

BOARD REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 8th Annual report and Audited Accounts for the year ended March 31, 2015.

1. FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS

Particulars	Amount (in ₹)	
	FY 2014-15	FY 2013-14
Profit Before Depreciation, exceptional and extra ordinary items & Tax	241,19,17,171	(22,71,71,678)
Less: Depreciation, amortization and obsolescence	51,56,990	35,62,807
Add: Transfer from Revaluation Reserve	-	-
Profit before exceptional and extraordinary items and tax	240,67,60,181	(23,07,34,485)
Add: Exceptional Items	-	-
Profit before extraordinary items and tax	240,67,60,181	(23,07,34,485)
Add: Extraordinary items	-	-
Profit / (Loss) before tax	240,67,60,181	(23,07,34,485)
Less: Provision for tax	50,24,83,540	-
Profit after tax from continuing operations	190,42,76,641	(23,07,34,485)
Profit from discontinued operations	-	-
Total expenses on discontinued operations	-	-
Profit from discontinued operations (after tax)	-	-
Profit for the period carried to the Balance Sheet	190,42,76,641	(23,07,34,485)
Add: Balance brought forward from previous year	(115,34,32,523)	(92,26,98,038)
Less: Dividend paid for the previous year (Including dividend distribution tax)	-	-
Balance available for disposal (which directors appropriate as follows)	-	-
Debenture Redemption Reserve	75,08,44,118	-
Proposed dividend	-	-
Dividend Tax	-	-
General Reserve	-	-
Balance carried to Balance Sheet	-	(115,34,32,523)
Dividend	-	-

CAPITAL & FINANCE

The Company has refinanced its long term rupee loan by issuance of fixed rate non-convertible debentures and commercial papers of ₹ 6425 Cr. The company has already raised JPY 10,044 Mn. through External Commercial Borrowings route.

Debt

The Company raised ₹ 5000 Cr via issuance of fixed rate non-convertible debentures. The Company has not redeemed any non-convertible debentures during the year. The Company has also raised ₹1425 Cr through commercial paper and ₹110 Cr as Inter-Corporate Borrowings from the ultimate holding company - Larsen & Toubro Ltd.

Working Capital

The company has entered into working capital arrangement for fund based facility of ₹525 Cr and non-fund based facility of ₹275 Cr during the year to meet working capital requirements of operations. The company has also issued commercial papers of ₹450 Cr for the same purpose.

Credit Rating

The company issued INR denominated Non-Convertible Debentures assigned a Rating of "CRISIL AAA (SO)/Stable" (pronounced "CRISIL triple A structure obligation with stable outlook"). Non-Convertible Debentures are secured by way of a corporate guarantee from the ultimate holding company-Larsen & Toubro Limited.

CAPITAL EXPENDITURE:

As at March 31, 2015 the gross tangible and intangible assets stood, including Capital work-in-progress at ₹79.97 Cr and the net fixed and intangible assets, including capital work-in-progress at ₹78.07 Cr. Capital Expenditure during the year amounted to ₹ 55.89 Cr.

2. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided in "Other notes forming part of accounts" reference: R.IX (d)(1).

3. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Audit Committee has approved the Related Party Transactions.

All the related party transactions were in the ordinary course of business and at arm's length.

The material related party transactions entered by the Company are attached as Annexure 'A' to this report.

4. STATE OF COMPANY AFFAIRS:

The Total Revenue (Sales and other income) for the financial year under review was ₹ 3179.94 Cr as against ₹ 2837.25 Cr for the previous financial year registering an increase of 12.08%. The profit before tax from continuing operations was ₹ 240.68 Cr and profit after tax from continuing operations was ₹ 190.43 Cr for the financial year under review (against loss of ₹ 23.07 Cr for the previous financial year). There were no extraordinary and exceptional items during the financial year.

5. DIVIDEND

The Directors do not recommend any dividend for the year 2014-15.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes that have taken place in the Company between the date of the Balance sheet and the date of the Directors' Report.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Rule 8 of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure "B" forming part of this Report.

8. RISK MANAGEMENT POLICY

The Company has a risk management framework to identify, mitigate and review the risks which in the opinion of the Board may threaten the existence of the Company. A mechanism is in place to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

9. CORPORATE SOCIAL RESPONSIBILITY

The company realizes its responsibility to its stakeholders, especially to the society at large and has taken several initiatives towards repaying to the society.

The Company has constituted a CSR committee comprising Mr. Ashwani Kumar, Mr. Chandan Roy and Ms. Vijaya Sampath as the Members. A company has formulated a CSR policy during the year.

Following are some of the major CSR initiatives being undertaken by the Company:

- a) Up-gradation of Rural Infrastructure
- b) Water Support programs
- c) Education
- d) Health programs
- e) Skill building and development programs

The Company did not have any average net profit during the past three financial years and hence the Company is not required to spend any amount as CSR Expenditure. However, the Company has contributed an amount of ₹ 2,04,889 toward the Prime Minister's National Relief Fund during the financial year 2014-15.

10. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

The present Directors of the Company are Mr. Shailendra Roy, Mr. YVS Sravankumar, Mr. Ashwani Kumar, Mr. Ajit Samal, Mr. Chandan Roy and Ms. Vijaya Sampath.

Mr. Chandan Roy and Ms. Vijaya Sampath were appointed as independent directors during the year for a term of 5 years w.e.f 14.01.2015.

Mr. Sunil S. Sapre has resigned as director w.e.f 30.09.2014.

Mr. J.S. Gill is the Manager under the Companies Act, 2013. Mr. Sameer Godbole is the Chief Financial Officer of the Company under the Companies Act, 2013 and Mr. Urvil Desai is the Company Secretary of the Company.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review 4 meetings were held on April 25, 2014, July 18, 2014, October 18, 2014 and January 14, 2015.

12. AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013.

During the year under review, the Committee has met 4 times on April 25, 2014, July 18, 2014, October 18, 2014 and January 14, 2015. .

In accordance with the requirements of the Companies Act, 2013, the company has established a vigil mechanism framework for directors and employees to report genuine concerns.

The Audit Committee was re-constituted at the Meeting of the Board of Directors of the Company held on January 14, 2015 and comprises of Mr. Y.V.S Sravankumar, Mr. Chandan Roy and Ms. Vijaya Sampath as members.

13. COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013

The Committee has formulated a policy on director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director.

14. DECLARATION OF INDEPENDENCE

The Company has received a Declarations of Independence for its Independent Director as stipulated under Section 149(7) of the Companies Act, 2013 confirming that he/she is meeting the criteria of Independence.

15. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period:
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- d) The Directors have prepared the Annual Accounts on a going concern basis:
- e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

16. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Nomination and Remuneration Committee has approved the manner in which formal annual evaluation of the performance of the Board, committees and individual directors has to be made.

The same will be implemented during the year 2015-16.

17. DISCLOSURE OF REMUNERATION

The details of remuneration as required to be disclosed under the Companies Act, 2013 and the rules made thereunder are as below:

a. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	–
b. Percentage increase in remuneration of the following KMPs in the financial year;	–
a) Directors	–
b) CEO	*
c) CFO	–
d) CS	205.3% (including ESOP)
e) Manager	8.12% (excluding ESOP)
c. Percentage increase in the median remuneration of employees in the financial year;	3.40%
d. Number of permanent employees on the rolls of company;	262 employees
e. Explanation on the relationship between average increase in remuneration and company performance;	The Company has commenced full-fledged commercial operation during the year. This being the first year of operation, comparable performance of previous year is not available.

NABHA POWER LIMITED

f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The Company has commenced full-fledged commercial operation during the year. This being the first year of operation, such comparison is not provided.
g. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	N.A.
h. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	3.40% 8.12%(excluding ESOP)
j The key parameters for any variable component of remuneration availed by the directors;	N.A.
k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	N.A.
l. Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

* CFO has been appointed during the year.

The Board of Directors wishes to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year.

There is no employee in the Company in respect of whom disclosure is required to be made in accordance with Section 197(12) of the Companies Act, 2013 and Rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. SECRETARIAL AUDIT REPORT:

The Secretarial Auditors' report to the shareholders does not contain any qualification.

The Secretarial Audit Report issued by M/s. Naina Desai, Practicing Company Secretary is attached as Annexure 'C' to this Annual Report.

19. AUDITORS:

The Auditors, Sharp & Tannan, hold office until the conclusion of the ensuing Annual General Meeting. Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013. The Board recommends the appointment of S&T as Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

20. COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014 the Board of Directors had appointed M/s. R. Nanabhoy & Co., Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2015 at a remuneration of ₹.75, 000 (plus service tax and out of pocket expenses). The appointment has been approved by the Central Government.

The Report of the Cost Auditors for the financial year ended March 31, 2015 is under finalization and will be filed with the MCA within the prescribed period.

A proposal for ratification of remuneration of the Cost Auditor is placed before the shareholders for the Financial year 2014-15 and 2015-16.

21. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 an extract of the Annual Return is attached as Annexure 'D' to this Report.

22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

23. ACKNOWLEDGEMENT

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers and Regulatory Authorities, employees of the Company and management of the Parent Company.

