12,920                |
| <b>(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>  | <b>In Lacs</b>       | <b>In Lacs</b>        |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share   | 600                  | 600                   |
| Adjustments for calculation of diluted earnings per share:   | -                    | -                     |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share   | 600                  | 600                   |



**Noida Power Company Limited**  
**First-time adoption of Ind AS**  
(All amount in Rs. Lakhs, unless otherwise stated)

**47 Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**A.1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, The company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

**A.1.2 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at fair value through other comprehensive income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

**A.1.3 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.



Noida Power Company Limited  
Reconciliations between previous GAAP and Ind AS  
(All amount in Rs. Lakhs, unless otherwise stated)

B) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

|   | Notes | 31 March 2016 | 1 April 2015  |
|---|-------|---------------|---------------|
| Total equity (shareholder's funds) as per previous GAAP |       | 66,231        | 55,117        |
| <b>Adjustments</b>                                      |       |               |               |
| Fair valuation of investments                           | a     | 12            | 15            |
| Borrowings measured at amortised cost                   | b     | 786           | 909           |
| Fair valuation of long term liabilities- Trade Payable  | c     | 62            | 303           |
| Change in provision created for Doubtful Debts          | d     | 102           | (258)         |
| Liability for Proposed Dividend reversed                | e     | 1,805         | 1,080         |
| Tax impact on above adjustment                          | g     | (324)         | (325)         |
| Less: Recoverable as regulatory assets                  | g     | 324           | 325           |
| <b>Total adjustments</b>                                |       | <b>2,767</b>  | <b>2,049</b>  |
| <b>Total equity as per Ind AS</b>                       |       | <b>68,998</b> | <b>57,166</b> |

C) Reconciliation of total comprehensive income for the year ended 31 March, 2016

|  | Notes | Notes | March 31, 2016 |
|--|-------|-------|----------------|
| Profit after tax as per previous GAAP  |       |       | 12,035         |
| <b>Adjustments</b>   |       |       |                |
| Fair valuation of investments  |       | a     | (3)            |
| Change in finance cost due to borrowings measured at amortised cost              |       | b     | (124)          |
| Change in finance cost due to long term trade payable measured at amortised cost |       | c     | (241)          |
| Provision Reversed/(created) for Doubtful Debts                                  |       | d     | 360            |
| <u>Changes in treatment of capital contribution received from consumers</u>      |       | i     |                |
| Capital contribution from consumers recognised as other operating income         |       |       | 1,754          |
| Reversal of adjustment of capital contribution from depreciation                 |       |       | (820)          |
| Reversal of adjustment of capital contribution from loss on assets retired       |       |       | (46)           |
| Remeasurement of Post-employment benefit obligations (Net of Tax)                |       | f     | 5              |
| Tax impact of above adjustments  |       | g     | 1              |
| Less: recoverable as regulatory assets   |       | g     | (1)            |
| <b>Total adjustments</b>   |       |       | <b>885</b>     |
| <b>Profit after tax as per Ind AS</b>  |       |       | <b>12,920</b>  |
| Other comprehensive income (Net of Tax)  |       | f     | (5)            |
| <b>Total comprehensive income as per Ind AS</b>                                  |       |       | <b>12,915</b>  |



**Noida Power Company Limited**  
**Reconciliations between previous GAAP and Ind AS**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**III) Impact of Ind AS adoption on cash flow statement\***

|   | Previous GAAP | Adjustments | Ind AS       |
|---|---------------|-------------|--------------|
| Net cash flow from operating activities                     | 26,582        | 1,281       | 27,863       |
| Net cash flow from investing activities                     | (13,725)      | 251         | (13,474)     |
| Net cash flow from financing activities                     | (13,590)      | (1,532)     | (15,122)     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(733)</b>  |             | <b>(733)</b> |
| <b>Cash and cash equivalents as at April 1, 2015</b>        | <b>1,293</b>  |             | <b>1,293</b> |
| <b>Cash and cash equivalents as at March 31, 2016</b>       | <b>560</b>    |             | <b>560</b>   |

\*The impact in cash flow statement are due to adjustments explained below.

**Explanation to Ind AS Adjustments**

**a Fair valuation of investments**

Under the previous GAAP, investments in Mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

**b Borrowing cost measured at amortised cost**

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to profit or loss as and when incurred.

Under Ind AS 109, transaction costs incurred towards origination of borrowings are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, carrying cost of borrowings has been measured at amortised cost using effective interest rate retrospectively with corresponding impact in the retained earnings.

Subsequently, interest expense for the period has been calculated using the effective interest rate.

**c Long-term Trade Payable measured at amortised cost**

Under the previous GAAP, interest free long-term liabilities (such as trade payable, etc.) (that are payable in cash) are recorded at their transaction value.

Under Ind AS, all financial liabilities are required to be recognised initially at fair value and subsequently either at amortised cost or fair value through profit and loss. Accordingly, under Ind AS, on the basis of its business model, the company has measured long-term trade payable at amortised cost and difference between the amortised cost of the liability as on the date of transition and carrying value of the liability under IGAAP has been recognised in retained earnings.

**d Trade receivables**

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, adjustments in the loss allowance for doubtful debts has been made in accordance with Expected Credit Loss Model.



**Noida Power Company Limited**  
**Reconciliations between previous GAAP and Ind AS**  
(All amount in Rs. Lakhs, unless otherwise stated)

- e Proposed dividend**  
Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements was considered as an adjusting event. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.
- f Remeasurnment of Post-employment benefit obligations**  
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the year ended 31 March, 2016.
- g Deferred tax impact on Ind AS & Retained Earnings**  
Under Ind AS, deferred tax asset/liability is computed following the balance sheet approach. Accordingly, deferred tax asset/liability has been calculated using the balance sheet approach under Ind AS along with the impact of above explained adjustments.
- Reclassification Adjustments**
- h Capital Stores**  
Under previous GAAP, stores and spares acquired by the company for the purpose of use in projects under construction were classified as Inventory. Under Ind AS, as such spares has been acquired to be used in projects under development, meet the definition of property, plant and equipment. Accordingly, the same has been classified under Capital Work-in-progress as Capital Stores from inventory.
- i Capital Contribution**  
Under previous GAAP, capital contribution received from consumers was presented as a part of reserves as a restricted reserve. Such contribution was amortised over the period of life of the assets acquired from such contribution based on management assessment and adjusted with depreciation and retirement loss on such assets. Considering the guidance available under Ind AS, the company has decided to recognise the contribution received from customers as its revenue in the year of receipt and included the same under other operating income and no adjustments has been made to depreciation or loss on assets retirement.



**Noida Power Company Limited**  
**Notes to Financial Statements**

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

**48 Regulator and Regulatory Framework**

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/Regulator). The State Commission has framed various Regulation (State Regulations) for regulating the business of the electricity distribution industry in the State of Uttar Pradesh. It has also framed regulation for determination of tariff to be charged from the Consumers viz. UPERC (Terms & Conditions for Determination of Distribution Tariff) Regulation, 2006 (Tariff Regulation). As per Tariff Regulation, the Company recovers its legitimate cost of supply including return on equity after prudence check from its consumers through tariff determined by the State Commission .

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

UPERC vide its Tariff Order dated August 1, 2016 has approved the provisional ARR for Financial Year 2016-17 along with true-up for Financial Year 2014-15 and revised true up of FY 2013-14 in view of APTEL's order dated 2nd June, 2016. Necessary adjustments for true-up for FY 2013-14 and FY 2014-15 has already been accounted in financial statements for FY 2015-16.

During the year, the Company has computed its revenue requirement and reasonable return in respect of the Financial Year 2016-17 based on the past practices and best estimates in accordance with the provisions of Distribution Tariff Regulation and the provisional order as stated above. Necessary adjustment, if required, will be made upon the receipt of final order of UPERC.

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:

| Sl. No. | Particulars  | 31 March, 2017 | 31 March, 2016 |
|---------|--|----------------|----------------|
| A       | Opening balance  | 49,427         | 53,286         |
| B       | Add: Addition during the year recognized in the Statement of Profit & Loss | (12,524)       | 3,704          |
| C       | Amount collected through regulatory surcharge during the year              | 8,484          | 7,563          |
| D       | <b>Closing balance (A+B-C)</b>   | <b>28,419</b>  | <b>49,427</b>  |

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created. These are:

a) **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.

b) **Regulatory / Statutory Risk:** Recovery/payment of the regulatory deferral debit/credit balance shall be under the regulatory framework applicable to Electricity Industry within the ambit of Electricity Act, 2003 and Electricity Policies of the Central and State Government. Accordingly, the future recovery of the regulatory deferral debit/credit balance shall be subject to the risk arising from any change in Electricity related Acts, Regulations and Government Policies.