For and on behalf of the Board

Place: Mumbai
Date: April 20, 2015

S. N. ROY
Director
DIN: 02144836

ASHWANI KUMAR
Director
DIN: 00910864

ANNEXURE 'A'**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
 Name(s) of the related party and nature of relationship **(Enclosed in Annexure "A1")**
 - (a) Nature of contracts/arrangements/transactions
 - (b) Duration of the contracts / arrangements/transactions
 - (c) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (d) Date(s) of approval by the Board, if any:
 - (e) Amount paid as advances, if any:

On behalf of the Board of Directors
For Nabha Power Limited

Place: Mumbai
Date: April 20, 2015

S. N. ROY
Director
DIN: 02144836

ASHWANI KUMAR
Director
DIN: 00910864

ANNEXURE 'A1'**Form No. AOC -2 for disclosure of particulars of contracts/arrangements entered into by the company with related parties**

Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

- 1 Details of contracts or arrangements or transactions not at arm's length basis - NIL
- 2 Details of material contracts or arrangement or transactions at arm's length basis

S. No.	Name of Related Party	Nature of Relationship	Nature of Contracts/Arrangements/ Transactions	Amount (₹)	Salient Terms of contracts or arrangements or transactions	Amount paid as an advance (₹)	Duration
1	Larsen & Toubro Ltd.	Ultimate Holding	Purchase of Goods & Services <ul style="list-style-type: none"> • C&I DCS items • SAP License • Deputation Cost • Cost of Shared Services • Commission • Administration & Management Expenses Contracts awarded prior to FY 2014-15 <ul style="list-style-type: none"> # Project Construction # Construction of rail link # Electrical Items in Water pump house Reimbursement of Expenses Financial Transactions <ul style="list-style-type: none"> • Placement of ICD • ICD interest • ICB • ICB Interest 	14,763,209 2,869,500 48,794,877 6,552,015 63,599,000 147,000,000 4,046,250,302 441,746,453 3,309,995 284,798 18,524,686,945 47,560,994 15,497,000,000 36,342,164	OEM Basis At Cost At Cost At Cost Rate Equivalent to arm's length compensation Corporate Allocation on Turnover basis Pre-bid arrangement Mutual agreement based on RITES project report Market Rate At Cost Total Transaction value Market Rate Total Transaction value Market Rate		Three months Yearly Yearly Yearly Yearly Four years Three years Case to case basis mutual agreement Case to case basis mutual agreement Short Term Short Term
2	L&T Investment Management Ltd	Fellow Subsidiary	Mutual Fund Investment Mutual Fund Redemption Dividend Received	2,140,082,000 2,200,208,216 5,298,448	Market Rate Market Rate		Short Term Short Term
3	Larsen & Toubro Power Development Ltd.	Holding Company	Financial Transactions <ul style="list-style-type: none"> • Repayment of ICB • ICB Interest Purchase of Goods & Services(Assets)	706,000,000 58,719,857 573,813	Market Rate At cost		Short Term Case to case basis mutual agreement

ANNEXURE 'B'

1. Conservation of energy, technology absorption and foreign exchange earnings and outgo as per the companies' (disclosure of particulars in the report of the board of directors) rules, 1988:

Energy Conservation Measures taken:

Several Energy Conservation measures have been implemented in the design stage itself and performance of these measures shall be monitored regularly. The major steps taken towards Energy Conservation are described as under:-

Improving Energy effectiveness/ efficiency of Manufacturing Processes:

- i. Installation of Dual pressure Condensers: Dual pressure condenser results thermal efficiency improvements because the average turbine back pressure is less as compared to that of a single-pressure condenser. The average exhaust pressure of LP turbines becomes lower than single pressure condenser. Also cooling water flow is reduced as the water flows once through both the condensers consecutively in series resulting in reducing pumping cost.
- ii. Double Seal Oil Ring in Generator: Use of double seal oil ring system in a hydrogen cooled generator helps in reducing hydrogen consumption as it helps in maintaining gas purity and pressure as compared to single seal oil ring.
- iii. Deareator Vent to Low Pressure Vessel (Condenser): Routing of deareator continuous vent to low pressure vessel helps in preventing direct heat loss to atmosphere.
- iv. Installation of ESI Rapper (Electric Single Impulse) in ESP: ESI rappers are maintenance free & easily accessible as compared to motorized type rapper system. Power consumption is also less in ESI rappers.

Improving Energy effectiveness/ efficiency of Equipment:

- i. APC reduction initiatives taken up by using low ambient temperature conditions during winter seasons: 3/4 Nos. of CW Pumps are kept in operation by opening the interconnection valve for cooling purpose in condensers of both the units. Similarly HVAC system cooling circuit (Chiller, Chilled Water Pumps, Condenser Cooling water pumps & cooling towers) is kept under complete shutdown during the winter season.
- ii. Revised the Operation Philosophy of Fire-fighting pumps to avoid the frequent start/stop of Main Hydrant pump: Maintaining fire fighting water header pressure by arresting leakages from hydrants & sprinklers. Also reducing the auto pick-up pressure of main hydrant pumps to 9 ksc from 10.5 ksc.
- iii. Optimization of HP-LP Heaters: Improving plant heaters TTD & DCA directly helped in reducing plant heat rate.
- iv. Revised settings of HFO Cooler Downstream Temperature: Cooler downstream temperature setting revised to 65 deg. C from 60 deg. C. Thus it will reduce auxiliary steam consumption & improve oil physical property.
- v. Reduction in Cycle make-up: Continuous reduction in cycle make-up by arresting leakages & valve passing. Thus resulting in reduction in plant heat rate.
- vi. Revising methodology for DO removal during startup from conventional method used during initial commissioning period to OEM recommended method: Adoption of recommended OEM method reduced unit start up time & improved the process up to plant synchronization. Thus it helped in reducing start-up oil consumption & auxiliary power consumption as MDBFP running hours was reduced and unit outage period.
- vii. Reduction in PA header pressure: PA fan header pr. setting was reduced from 840 mmwc to 750 mmwc. It's resulted in reducing the PA Fan blade pitch by 2-3% & improving system efficiency & reliability.

B. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Proposal for complete shifting of secondary fuel oil from HFO to LDO for plant start-up using the existing system: To improve system reliability & availability along with reducing start-up cost. Isolation of HFO will also reduce the auxiliary steam consumption and directly help in improving the plant heat rate.

The company is in the process of identification of the areas of further improvement to reduce the Consumption of Energy during its operation phase and is committed to implement the same in near future in order to improve the efficiency of the plant.

C. Impact of the measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production:

- Reduction of Specific Coal consumption
- Impact on the cost of production of goods
- Reduced auxiliary power consumption, Heat Rate improvement
- Reduction of Specific Oil consumption

D. Technology Absorption & Foreign Exchange Earnings and Outgo

There was no Technology Absorption during the year 2014-15.

E. Foreign Exchange Earnings and Outgo

There were no Foreign Exchange earnings during the year. The Foreign Exchange outgo during the year was ₹ 5.30 Lakhs.

ANNEXURE 'C'

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
NABHA POWER LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nabha Power Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other specific business/industry related laws applicable to the company - Industry Specific law:- As per the Power Purchase Agreement, the Company has to comply with the grid code, the provisions of which are covered under the Electricity Act, 2003.

I have also examined compliance with the applicable clauses of the following:-

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Debt Listing Agreements have been entered into by the Company with National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, **subject to the following observation:-**

- **I am informed that Risk Management Framework for the Company is in place. The same is proposed to be adopted in the Audit Committee and Board meeting of the Company scheduled to be held in the Quarter I of financial year 2015-16.**

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **It has been informed that since the Independent Directors have been appointed in the last Quarter of the financial year 2014-15, the Independent Directors' meeting is proposed to be held in the financial year 2015-16.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, I was informed there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions have taken place, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., like -

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc., -
 - The Board of Directors at its Meeting held on January 14, 2015 had approved issue of preference shares amounting to ₹ 500 crore, to be issued in tranches towards which an amount of ₹ 363 crore is received as subscription money during the financial year 2014-15.
- (ii) Redemption / buy-back of securities- NIL.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013-
 - Increase in the limits of borrowings and charge creation from ₹.7200 crore to ₹ 14,400 crore.
- (iv) Merger / amalgamation / reconstruction, etc. - NIL.
- (v) Foreign technical collaborations – NIL.
- (vi) Other Events –
 - Board approval has been obtained, subject to shareholders' approval, for increase in Authorized Share Capital from equity share capital of ₹ 3000 crore to equity share capital of ₹ 3000 crore and Preference Share capital of ₹ 500 crore aggregating to ₹ 3500 crore. Shareholders' approval is yet to be obtained at a general meeting.

Place: Mumbai
Date: April 16, 2015

NAINA R DESAI
Practising Company Secretary
FCS No. 1351
Certificate of Practice No.13365

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,
NABHA POWER LIMITED

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: April 16, 2015

NAINA R DESAI
Practising Company Secretary
FCS No. 1351
Certificate of Practice No.13365

ANNEXURE 'D'**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	U40102PB2007PLC031039
ii) Registration Date	:	09/04/2007
iii) Name of the Company	:	Nabha Power Limited
iv) Category / Sub-Category of the Company	:	Public Limited Company
v) Address of the Registered office and contact details	:	P.O. Box No. 28, Near Village, Nalash Rajpura, Punjab – 140401. Tel. No. – 0172 – 4646846 Fax No. - 0172 - 4646802
vi) Whether listed company	:	Yes (Debentures on WDM of NSE)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electric Power generation from Coal based thermal power plant	35102	81%
2	Construction and maintenance of Power plant	42201	19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1	L&T Power Development Limited	U40101MH2007PLC174071	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2324999994	6	2325000000	100	2324999994	6	2325000000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2324999994	6	2325000000	100	2324999994	6	2325000000	100	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	-

(ii) Shareholding of Promoters

SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Power Development Limited	2325000000	100	51	2325000000	100	51	100
	Total	2325000000	100	51	2325000000	100	51	100

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	NCDs	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44,60,75,31,155	15,48,77,19,404	70,60,00,000	60,80,12,50,559
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	67,44,07,984	-	-	67,44,07,984
Total (i+ii+iii)	45,28,19,39,139	15,48,77,19,404	70,60,00,000	61,47,56,58,543
Change in Indebtedness during the financial year				
• Addition	13,53,65,07,618	61,19,90,00,577	1,10,04,61,096	75,83,59,69,291
• Reduction	40,94,55,60,679	18,13,77,19,404	70,60,00,000	59,78,92,80,083
Net Change	(27,40,90,53,061)	43,06,12,81,173	39,44,61,096	16,04,66,89,208
Indebtedness at the end of the financial year				
i) Principal Amount	15,50,45,73,731	58,54,90,00,577	110,00,00,000	75,15,35,74,308
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,36,83,12,347	-	4,61,096	2,36,87,73,443
Total (i+ii+iii)	17,87,28,86,078	58,54,90,00,577	110,04,61,096	77,52,23,47,751

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of Manager	
		Mr. J.S. Gill	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,19,830	32,19,830
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	66,17,799	66,17,799
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit		
	- others, specify...		
5.	Others, please specify	NIL	NIL
	Total (A)	98,37,629	98,37,629
	Ceiling as per the Act	20,94,70,431	20,94,70,431

B. Remuneration to other directors:

S.no	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Chandan Roy	Ms. Vijaya Sampath			
1.	Independent Directors					
	• Fee for attending board / committee meetings	NIL	NIL			NIL
	• Commission	NIL	NIL			NIL
	• Others, please specify	NIL	NIL			NIL
	Total (1)					
		Mr. Shailendra Roy	Mr. Ashwani Kumar	Mr. Y.V.S Sravankumar	Mr. Ajit Samal	
2.	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NIL	35,20,550	35,20,550
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NIL	1,43,828	1,43,828
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NIL	NIL	NIL
2.	Stock Option	NA	NIL	NIL	NIL
3.	Sweat Equity	NA	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NA	NIL	NIL	NIL
5.	Others, please specify	NA	NIL	NIL	NIL
	Total	NA	NIL	36,64,378	36,64,378

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NABHA POWER LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **NABHA POWER LIMITED** (The 'Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (The 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2015, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 (The 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company does not have any pending litigations which would impact its financial position in its financial statements;
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
By the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Place: Mumbai
Date: April 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

TO THE MEMBERS OF NABHA POWER LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2015

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firm or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) and (b) of the Order are not applicable.
- (iv) As informed there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of production of electricity and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
 (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31st March, 2015 which have not been deposited on account of a dispute:

Particulars	Amount
Income Tax Act, 1961 – Income Tax	
A.Y. 2009-10 (Appeal is pending before the Income Tax Appellate Tribunal)	1,05,64,450

- (c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund.
- (viii) The Company has suffered cash losses of ₹ Nil during the year (previous year ₹ 22,71,71,678/-) and its accumulated losses at the end of the financial year are ₹ Nil (previous year ₹ 1,15,34,32,523/-).
- (ix) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of dues to banks or financial institution or debenture holders as at Balance Sheet date.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the Paragraph 3 (x) of the Order is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
 Chartered Accountants
 Firm's Registration No.000452N
 By the hand of

MILIND P. PHADKE
 Partner
 Membership No.33013

Place: Mumbai
 Date: April 20, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31.03.2015		As at 31.03.2014	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' funds:					
Share Capital	A	23,250,000,000		23,250,000,000	
Reserves and Surplus	B	750,844,118		(1,153,432,523)	
			24,000,844,118		22,096,567,477
			3,630,000,000		-
Share application money pending allotment					
Non-Current Liabilities					
Long term borrowings	C (I)	49,362,769,092		41,810,677,282	
Other Long term liabilities	C (II)	272,842,881		133,678,029	
			49,635,611,973		41,944,355,311
Current Liabilities					
Short term borrowings	D(I)	25,354,527,306		16,611,679,685	
Current Maturities of Long Term Borrowings	D(II)	436,277,910		2,378,893,592	
Trade Payables	D(III)	4,608,525,810		10,917,538,078	
Other current liabilities	D(IV)	2,780,981,607		1,353,667,421	
Short-term provisions	D(V)	21,552,995		4,232,223	
			33,201,865,627		31,266,010,999
TOTAL			110,468,321,718		95,306,933,787
ASSETS					
Non-Current assets					
Fixed Assets					
Tangible assets	E (I)	18,012,749		12,359,957	
Capital Work in Progress	E (I)	762,705,814		214,243,286	
			780,718,563		226,603,243
Long-term loans and advances	G (I) (a)	569,992,509		1,016,571,093	
Loans and advances towards financing activities	G (I) (b)	89,341,404,742		47,634,009,608	
Current Assets					
Current Investments	H(I)	1,343,645		59,129,605	
Inventories	H(II)	3,310,129,359		927,792,024	
Trade receivables	H(III)	7,245,424,800		1,369,358,165	
Cash and bank balances	H(IV)	1,738,184,530		70,473,479	
Short-term loans and advances	H(V)	1,088,326,136		1,176,894,344	
Loans and advances towards financing activities	H(V)(a)	2,166,026,697		255,500,097	
Other Current Assets	H(VI)	4,226,770,737		42,570,602,130	
			19,776,205,904		46,429,749,843
TOTAL			110,468,321,718		95,306,933,787
Contingent Liabilities					
Significant Accounting Policies					
Other Notes Forming Part of Accounts					

As per our report attached

For and on behalf of the Board

SHARP & TANNANChartered Accountants
ICAI Registration No. 000452N
by the hand of**MILIND P. PHADKE**Partner
Membership No. 33013**SAMEER R GODBOLE**

Chief Financial Officer

URVIL DESAI

Company Secretary

S. N. ROYDirector
DIN: 02144836**ASHWANI KUMAR**Director
DIN: 00910864Place : Mumbai
Date : April 20, 2015Place : Mumbai
Date : April 20, 2015

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2015

	Note No.	01.04.2014 to 31.03.2015		01.04.2013 to 31.03.2014	
		₹	₹	₹	₹
REVENUE					
Revenue from operations (Gross)	K	31,744,828,340		28,338,874,609	
Less: Excise duty		2,465,161		—	
Revenue from operations (Net of Excise Duty)			31,742,363,179		28,338,874,609
Other Income	L		57,026,221		33,662,241
TOTAL REVENUE			31,799,389,400		28,372,536,850
EXPENSES					
Manufacturing, Construction and Operating expenses	M				
"Cost of raw materials and components consumed"		18,004,157,730		15,675,278,886	
Stores, spares and tools Consumed		193,386,594		12,011,355	
Sub-contracting charges		3,206,483,608		5,406,496,535	
Other manufacturing, construction and operating expenses		1,210,260,981		1,786,705,053	
Finance cost of financial services business		5,618,005,222		633,658,230	
			28,232,294,136		23,514,150,060
Employee Benefit Expenses	N		296,831,180		264,004,474
Sales, administration and other expenses	O		(132,733,677)		(238,666,576)
Finance Cost	P		991,080,590		5,060,220,570
Depreciation, amortisation and obsolescence expenses		5,156,990		3,562,807	
			5,156,990		3,562,807
TOTAL EXPENSES			29,392,629,218		28,603,271,335
			29,392,629,218		28,603,271,335
Profit before exceptional and extraordinary items and taxes			2,406,760,181		(230,734,485)
Profit before extraordinary items and taxes			2,406,760,181		(230,734,485)
Profit before tax			2,406,760,181		(230,734,485)
Tax Expense:					
Provision for Income-tax		502,483,540		—	
			502,483,540		—
Profit after tax			1,904,276,641		(230,734,485)
Balance carried to Balance sheet			1,904,276,641		(230,734,485)
Basic earnings per equity shares (₹)	R(XI)		0.82		(0.15)
Diluted earnings per equity shares (₹)	R(XI)		0.74		(0.13)
Face value per equity shares (₹)			10		10
Significant Accounting Policies	Q				
Other Notes Forming Part of Accounts	R				

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants

ICAI Registration No. 000452N

by the hand of

MILIND P. PHADKE

Partner

Membership No. 33013

SAMEER R GODBOLE

Chief Financial Officer

URVIL DESAI

Company Secretary

S. N. ROY

Director

DIN: 02144836

ASHWANI KUMAR

Director

DIN: 00910864

Place : Mumbai

Date : April 20, 2015

Place : Mumbai

Date : April 20, 2015

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2015

	For the year ended 31.03.2015 ₹	For the year ended 31.03.2014 ₹
A. Cash flow from operating activities:		
Profit before tax (excluding minority interest, exceptional and extraordinary items)	2,406,760,181	(230,734,485)
Adjustments for :		
Dividend received	(9,415,036)	(30,952,741)
(Profit)/loss on sale of investments (net)	-	(32,443)
Interest (income)	(47,560,994)	(2,024,247)
Depreciation, amortisation, impairment and obsolescence	(5,156,990)	3,562,807
Exchange difference on items grouped under financing/investing activity	(635,419,416)	(249,340,604)
Interest expense	6,362,198,273	5,647,373,466
(Profit)/loss on obsolescence of fixed assets	-	153,563
Operating profit before working capital changes	8,071,406,018	5,138,005,316
Adjustments for :		
(Increase)/decrease in other current assets	38,343,831,393	20,789,171,477
(Increase)/decrease in Other Loans & Advances	(1,821,958,392)	1,920,765,698
(Increase)/decrease in other advances (Non current)	(41,260,816,550)	(47,634,582,959)
(Increase)/ decrease in Debtors	(5,876,066,635)	(1,369,358,165)
(Increase)/ decrease in Inventories	(2,382,337,335)	(927,792,024)
Increase/(decrease) in other payables	(4,864,377,311)	(1,582,601,264)
Cash generated from operations before financing activities	(9,790,318,812)	(23,666,391,921)
(Increase)/decrease in loans and advances towards financing activities		
Cash generated from operations	(9,790,318,812)	(23,666,391,921)
Direct taxes refund/(paid) (net)	(502,483,540)	
Net cash (used in)/from operating activities	(10,292,802,352)	(23,666,391,921)
B. Cash flow from investing activities:		
Purchase of fixed assets	(548,958,330)	(3,455,219)
Purchase of intangible assets	-	
Profit /(Loss) on Sale of fixed assets	-	(153,563)
Purchase/sale of current investments (net)	57,785,960	343,291,238
Dividend received from other investments	9,415,036	30,952,741
Profit/(loss) on sale of investments (net)	-	32,443
Interest received	47,560,994	2,024,247
Cash (used in)/from investing activities	(434,196,340)	372,691,887
Extraordinary item:		
Net cash (used in)/ from investing activities (after extraordinary items)	(434,196,340)	372,691,887

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31,2015 (Contd.)