**Recoverability of regulatory deferral account balances**

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





**Noida Power Company Limited**  
**Notes to Financial Statements**  
(All amount in Rs. Lakhs, unless otherwise stated)

**49 Other Miscellaneous Notes:**

**a Income Tax Liability**

During F.Y 2013-14 the Company received an order dated 27 March, 2014 from Deputy Commissioner of Income Tax (DCIT-TDS) raising a demand of Rs. 585 Lakhs u/s 201(1) & (1A) for Assessment Years 2011-12 and 2012-13 for non- deduction of TDS on transmission charges u/s 194J. The Company filed an appeal before the CIT (A) against the aforesaid order on 30 April, 2014. The CIT (A) has decided the appeal in favour of the Company vide its order dated 25 May, 2015 quashing the aforesaid demand. On 10 June, 2015, the company has filed an application before ACIT (TDS), to give the appeal effect of order of CIT (A). However, we understand that the ACIT(TDS) is contemplating to file appeal against the aforesaid order of CIT (A) before ITAT.

**b 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, APTEL, vide its judgement dated 15th December, 2011, upheld UPERC's stand. UPERC has maintained its stand in its recent Tariff Orders dated 1st August 2016 for Financial Year 2016-17. Accordingly, no contingency reserve has been created by the Company since Financial Year 2011-12 onwards till date.

**c Determination of Annual Revenue Requirement (ARR) and Tariffs:**

The Company's Annual Revenue Requirement for Financial Year 2016-17 was provisionally determined by UPERC vide its order dated 1st August 2016 along-with the retail tariffs chargeable from consumers w.e.f. 10th August, 2016. Accordingly, the consumers were billed on new rates w.e.f. 10th August, 2016. The billing for the period from 1st April, 2016 to 9th August, 2016 has been done on the basis of tariff rates published by UPERC vide its order dated 18th June, 2015.

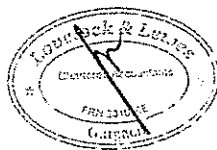
**d Power Purchase Price from UPPCL and UPPTCL**

**i. Financial Year 2006-07**

(a) UPERC had vide its order dated 1st 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 15th December, 2010. UPPCL, subsequently, challenged the judgment of APTEL in Supreme Court which was admitted on 26th 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 Lakhs have been included under Other Current Financial Asset in Note 15.

UPERC in its order dated 1st 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.



## Noida Power Company Limited

### Notes to Financial Statements

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

(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 8th November, 2005 & 13th 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 10th 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 21st November, 2006, directed UPPCL to restore the supply if disconnected and asked the Company to deposit an adhoc payment of Rs.500 Lacs. 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 8th February, 2007 in favour of the Company. Both UPPCL and the Company have appealed against the said order in Appellate Tribunal for Electricity, New Delhi. Appellate Tribunal has given its final order on 12th May, 2008 setting out the methodology to be used to determine the power purchase price for additional power of 10 MVA from UPPCL.

Both Company and the UPPCL have preferred an appeal against the relevant Orders of the Appellate Tribunal for Electricity before the Supreme Court and the same 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 & Hon'able High Court amounting to Rs. 1,000 Lakhs have been included under Other Current Financial Asset in Note 15.

#### ii. Financial Years 1993-94 to 1999-00

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

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



**Noida Power Company Limited**  
**Notes to Financial Statements**

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

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

However, the arguments on the above matter continued and were concluded in October 2005 with the judgement pronounced on 10th November, 2005 in favour of the Company. UPPCL, thereafter, filed a Special Leave Petition on 27th February, 2006 before the Hon'ble Supreme Court against the order of the Hon'ble Allahabad High Court and the matter is still pending. Pending final adjudication of the matter, the amount payable, if any, cannot be ascertained at this stage. However, the Company believes that the order given by Hon'ble Allahabad High Court, namely the bulk supply tariff determined by UPERC would also be upheld by the Hon'ble Supreme Court.