	For the year ended 31.03.2015 ₹	For the year ended 31.03.2014 ₹
C. Cash flow from financing activities:		
Proceeds from issue of share capital	3,630,000,000	9,520,000,000
Proceeds from long term borrowings	7,691,256,662	7,690,844,085
Proceeds from Short term borrowings	6,800,231,939	11,505,532,049
Translation Reserve on ECB Loan	635,419,416	249,340,604
Interest paid	(6,362,198,274)	(5,647,373,466)
Net cash (used in)/ from financing activities	12,394,709,743	23,318,343,272
Net (decrease)/increase in cash and cash equivalents (A + B + C)	1,667,711,051	24,643,238
Cash and cash equivalents at beginning of the year	70,473,479	45,830,241
Less: Cash and bank balance transferred on subsidiary becoming an associate	-	-
Cash and cash equivalents at end of the year	1,738,184,530	70,473,479

NOTES 1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

2. Cash and cash equivalents are reflected in the Balance Sheet as follows:

	For the year ended 31.03.2015	For the year ended 31.03.2014
(a) Cash and cash equivalents disclosed under current assets	70,473,479	45,830,241
(b) Cash and cash equivalents disclosed under non-current assets.	-	-
Total cash and cash equivalents as per Cash Flow Statement [Note no.H(IV)]	1,738,184,530	70,473,479

3. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 000452N
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Place : Mumbai
Date : April 20, 2015

For and on behalf of the Board

SAMEER R GODBOLE **URVIL DESAI**
Chief Financial Officer Company Secretary

S. N. ROY **ASHWANI KUMAR**
Director Director
DIN: 02144836 DIN: 00910864

Place : Mumbai
Date : April 20, 2015

NOTES FORMING PART OF THE ACCOUNTS

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	₹	Number of shares	₹
NOTE - A SHARE CAPITAL				
Authorised				
Equity shares of ₹.10 each	3,000,000,000	30,000,000,000	2,400,000,000	24,000,000,000
Issued,Subscribed & Fully paid-up:				
Equity shares of ₹.10 each	2,325,000,000	23,250,000,000	2,325,000,000	23,250,000,000
TOTAL		23,250,000,000		23,250,000,000

(i) Reconciliation of the number of equity shares and share capital :

Issued,Subscribed & Fully paid-up equity shares outstanding at the beginning of the period	2,325,000,000	23,250,000,000	1,147,000,000	11,470,000,000
Add : Shares issued during the year as fully paid	-	-	1,178,000,000	11,780,000,000
Issued,Subscribed & Fully paid-up equity shares outstanding at the end of the period	2,325,000,000	23,250,000,000	2,325,000,000	23,250,000,000

(ii) Terms/Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company not issued any securities during the year with the right/option to convert the same into equity shares at a later date. The Shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

(iii) Shares held by Holding Company and/or their Subsidiaries/Associates :

	Relationship	As at 31.03.2015	As at 31.03.2014
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees.	Holding Company		
Equity Shares of ₹.10 each fully paid up		2,325,000,000	2,325,000,000

(iv) Shareholders holding more than 5% shares in the company as at the year end:

Name of Shareholders	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% age	Number of shares	% age
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees.	2,325,000,000	100%	2,325,000,000	100%

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - B RESERVES AND SURPLUS				
Debenture redemption reserve				
Add: Transfer from Profit & Loss Account	750,844,118		-	
		750,844,118		-
Profit and Loss Account				
Opening Balance	(1,153,432,523)		(922,698,038)	
Profit for the period	1,904,276,641		(230,734,485)	
Less: Transfer to debenture redemption reserve	(750,844,118)		-	
		-		(1,153,432,523)
TOTAL		750,844,118		(1,153,432,523)

Debenture Redemption Reserve has been created to the extent availability of Free Reserve available for distribution.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - C(I) LONG-TERM BORROWINGS (Refer Note R(XXI))				
Secured :				
Long Term Secured Debentures/Bonds*				
Secured - Redeemable non-convertible fixed rate debentures	10,000,000,000		—	
		10,000,000,000		—
Long Term Secured Term Loans				
Long Term Secured Loans from Banks**		4,362,769,092		41,810,677,282
		14,362,769,092		41,810,677,282
Unsecured :				
Long Term Unsecured Debentures/Bonds				
Unsecured - Redeemable non-convertible fixed rate debentures	35,000,000,000		—	
		35,000,000,000		—
		35,000,000,000		—
TOTAL		49,362,769,092		41,810,677,282

** The Company has refinanced its Rupee term Loan by issuance of Non Convertible Debentures secured by Corporate Guarantee of ₹.5000 cr from Larsen & Toubro Ltd. (Ultimate holding Company) and Commercial Papers . “.”

**Loans from Bank are secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.

1. Non Convertible Debentures ₹ 4550 Cr. are listed out of ₹ 5000 Cr. at National Stock Exchange .

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - C(II) OTHER LONG TERM LIABILITIES				
Others				
Forward Contract Payable (Refer Note - R (XIII))	272,842,881		133,678,029	
Suppliers Ledger - Revenue goods / services	—		—	
		272,842,881		133,678,029
TOTAL		272,842,881		133,678,029

NOTE - D CURRENT LIABILITIES**NOTE - D(I) SHORT-TERM BORROWINGS:****Secured:**

Loans repayable on demand:

From banks

Secured Loans from Banks - Cash Credits*

705,526,729

417,960,281

705,526,729

417,960,281

705,526,729

417,960,281

Unsecured:

Short Term Loans/Inter-corporate borrowings from Parent Companies ICO

1,100,000,000

706,000,000

Other loans and advances:

From banks

—

15,487,719,404

Commercial paper

18,549,000,577

—

Redeemable non-convertible fixed rate debentures

5,000,000,000

—

(Refer Note R(XXI))

24,649,000,577

16,193,719,404

TOTAL

25,354,527,306

16,611,679,685

*Loans from Bank are secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - D(II) Current maturities of long term borrowings				
Secured :				
Secured Loans from Banks - Current * Refer Note - R.(XIV)		-		-
	<u>436,277,910</u>		<u>2,378,893,592</u>	
		436,277,910		2,378,893,592
TOTAL		<u>436,277,910</u>		<u>2,378,893,592</u>
*Loans from Bank are secured by way of first charge having pari passu rights on the immovable property and movable property of the company both present and future.				
NOTE - D(III) Trade payables:				
Acceptances - Including ICO		530,478,041		-
Due to Subsidiaries ICO		31,002,099		9,748,170
Due to Parent ICO		2,572,104,395		10,200,035,039
Others				
Liability for Revenue Goods	57,044,848		18,040,916	
Suppliers Ledger - Revenue goods / services	<u>1,417,896,427</u>		<u>689,713,954</u>	
		1,474,941,275		707,754,869
TOTAL		<u>4,608,525,810</u>		<u>10,917,538,078</u>
NOTE - D(IV) Other current liabilities				
Interest Accrued but not Due - Term Loans	2,368,312,347		37,780,929	
Interest Accrued but not Due - Others	<u>1,959,425</u>		<u>636,627,055</u>	
		2,370,271,772		674,407,984
Interest accrued and due on borrowings				
Interest Accrued and Due on ICD	<u>461,096</u>		-	
		461,096		-
Advances from customers				
Other Payables				
Liability towards gratuity fund-funded plan (Refer Note R(V)(a))	1,167,304		762,950	
Liability for Sales Tax	743,157		-	
Liability for Service Tax	-		8,255,661	
Liability to Provident Fund	1,063,996		961,393	
Liabilities TDS on Contractors Payment	11,617,061		11,809,783	
Liabilities TDS Others	20,135,166		12,887,820	
Security Deposit Received	34,336,958		410,000	
Other Payables (ICO)	2,020,689		1,191,548	
Forward Contract Payable	<u>339,164,408</u>		<u>642,980,282</u>	
		410,248,739		679,259,437
TOTAL		<u>2,780,981,607</u>		<u>1,353,667,421</u>

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014
	₹	₹	₹
NOTE - D(V) Short term provisions			
Provision for employee benefits:			
Compensated Absences(Refer Note R(V)(b))	9,844,634		4,232,223
		9,844,634	4,232,223
Others:			
Tax Provision			
Provision for Current year tax	502,483,540		-
Less :			
TDS Certificate Received in Current Year	5,372,707		-
TDS Certificate Receivables Current Year	-		-
TDS Certificate Unlinked Current Year	-		-
Advance Tax Installment Current Year	485,402,472		-
		11,708,361	-
		11,708,361	-
		21,552,995	4,232,223

NOTE - E(I) TANGIBLE ASSETS

FIXED ASSETS - TANGIBLE	COST/VALUATION						DEPRECIATION					IMPAIRMENT		BOOK VALUE	
	Revised opening	Pursuant to acquisition	Additions	Deductions	Adjustment	As at 31.03.2015	Revised opening	Pursuant to acquisition	Additions	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Land															
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Land															
Buildings															
Owned															
Buildings	8,096,283	-	52,472	-	-	8,148,755	7,450,146	-	75,663	-	7,525,809	-	622,947	646,137	
PWD Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ownership Flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leased Out Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Buildings	8,096,283	-	52,472	-	-	8,148,755	7,450,146	-	75,663	-	7,525,809	-	622,947	646,137	
Plant & equipment															
Owned															
Plant and Equipment General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Railway Wagons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contribution to Power Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Aircondition and Refrigeration	1,217,007	-	193,350	-	-	1,410,357	265,892	-	123,233	-	389,125	-	1,021,232	951,115	
Canteen Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Photographic Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Laboratory Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electrical Installations	2,170,992	-	1,791,023	-	-	3,962,015	557,960	-	593,732	-	1,151,693	-	2,810,322	1,613,031	
Leased Out Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Plant and Equipment Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Plant & equipment	3,387,999	-	1,984,373	-	-	5,372,372	823,852	-	716,965	-	1,540,817	-	3,831,555	2,564,146	
Computers															
Owned Computers	9,482,862	-	6,239,716	340,990	-	15,381,588	4,311,303	-	3,203,388	307,930	7,206,760	-	8,174,828	5,171,559	
Leased Out Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Computers Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Computers	9,482,862	-	6,239,716	340,990	-	15,381,588	4,311,303	-	3,203,388	307,930	7,206,760	-	8,174,828	5,171,559	
Office equipment															
Owned Office Equipments	2,039,380	-	895,376	25,290	-	2,909,466	415,514	-	653,360	7,730	1,061,144	-	1,848,323	1,623,867	
Leased Out Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Office equipment	2,039,380	-	895,376	25,290	-	2,909,466	415,514	-	653,360	7,730	1,061,144	-	1,848,323	1,623,867	
Furniture and fixtures															
Owned Furniture and Fixtures	3,564,728	-	1,639,405	52,358	-	5,151,775	1,210,480	-	448,529	42,332	1,616,677	-	3,535,097	2,354,248	
Leased Out Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Furniture & fixtures	3,564,728	-	1,639,405	52,358	-	5,151,775	1,210,480	-	448,529	42,332	1,616,677	-	3,535,097	2,354,248	
Vehicles															
Owned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Buses and Trucks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

FIXED ASSETS - TANGIBLE	COST/VALUATION							DEPRECIATION					IMPAIRMENT	BOOK VALUE	
	Revised opening	Pursuant to acquisition	Additions	Deductions	Adjustment	As at 31.03.2015	Revised opening	Pursuant to acquisition	Additions	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2015	As at 31.03.2015	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Cars	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Motor Cycles and Scooters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bicycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leased Out Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vehicles Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Railway Sidings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dredged Channel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Breakwater Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub total - Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lease adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	26,571,252	-	10,811,342	418,638	-	36,963,956	14,211,295	-	5,097,904	357,993	18,951,207	-	18,012,749	12,359,957	
Previous year	23,352,789	-	3,455,219	236,756	-	26,571,252	10,885,245	-	3,409,249	83,199	14,211,295	-	-	-	
Add : Asset held for sale													18,012,749	12,359,957	
Add : Capital work-in-progress													762,705,814	214,243,286	
													780,718,563	226,603,243	
Refer Note R (III)															

NOTE - E (I) TANGIBLE ASSETS- REVISED OPENING DETAILS

Fixed Assets-Tangible	Cost/valuation			Depreciation		
	Opening Balance	Opening Regroupings	Revised opening	Opening Balance	Opening Regroupings	Revised opening
	₹	₹	₹	₹	₹	₹
Land						
Freehold Land	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-
Sub total - Land	-	-	-	-	-	-
Buildings						
Owned						
Buildings	8,096,283	-	8,096,283	7,450,146	-	7,450,146
PWD Roads	-	-	-	-	-	-
Ownership Flats	-	-	-	-	-	-
Leased Out Buildings	-	-	-	-	-	-
Sub total - Buildings	8,096,283	-	8,096,283	7,450,146	-	7,450,146
Plant & equipment						
Owned						
Plant and Equipment General	-	-	-	-	-	-
Railway Wagons	-	-	-	-	-	-
Contribution to Power Lines	-	-	-	-	-	-
Aircondition and Refrigeration	1,217,007	-	1,217,007	265,892	-	265,892
Canteen Equipments	-	-	-	-	-	-
Photographic Equipments	-	-	-	-	-	-
Laboratory Equipments	-	-	-	-	-	-
Electrical Installations	2,170,992	-	2,170,992	557,960	-	557,960
Leased Out Plant and Equipment	-	-	-	-	-	-
Plant and Equipment Taken on Lease	-	-	-	-	-	-
Sub total - Plant & equipment	3,387,999	-	3,387,999	823,852	-	823,852
Computers						
Owned Computers	9,482,862	-	9,482,862	4,311,303	-	4,311,303
Leased Out Computers	-	-	-	-	-	-
Computers Taken on Lease	-	-	-	-	-	-
Sub total - Computers	9,482,862	-	9,482,862	4,311,303	-	4,311,303
Office equipment						
Owned Office Equipments	2,039,380	-	2,039,380	415,514	-	415,514
Leased Out Office Equipment	-	-	-	-	-	-
Sub total - Office equipment	2,039,380	-	2,039,380	415,514	-	415,514
Furniture and fixtures						
Owned Furniture and Fixtures	3,564,728	-	3,564,728	1,210,480	-	1,210,480
Leased Out Furniture and Fixtures	-	-	-	-	-	-
Sub total - Furniture & fixtures	3,564,728	-	3,564,728	1,210,480	-	1,210,480

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Fixed Assets-Tangible	Cost/valuation			Depreciation		
	Opening Balance	Opening Regroupings	Revised opening	Opening Balance	Opening Regroupings	Revised opening
	₹	₹	₹	₹	₹	₹
Vehicles						
Owned						
Buses and Trucks	-	-	-	-	-	-
Cars	-	-	-	-	-	-
Motor Cycles and Scooters	-	-	-	-	-	-
Bicycles	-	-	-	-	-	-
Other vehicles	-	-	-	-	-	-
Leased Out Vehicles	-	-	-	-	-	-
Vehicles Taken on Lease	-	-	-	-	-	-
Sub total - Vehicles	-	-	-	-	-	-
Other Assets						
Owned						
Railway Sidings	-	-	-	-	-	-
Aircraft	-	-	-	-	-	-
Ships	-	-	-	-	-	-
Dredged Channel	-	-	-	-	-	-
Breakwater Structures	-	-	-	-	-	-
Sub total - Other assets	-	-	-	-	-	-
Total	26,571,252	-	26,571,252	14,211,295	-	14,211,295
Previous year	23,352,789	-	23,352,789	10,885,245	-	10,885,245
Capital Work in Progress	214,243,286	-	214,243,286			
Previous Year	214,243,286	-	214,243,286			

NOTE - E (II) INTANGIBLE ASSETS

FIXED ASSETS-INTANGIBLE	COST/VALUATION												AMORTISATION										IMPAIR-MENT	BOOK VALUE					
	Revised opening	Pursuant to acquisition	Additions	Capital Expenses -CSR	Obsolescence-CSR	AS 16 Borrowing Cost Capitalised	Deductions	Inter company purchases and sales	Transfer In	Transfer Out	Adjustment	As at 31.03.2015	Revised opening	Pursuant to acquisition	Additions	Capital Expenses -CSR	Obsolescence-CSR	Transferred to Retained Earnings	Amortisation Capitalised	Deductions	Inter company purchases and sales	Transfer In		Transfer Out	Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Goodwill on Consolidation ICO																													
Goodwill																													
Specialised Softwares																													
Technical Knowhow																													
Patents Trademarks etc																													
New Product Design and Development																													
Customer contracts and relationships																													
Toll Collection Rights																													
Utility Right to Use																													
Leasehold Building																													
Total																													
Previous year																													
Intangible assets under development																													

NOTE - E (II) INTANGIBLE ASSETS- REVISED OPENING DETAILS

Fixed Assets- Intangible	Cost/valuation			Amortisation		
	Opening Balance	Opening Regroupings	Revised opening	Opening Balance	Opening Regroupings	Revised opening
Goodwill on Consolidation ICO	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Specialised Softwares	-	-	-	-	-	-
Technical Knowhow	-	-	-	-	-	-
Patents Trademarks etc	-	-	-	-	-	-
New Product Design and Development	-	-	-	-	-	-
Customer contracts and relationships	-	-	-	-	-	-
Toll Collection Rights	-	-	-	-	-	-
Utility Right to Use	-	-	-	-	-	-
Leasehold Building	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - F - NON CURRENT INVESTMENTS				
TOTAL		-		-
NOTE - G (I) (A) LONG-TERM LOANS AND ADVANCES :				
Loans and advances :				
Unsecured :				
Considered good:				
Capital Advances :				
CWIP Inter Company Purchase	-		486,166,658	
-		-		486,166,658
Security Deposits		42,139,470		42,139,470
Long term advance recoverable in cash or kind				
Prepaid Expenses*	527,853,039		488,264,965	
		527,853,039		488,264,965
TOTAL		569,992,509		1,016,571,093
* Prepaid Expenses includes Amortisation of Annual Financial Closure (Refer Note R(VII))				
G (I) (B) LOANS AND ADVANCES TOWARDS FINANCING ACTIVITIES:				
Secured loans:				
Unsecured loans:				
Finance Lease Receivable (Refer Note R(X))		89,341,404,742		47,634,009,608
TOTAL		89,341,404,742		47,634,009,608
NOTE - H CURRENT ASSETS				
NOTE - H(I) Current Investments:				
Mutual funds (Refer Note R (XX))		1,343,645		59,129,605
TOTAL		1,343,645		59,129,605
NOTE - H(II) Inventories:(at cost or net realisable value whichever is lower)				
Raw Materials	3,048,751,886		803,168,626	
Raw Materials in Transit	187,960,466		110,145,090	
		3,236,712,352		913,313,716
Stores Spares Parts		73,417,006		14,478,308
TOTAL		3,310,129,359		927,792,024
NOTE - H (III) Trade Receivables				
Unsecured:				
Debts outstanding for more than 6 months				
Considered Good	1,590,491,507		-	
Other debts:				
Considered Good	5,654,933,293		1,369,358,165	
		7,245,424,800		1,369,358,165
TOTAL		7,245,424,800		1,369,358,165

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE - H (IV) Cash and bank balances:				
Cash and Cash Equivalent:				
On current accounts				
Balance with banks				
Balances with Scheduled Banks Current Account	1,738,158,383		70,447,480	
Cash on hand	26,147		25,999	
		<u>1,738,184,530</u>		<u>70,473,479</u>
TOTAL		<u><u>1,738,184,530</u></u>		<u><u>70,473,479</u></u>

NOTE - H (V) Short-term Loans and advances :**Loans and advances :**

Unsecured :

Others

Considered good:

Security Deposit

246,500

271,500

Advance recoverable in cash or kind

Advances to Suppliers

676,552,577

833,874,385

Prepaid Insurance

96,484,140

63,891,586

Prepaid Expenses (Refer Note R(VII))

72,402,845

45,191,459

Prepaid Interest

7,103,185

-

VAT Recoverable

2,738,424

2,737,734

Advances to Employees

115,000

41,789

Advances to Others (ICO)

232,683,465

230,683,465

1,088,079,6361,176,420,418

Income tax receivable of current year

Advance Tax Installment C.Y.

-

-

Provision for Current year tax

-

-

TDS Certificate Received in C.Y.

-

-

TDS Certificate Receivables C.Y.