**iii. Transmission Charges**

In previous year, UPPTCL raised claim of Rs. 4,576 Lakhs (March 31, 2016: Rs. 4,576 Lakhs and March 31, 2015: Rs. Nil) vide its various letters received in January'2016 and February'2016 towards difference in transmission charges for Long-term and Short-term Open Access on the power purchased by the Company on short-term basis from FY 2007-08 till FY 2014-15. Since, the aforesaid claim is not in accordance with UPERC (Terms and Conditions for Open Access) Regulations, 2004, UPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006 and various Tariff Orders of the State Commission issued from time to time, the Company has contested the same and filed a petition with UPERC. In the first hearing itself the UPERC granted stay in favour of the Company. Pending final adjudication of the matter, the impact, if any, cannot be ascertainable at this stage.

**e Consumer Security Deposit**

As per erstwhile agreement with UPPCL dated 15th December 1993, the Company has transferred refundable consumers' security deposits to UPPCL for the period 1st August, 1998 to 31st March, 2006 amounting to Rs. 1,128 Lakhs as security against supply of 45 MVA power. UPPCL has since terminated the aforesaid agreement and withdrawn 45 MVA power supply with effect from 12th February, 2014. Accordingly, the Company is seeking refund of the aforesaid security deposit from UPPCL. In view of procurement of power from sources other than UPPCL, from 1st April 2006 onwards, refundable consumer's security deposits received from consumers amounting to Rs. 17,610 Lakhs (March 31, 2016: Rs. 14,682 Lakhs, March 31, 2015: Rs. 12,662 Lakhs) have been retained by the Company in terms of the provisions of the Electricity Act, 2003.

**f Minimum Alternate Tax**

The Company has computed Minimum Alternate Tax provision (MAT) under Section 115JB of the Income Tax Act, 1961. With the introduction of Section 115JAA vide Finance Act 2005, the Company would be allowed tax credit in respect of MAT paid under Section 115JB w.e.f. Assessment Year 2006-07 and such tax credit shall be allowed to be carried forward for a specified period for set off in succeeding assessment years in accordance with the provisions of the Income Tax Act, 1961. However, it has not been recognised as asset because there is uncertainty that set off can be claimed within the specified period under the provisions of the Income Tax Act, 1961.



**Noida Power Company Limited**  
**Notes to Financial Statements**  
 (All amount in Rs. Lakhs, unless otherwise stated)

- g The company does not have any foreign currency receivable or liabilities outstanding as at March 31, 2017
- h **Disclosure on Specified Bank Note (SBN\*)**

Details of SBN and Non-SBN held by the Company and transactions made therewith during the period 8th November,2016 to 30th December,2016 is provided below:-

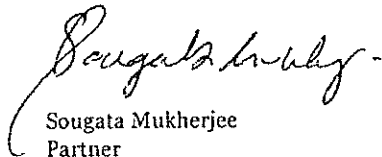
| Particulars                                    | SBN   | Non-SBN | Total |
|--|-------|---------|-------|
| Closing cash in hand as on 8th November 2016** | 21    | 4       | 25    |
| Add : permitted receipts                       | 2,150 | 161     | 2,311 |
| Less : permitted payments                      | -     | 36      | 36    |
| Less : Amount Deposited in Banks***            | 2,171 | 11      | 2,182 |
| Closing cash in hand as on 30 December 2016    | -     | 118     | 118   |

\*Specified Bank Notes (SBN) are the notes as defined in the notification no. S.O. 3407 (E) dated 8 November, 2016 issued by Department of Economic Affairs in the Ministry of Finance, Government of India.

\*\*Excludes cash deposited amounting to Rs. 41 Lakhs of SBN and Rs. 1 Lakh of Non SBN with Axis Bank on 8 November 2016 but credited by bank on 9 November 2016 and recorded in books of accounts on 9 November 2016.

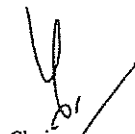
\*\*\*Excludes cash deposited amounting to Rs. 1 Lakh of Non SBN with Axis Bank on 30 December 2016 but credited by bank on 31 December 2016 and recorded in books of accounts on 31 December 2016.

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants



Sougata Mukherjee  
 Partner  
 Membership No : 57084  
 Place : Kolkata  
 Date : May 15, 2017

For and on behalf of the Board of Directors



Chairman  
 DIN: 06415793  
 Manoj Jain  
 Chief Financial Officer

Place: Gyaates Noida  
 Date: May 15, 2017



Managing Director & CEO  
 DIN: 00087492  
 S.K Sinha  
 Company Secretary