-

202,426

-202,426**TOTAL**1,088,326,1361,176,894,344**NOTE - H (v) (a) Loans and advances towards financing activities:**

Secured loans:

Unsecured loans:

Considered good:

Finance Lease Receivable (Refer Note R (X))

2,166,026,697

255,500,097

TOTAL2,166,026,697255,500,097**NOTE - H (VI) Other current assets (Refer Note R (IV))**

Due from customers (construction and project related activity)

Work-in-Progress at Realisable Sales Value

4,226,770,737

42,570,602,130

TOTAL4,226,770,73742,570,602,130

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	01.04.2014 to 31.03.2015		01.04.2013 to 31.03.2014	
	₹	₹	₹	₹
NOTE - M : MANUFACTURING , CONSTRUCTION AND OPERATING EXPENSES:				
Materials consumed:				
Cost of Raw materials and components Consumed				
Opening Stock Raw Materials Others	803,168,626		–	
Opening stock of raw materials in transit	110,145,090		–	
Purchase Raw Materials Others	18,776,342,348		1,329,610,797	
Purchase Components ICO	1,570,142,831		14,408,611,310	
Purchase Components Others	6,061,535		35,538,677	
Freight Inwards ICO	5,849,737		834,683,796	
Closing Stock Raw Materials	(3,048,751,886)		(803,168,626)	
Closing stock of raw materials in transit	(187,960,466)		(110,145,090)	
	<u>18,034,997,814</u>		<u>15,695,130,865</u>	
Less: Scrap sales				
Scrap Sales Mfg Scrap	30,840,084		19,851,979	
		<u>18,004,157,730</u>		<u>15,675,278,886</u>
Stores, Spares and tools consumed				
Stores, Spares				
Opening Stock - Stores Spares Others	14,478,308		–	
Purchase - Stores Spares ICO	63,178,657		–	
Purchase - Stores Spares Others	189,146,635		26,489,663	
Closing Stock - Stores Spares Others	(73,417,006)		(14,478,308)	
		<u>193,386,594</u>		<u>12,011,355</u>
Sub-contracting charges				
Sub Contracts Others	247,327,497		145,694,400	
Sub Contracts ICO	2,959,156,111		5,260,802,135	
		<u>3,206,483,608</u>		<u>5,406,496,535</u>
Other manufacturing, construction and operating expenses:				
Power and fuel				
Power	80,409,415		239,773,681	
Fuel	472,954,287		923,196,447	
		<u>553,363,702</u>		<u>1,162,970,128</u>
Hire charges-plant Machinery				
Hire Charges Plant Machinery	1,020,033		852,192	
		<u>1,020,033</u>		<u>852,192</u>
Engineering, professional, technical or consultancy fees				
Engineering Professional Technical or Consultancy Fees	80,439,130		65,180,602	
Engg. Professional Technical or Consultancy Fees ICO	198,294,693		8,164,495	
		<u>278,733,823</u>		<u>73,345,097</u>
Insurance(Mega Insurance Policy)	116,668,183		23,529,002	
		<u>116,668,183</u>		<u>23,529,002</u>
Rent				
Rent others	2,217,865		2,043,845	
		<u>2,217,865</u>		<u>2,043,845</u>
Rates Taxes				
Water Charges paid	19,883,214		111,551	
		<u>19,883,214</u>		<u>111,551</u>

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	01.04.2014 to 31.03.2015		01.04.2013 to 31.03.2014	
	₹	₹	₹	₹
Travelling and conveyance				
Travelling				
Travel Inland Tickets	5,442,964		6,051,397	
Conveyance				
Conveyance expenses	31,390,955		23,535,463	
		36,833,919		29,586,860
General repairs and maintenance				
Security services at site	15,021,454		11,809,633	
Other repairs maintenance incl. ICO	5,109,034		1,166,492	
		20,130,488		12,976,125
Miscellaneous expenses				
Other Manufacturing Construction and Operating Expenses	45,842,140		480,004,691	
Other Manufacturing Construction and Operating Exp. ICO	135,567,614		1,285,561	
		181,409,754		481,290,252
		1,210,260,981		1,786,705,053
Finace cost of financial services business				
Interest and other financing charges				
Interest Paid on Inter-Corporate Borrowing ICO	36,300,247		–	
Interest Lease Finance	5,581,704,975		633,658,230	
		5,618,005,222		633,658,230
TOTAL MFG CONSTRUCTION AND OPERATING EXPENSES		28,232,294,136		23,514,150,060
NOTE - N EMPLOYEE BENEFIT EXPENSES				
Salaries , Wages and bonus				
Salaries				
Salaries	229,265,593		163,352,862	
Salaries ICO	48,794,877		89,582,996	
Leave Encashment Paid	1,015,634		242,636	
		279,076,104		253,178,494
Wages				
Leave Encashment Provision(Refer Note R(V(b)))	5,612,411		2,296,830	
		5,612,411		2,296,830
		284,688,515		255,475,324
Contribution to and provision for				
Provident fund and pension fund				
Contribution Provision to PF Pension RPFC	6,667,811		5,439,524	
Gratuity funds				
Provision to Gratuity Fund(Refer Note R(V(a)))	2,198,982		1,190,957	
		8,866,793		6,630,481
Staff welfare expenses				
Staff Welfare Expenses	3,275,873		1,898,669	
		3,275,873		1,898,669
TOTAL		296,831,180		264,004,474

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	01.04.2014 to 31.03.2015		01.04.2013 to 31.03.2014	
	₹	₹	₹	₹
NOTE - O SALES, ADMINISTRATION AND OTHER EXPENSES				
Miscellaneous expenses				
Corporate Social Responsibility	45,688,047		20,605,911	
Donations	204,889		146,392	
		45,892,936		20,752,303
Exchange (gain)/loss				
Exchange Gain Loss IC/Unit - Creditors	(7,536,150)		207,353,449	
Exchange Gain Loss - Forward Contract Payables	464,328,953		(217,431,724)	
Exchange Gain Loss - Long Term Loans	(635,419,416)		(249,340,604)	
		(178,626,613)		(259,418,879)
TOTAL		(132,733,677)		(238,666,576)
NOTE - P FINANCE COST:				
Interest Expenses				
Debentures and fixed loans				
Interest on Bonds	124,193,906		–	
Interest Paid on Term loans from Banks	614,772,849		4,057,072,500	
		738,966,755		4,057,072,500
Interest Paid on Cash Credit	–		–	
Interest Paid on Commercial Paper	38,719,505		–	
Interest Paid on Bills Discounting Others	–		–	
Other Interest Paid	208,168,034		963,421,456	
		246,887,539		963,421,456
Other borrowing costs				
Borrowing Costs Ancillary	5,226,295		39,726,614	
		5,226,295		39,726,614
TOTAL		991,080,590		5,060,220,570

BRIEF DESCRIPTION OF THE COMPANY:

Nabha Power Limited (NPL) has set up a 2 X 700 MW Coal based Supercritical Thermal Power Plant at Rajpura, Punjab. NPL has signed a Power Purchase Agreement with Punjab State Power Corporation Limited (formerly, Punjab State Electricity Board) for sale of 100% power generated from the plant for a long term period of twenty five years. Unit 1 of the power plant commenced commercial operations on 1st Feb 2014 and Unit 2 commenced its commercial operations on 10th July, 2014.

NOTE NO. Q SIGNIFICANT ACCOUNTING POLICIES:**I. Basis of accounting**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ["GAAP"], in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards prescribed in the Section 133 of Companies Act, 2013.

The preparation of financial statements in conformity with GAAP requires that the Management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

II. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

(AS) 3 “Cash Flow Statements”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

Amounts in the financial statements are presented in Indian Rupees in line with the requirements of Schedule III. Earnings per share data are presented in Indian Rupees upto two decimals places.

III. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

- i. Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a contract, the Company has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.
- ii. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Wherever the asset is manufactured/constructed by the Company, the fair value of the asset, representing the net investment in the lease, is recognized as sales revenue in accordance with the Company’s revenue recognition policy. Lease income is recognized over the period of the lease so as to yield an implicit rate of return on the net investment in the lease.

IV. Revenue Recognition

- a. Wherever the asset is constructed by the company and given on finance lease, the fair value of the asset, representing the net investment in the lease, is recognised as contract revenue in accordance with the company’s revenue recognition policy for construction contracts when the asset is under construction, which is as follows:

Contract revenue is recognized only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration.

- b. When the construction of the asset is complete and the same is given on finance lease, the revenue recognition is as under:

The amounts received under the long term Power Purchase Agreement (PPA) are classified under two heads in the following manner:

a) Capacity Charges

The payments received in the form of non-Escalable capacity charges are treated as lease rentals and split into two components as under:

- Repayment of principal i.e. capital recovery towards net investment in the lease is adjusted against Finance lease receivable; and
- Finance income over the period of the lease so as to yield an implicit rate of return on the net investment in the lease. This is being recognised in the statement of profit and Loss on accrual basis.

b) Energy Charges

Energy Charges received under the provisions of the PPA, which are towards recovery of fuel and related costs, are recognised in the statement of Profit and Loss on accrual basis.

V. Tangible Fixed Assets

Fixed assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

VI. Depreciation

Depreciation on assets has been provided on straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

Depreciation for, additions/deductions is calculated pro rata from/to the month of additions/deductions.

VII. Investments

Current investments are carried at lower of cost and fair value.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments.

Purchase and sale of investments are recognised based on the trade date accounting.

VIII. Inventories

Inventories of Raw materials, consumables, supplies, fuel, stores and spares and loose tools are valued at lower of cost (on weighted average basis) and net realizable value

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

IX. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event.
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a present obligation when no reliable estimate is possible; and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

X. Borrowing cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for the intended use. In addition to Interest charges, borrowing costs also include amortized ancillary costs incurred in connection with the arrangement of borrowings, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use.

XI. Foreign Currency Transactions, foreign operations, forward contracts and derivatives

- a. The reporting currency of the Company is Indian rupee
- b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.
- c. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expenses.
- d. Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- e. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 "The effects of changes in foreign exchange rate".
- f. Gains and losses arising on account of roll over/ cancellation of forward contracts are recognised as income/expense of the period in which such roll over/cancellation takes place.
- g. All other forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statement at fair value as on the Balance sheet date as per Accounting Standard (AS 30) "Financial Instrument: Recognition and Measurement"
- h. The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

XII. Cash Flow Statement

Cash Flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Under Indirect method, the profit is adjusted for effects of:

- i. Transactions of non-cash nature
- ii. Any deferrals or accruals of past or future operating cash receipts of payments and
- iii. Items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance sheet are included under this category with specific disclosure.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)**NOTE NO. R OTHER NOTES FORMING PART OF ACCOUNTS**

I. The Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended March 31, 2015 are drawn and presented as per the Schedule III to the Companies Act, 2013.

II. Disclosures pursuant to Accounting Standard (AS-2) "Inventories"

Particulars	2014-15	2013-14
	₹	₹
i. Raw Materials	3,236,712,352	91,33,13,716
ii. Stores, Spares and Consumables	73,417,006	1,44,78,308

III. Disclosures pursuant to Accounting Standard (AS-6) "Depreciation"

As per the Companies Act, 2013, the Company has changed depreciation on the basis of useful life of assets. The effect of such change in useful life of assets on financial statements is ₹ 9,72,164.

IV. Disclosures pursuant to Accounting Standard (AS-7) (Revised) "Construction Contracts"

Particulars	2014-15	2013-14
	₹	₹
iii. Contract Revenue recognized for the Financial year	6,343,580,564	27,020,316,438
iv. Aggregate amount of Contract costs incurred as at end of Financial year for all contracts in progress as at that date	4,226,770,737	42,57,06,02,130
v. Amount of customer advances outstanding for contracts in progress as at end of the Financial year	–	–
vi. Retention amounts due from customers for the contracts in progress as at end of the Financial year	–	–

V. Disclosure pursuant to Accounting Standard (AS) -15 (Revised) "Employee Benefits"

a. Provision for Gratuity ₹.18,99,300 (Previous year ₹ 11,90,957) as per the provisions of Payment of Gratuity Act, 1972 is made on actuarial basis as follows:

Amounts recognized in Balance Sheet:

Particulars	2014-15	2013-14
	₹	₹
Present Values of Funded Obligations	43,17,561	19,61,389
Present Values of Unfunded Obligations	–	–
Fair Value of Plan Assets	(31,50,257)	(11,98,439)
Net Liability	11,67,304	7,62,950
Amount in Balance Sheet		
Current Liabilities	–	–
Non-Current Liabilities	11,67,304	7,62,950

Expense recognized in statement of Profit & Loss Account:

Particulars	2014-15	2013-14
	₹	₹
Current Service Cost	10,78,670	6,70,806
Interest on Defined Benefit Obligation	275,572	1,16,166
Expected Return on Plan Assets	(126,498)	–
Net Actuarial Losses / (Gains) Recognized in Year	671,556	4,03,985
Total Included in Employee benefit expenses	1,899,300	11,90,957
Actual Return on Plan Assets	144,930	–

The changes in the present value of defined benefit obligation representing reconciliation of opening & closing balances thereof are as follows:

Particulars	2014-15	2013-14
	₹	₹
Opening balance of Present value of defined benefit obligation	19,61,389	7,70,432
Add:		
Current Service Cost	1,078,670	6,70,806
Interest on Defined Benefit Obligation	275,572	1,16,166
Liabilities Assumed on Acquisition	311,942	–
Net Actuarial Losses / (Gains) Recognized in Year	689,988	4,03,985
Closing balance of Present value of defined benefit obligation	4,317,561	19,61,389

The changes in the fair value of plan assets representing reconciliation of opening & closing balances thereof are as follows:

Particulars	2014-15	2013-14
	₹	₹
Opening balance of Fair value of Plan Assets	11,98,439	–
Expected Return on Plan Assets	126,498	–
Actuarial Gain/(losses)	18,432	–
Add: Contributions by Employer	1,494,946	11,98,439
Assets Acquired on Acquisition	311,942	–
Closing balance of Fair value of Plan Assets	3,150,257	11,98,439

Experience Adjustment:

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	₹	₹	₹	₹	₹
Defined benefit Obligation	4,317,561	19,61,389	7,70,432	2,39,756	–
Plan Asset	3,150,257	11,98,439	–	–	–
Surplus/ (deficit)	(1,167,304)	(7,62,950)	(7,70,432)	(2,39,756)	–
Exp. Adj. on Plan Liabilities	61,996	3,99,012	1,22,986	–	–
Exp. Adj. on Plan Asset	18,432	–	–	–	–

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	2014-15		2013-14	
	%	Rupees	%	Rupees
Insurer Managed Funds	100	3,150,257	100	11,98,439
Total	100	3,150,257	100	11,98,439

Principal actuarial assumption at the Balance Sheet date:

Particulars	2014-15	2013-14
	%	%
(i) Discounting Rate (p.a.)	7.90%	9.10%
(ii) Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
(ii) Salary Escalation Rate (p.a.)	6.00%	6.00%

- (iii) **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at 5th March 2015 for the estimated term of the obligations.
- (iv) **Expected Rate of Return on Plan Assets:** This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (v) **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- (vi) **Retirement Age:** The employees of the Company are assumed to retire at the age of 58 years.
- (vii) **Mortality:** Published rates under the Indian Assured Lives Mortality (2006-08) Ult table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000800
23	0.000961
28	0.001017
33	0.001164
38	0.001549
43	0.002350
48	0.003983
53	0.006643
58	0.009944

(vii) **Leaving Service:** Rates of leaving service at specimen ages are as shown below

Age (Years)	Rates
21-25	3%
26-35	6%
36-45	2%
46-57	1%

(viii) **Disability:** Leaving service due to disability is included in the provision made for all causes of leaving service.

b. Provision for leave encashment ₹.56,12,411 (Previous year ₹.22,96,830) is made on actuarial basis.

VI. An amount of ₹.99,10,80,590 (Previous year ₹.506,02,20,570) towards borrowing costs for qualifying asset is inventoried during the year.

VII. Amortization of expenditure:

Financial Closure Expenses are amortized over the original tenure of loan since ceased. Details as under:

(₹)

Particulars	Expense Amount	Amortization			Balance
		Up to 31.03.2014	For 2014-15	Total	
Financial Closure Expenditure	49,71,44,159	11,60,13,300	3,30,33,758	14,90,47,058	34,80,97,101
ECB Loan Processing Charges	17,68,15,432	2,44,89,868	1,22,11,473	3,67,01,341	14,01,14,091

VIII. Disclosure pursuant to Accounting Standard (AS) -17 "Segment Reporting"

The Business segments have been identified as reportable primary segments in accordance with Accounting Standard 17 "Segment Reporting" taking into account the organizational and internal reporting structure as evaluation of risk and return for these segments. Segment reporting policies are in line with the accounting policies of the company.

(i) Primary Segment (Business Segment):

Particulars	Finance Lease of Power Generating Assets including Operation & Maintenance		Engineering & Construction Services		Total Business	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	₹	₹	₹	₹	₹	₹
External revenue (net of excise duty)	25,72,36,03,922	1,87,77,07,108	6,07,57,85,478	26,49,48,29,741	31,79,93,89,400	28,37,25,36,850
Add / (less) : Inter segment revenue	-	-	-	-	-	-
Total	25,72,36,03,922	1,87,77,07,108	6,07,57,85,478	26,49,48,29,741	31,79,93,89,400	28,37,25,36,850
Segment results	2,48,40,37,266*	5,60,85,630*	86,70,22,147	4,77,09,23,397	3,35,10,59,413	4,82,70,09,027
Add: Interest income	4,67,33,241	-	-	24,77,057	4,67,33,241	24,77,057
Less: Interest expenses	-	-	99,10,32,473	5,06,02,20,569	99,10,32,473	5,06,02,20,569
Less: Other unallocable expenditure (Net of unallocable income)	-	-	-	-	-	-
Profit / (loss) before tax	2,53,07,70,507	5,60,85,630	(12,40,10,326)	(28,68,20,115)	2,40,67,60,181	(23,07,34,485)
Less: Tax expense	-	-	-	-	50,24,83,540	-

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Particulars	Finance Lease of Power Generating Assets including Operation & Maintenance		Engineering & Construction Services		Total Business	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	₹	₹	₹	₹	₹	₹
Profit / (loss) for the year	-	-	-	-	1,90,42,76,641	(23,07,34,485)
Capital employed:						
Segment assets	1,05,80,29,06,683	51,51,86,58,066	4,66,54,15,035	43,78,82,75,721	1,10,46,83,21,718	95,30,69,33,787
Unallocable corporate assets	-	-	-	-	-	-
Total assets	1,05,80,29,06,683	51,51,86,58,066	4,66,54,15,035	43,78,82,75,721	1,10,46,83,21,718	95,30,69,33,787
Segment liabilities	80,33,82,75,510	1,51,11,15,456	2,49,92,02,090	71,69,92,50,854	82,83,74,77,600	73,21,03,66,310
Unallocable corporate liabilities	-	-	-	-	-	-
Total liabilities	80,33,82,75,510	1,51,11,15,456	2,49,92,02,090	71,69,92,50,854	82,83,74,77,600	73,21,03,66,310
Capital expenditure	-	-	-	-	1,03,92,704	32,18,463
Depreciation and amortization included in segment expenses	-	-	-	-	51,56,990	35,62,807

*Interest on Lease finance is reported as an operating expense and included in the segment result.

(ii) **Secondary Segments (Geographical Segments):**

The company's operations are confined within India and as such there are no reportable geographical segments.

IX. Disclosure pursuant to Accounting Standard (AS) -18 "Related party disclosures"

a. List of related parties who can exercise control:

Sr. No.	Name of Related Party	Relationship
1	Larsen & Toubro Limited	Ultimate Holding Company
2	L&T Power Development Limited	Holding Company

b. Name of related party with whom transactions were carried out during the year and description of relationship:

S.No.	Name of the Related party	Relationship
1.	Larsen & Toubro Limited (L&T)	Ultimate Holding company
2.	L&T Power Development Limited (L&T PDL)	Holding company
3.	L&T Sargent & Lundy Ltd	Fellow Subsidiary Company
4.	L&T Infrastructure Finance Company Limited	Fellow Subsidiary Company
5.	L&T Investment Management Limited	Fellow Subsidiary Company
6.	L&T Uttaranchal Hydropower Limited	Fellow Subsidiary Company
7.	L&T InfoTech Limited	Fellow Subsidiary Company
8.	L&T MHPS Turbine Generators Pvt. Ltd	Fellow Subsidiary Company
9.	L&T Howden Pvt. Limited	Fellow Subsidiary Company
10.	EWAC Alloys Limited	Fellow Subsidiary Company
11.	L&T Realty Ltd.	Fellow Subsidiary Company

c. Names of the Key Management Personnel and their relatives with whom transactions were carried out during the year :

1. Mr.Sameer R Godbole (Chief Financial Officer)
2. Mr. Jagdeep Singh Gill (Manager)

d. Disclosure of related party transactions:

S. No.	Name/Relationship/Nature of transaction	2014-15	2013-14
		₹	₹
I	Ultimate Holding company Larsen & Toubro Limited		
	Advance Adjustment - Contracts for Project	97,51,97,241	246,52,31,486
	Retention Money - Contracts for Project	644,14,44,006	8,42,03,990
	Expenses reimbursed	14,72,84,798	21,34,40,549
	Purchase of Goods & Services	4,56,14,16,851	1978,43,76,722
	Asset Transfer	28,69,500	-
	Inter Company Borrowings	1549,70,00,000	-
	Interest on Inter Company Borrowings	3,63,42,164	-
	Inter Company Deposits	1852,46,86,945	233,00,00,000
	Interest on Inter Company Deposits	4,75,60,994	20,24,247
Commission paid	6,35,99,000	-	
II	Holding company L&T Power Development Limited		
	Professional Fees & Business Support Services	-	4,26,96,334
	Inter Company Borrowing repaid	70,60,00,000	-
	Investment in Equity Shares	-	11,78,00,00,000
	Share Application Money	363,00,00,000	9,52,00,00,000
	Reimbursement of expenses	-	67,69,157
	Purchase of Fixed Asset	5,73,813	86,055
Interest on Inter Company Borrowing	5,87,19,858	-	
III	Fellow Subsidiary company L&T Sargent & Lundy Limited		
	Professional Fees & Business Support Services	3,82,024	16,51,692
	L&T Infrastructure Finance Company Limited		
	Professional Fees	1,72,00,000	-
	L&T Investment Management Ltd		
	Mutual Fund-Investment	214,00,82,000	854,95,00,000
	Mutual Fund- Redemption	220,02,08,216	884,36,63,261
	Mutual Fund- Dividend Received	52,98,448	1,20,60,741
	L&T Uttaranchal Hydropower Limited		
	Asset Transfer	-	23,626
	L&T InfoTech Limited		
	Professional Fees	80,89,037	23,25,852
	L&T MHPS Turbine Generators Pvt. Ltd		
	Purchase of Goods & Services	6,65,369	-
	L&T - MHPS Boilers Private Limited		
	Purchase of Goods & Services	74,74,778	65,537
	L&T Howden Private Limited		
Purchase of Goods & Services	3,70,73,083	-	
EWAC Alloys Limited			
Purchase of Goods & Services	1,08,000	-	
L&T Realty Limited			
Advance for Flat	12,96,870	-	

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e. Amount due to and due from related parties:

Sl. No.	Particulars	As at 31.03.2015		As at 31.03.2014	
		₹		₹	
		Due to	Due from	Due to	Due from
I	Ultimate Holding Company Larsen & Toubro Limited				
	Trades Payable	249,64,68,166	-	10,20,00,14,221	-
	Trades Receivable	-	15,76,30,059		130,11,07,814
	Inter Corporate Borrowing	110,00,00,000	-	-	-
II	Holding Company L&T Power Development Limited				
	Trades Payable	9,95,884	-	68,41,321	-
	Inter Corporate Borrowings	-	-	70,60,00,000	-
III	Fellow Subsidiary company: L&T Infrastructure Finance Company Limited	-	-	-	-
	L&T Sargent & Lundy Limited				
	Trades Payable	-	-	7,64,363	-
	L&T MHPS Boilers Private Ltd				
	Trades Payable	73,67,001	-	-	-
	L&T Investment Management Ltd				
	Trades Payable	-	-	-	5,48,27,769
	L&T Uttarakhand Hydropower Limited				
	Trades Payable	-	-	23,626	-
	L&T InfoTech Limited				
	Trades Payable	71,44,319	-	21,18,852	-
	L&T MHPS Turbine Generators Pvt. Ltd				
	Trades Payable	6,65,369	-	-	-
	L&T Howden Private Limited				
Trades Payable	17,23,088	44,43,935	-	-	
EWAC Alloys Limited					
Trades Payable	1,19,188	-	-	-	
L&T Reality Limited					
Trades Payable	-	12,96,870	-	-	

f. Key Management Personnel:

Payment of Salaries/Perquisites:	2014-15	2013-14
	₹	₹
Mr.Sameer R Godbole	36,64,378	-
Mr.Jagdeep Singh Gill	98,37,629	32,22,338
Total	1,35,02,007	32,22,338

X. Disclosure pursuant to Accounting Standard (AS) -19 "Leases"

a. The total gross investment in lease as on March 31, 2015 and the present value of minimum lease payments receivable as on March 31, 2015 is as under:

Particulars	2014-15	2013-14
	₹	₹
1. Receivable not later than 1 year	14,30,05,45,248	6,66,87,86,520
2. Receivable later than 1 year and not later than 5 years	69,16,10,13,504	28,98,96,88,464
3. Receivable later than 5 years	2,03,88,36,07,580	114,68,28,94,702
Total (1+2+3)	287,345,166,332	1,50,34,13,69,686
Less : Future Finance Lease Investment	5,35,00,00,000	1,06,45,05,979
Gross investment in lease	2,81,99,51,66,332	1,49,27,68,63,707
Less: Unearned finance income	1,90,38,88,22,808	1,01,28,84,23,984
Present value of receivables	91,60,63,43,523	47,98,84,39,732

- b. Unearned finance income as at March 31, 2015 is ₹ **1,90,38,88,22,808**. (Previous Year - ₹ 1,01,28,84,23,984).
- c. Unguaranteed Residual Value accruing to the benefit of the Company is ₹ **9,79,45,81,196**. (Previous Year - ₹ 4,79,08,40,000).
- d. The accumulated provision for uncollectible minimum lease payments receivable is NIL.
- e. Contingent rents recognized in the Statement of Profit and Loss for the year ended March 31, 2015 is ₹ **6,45,84,881** (Previous Year - ₹ NIL).

XI. Basic and diluted earnings per share (EPS) computed in accordance with Accounting Standard 20(AS-20) "Earnings per Share"

Particulars	2014-15	2013-14
Basic		
Profit as per Profit and Loss Account (Rupees)	190,42,76,641	(23,07,34,485)
Average number of equity shares outstanding	2,32,50,00,000	1,51,30,10,929
Basic EPS (Rupees)	0.82	(0.15)
Diluted		
Profit as per Profit and Loss Account (Rupees)	190,42,76,641	(23,07,34,485)
Average number of equity shares outstanding	2,32,50,00,000	1,81,91,63,934
Average number of equity shares to be allotted on conversion of advance towards equity to equity	24,01,66,667	-
Average number of equity shares to be outstanding	-	-
Diluted EPS (Rupees)	0.74	(0.13)

XII. Contingent Liabilities:

- a. Income tax liability of ₹ 1,05,64,450 for which company has filed an appeal with ITAT. The stay has been granted and hearing is in progress.
- b. Claims against the company ₹ 497,64,00,000 are in relation to disputes related to power purchase agreement. The company has filed petition/appeal towards these disputes with appropriate regulatory authority.

XIII. In line with the Company's risk management policy, the financial risks mainly related to changes in exchange rates are hedged by entering into forward contracts.

Particulars of Forward Contracts entered for hedging purpose outstanding as at March 31, 2015:

Particulars	Amount of exposure hedged	
	As at 31-03-2015	As at 31-03-2014
i. Forward Contracts for payables towards firm commitments and highly probable forecasted transactions.	9,24,24,893	1,67,64,82,349
ii. Forward Contracts for repayment of Foreign currency Loan (ECB).	401,77,17,782	4,85,96,13,787

Un-hedged Foreign currency Exposure

Payables including firm commitments and highly probable forecasted transactions:

- a. Firm commitment - ₹ 4,15,81,260 (Previous year - ₹.14,39,154).
- b. ECB - ₹ 95,98,09,400 (Previous year- ₹.53,99,54,601).

XIV. JPY denominated ECB Loan balance as on March 31, 2015 ₹ 479,90,47,001 (Previous year: ₹ 539,95,70,874) includes reinstatement exchange gain amount of ₹ 112,28,90,491 (Previous year gain: ₹ 54,24,18,597).

XV. The company has taken Inter Corporate Borrowing from its ultimate holding company- Larsen & Toubro Ltd. Balance as on March 31, 2015 of ₹ 110,00,00,000 (Previous year ₹ NIL) @8.50 % interest rate.

XVI. As on March 31, 2015, amounts of ₹ 51,05,399 (Previous Year ₹.32,42,903) are due to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. The interest accrued and due of ₹.37,237 (Previous Year - NIL) to suppliers under MSMED Act, 2006 on the above amount.

XVII. Auditors' remuneration:

Particulars	2014-15	2013-14
	₹	₹
Audit Fees	5,05,620	4,60,675
Other Matters	78,091	83,711
Reimbursement of expenses	27,543	14,075
Total	6,11,254	5,58,461

XX. Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2015 is ₹ NIL (Previous year: ₹ Nil).

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XIX. Expenditure in foreign currency:

Foreign Travel: Nil (Previous Year: ₹ Nil)

Purchase of Goods: ₹ 5,30,528 (Previous Year : ₹ NIL)

XX. Aggregate value of unquoted investment is ₹ 13,43,645 (Previous Year: ₹ 5,91,29,604)

XXI. Secured/ Unsecured Non-convertible fixed rate debentures:

Sr. No.	Secured/ Unsecured	Issue Date	Face Value ₹	Application Amount ₹	Repayment Year	Interest rate
1	Secured	01-09-2014	1000000	9,90,00,00,000	2019-2020	9.50%
2	Secured	01-09-2014	1000000	10,00,00,00,000	2019-2020	9.50%
3	Unsecured	01-09-2014	1000000	6,50,00,00,000	2016-2017	9.35%
4	Unsecured	04-09-2014	1000000	4,50,00,00,000	2016-2017	9.10%
5	Unsecured	19-09-2014	1000000	5,50,00,00,000	2016-2017	9.34%
6	Unsecured	25-09-2014	1000000	10,60,00,00,000	2017-2018	9.40%
7	Unsecured	28-11-2014	1000000	5,00,00,00,000	2018-2019	8.95%
8	Unsecured	23-01-2015	1000000	2,90,00,00,000	2017-2018	8.72%
9	Unsecured	09-09-2014	1000000	5,00,00,00,000	2015-2016	9.00%
Total				50,00,00,00,000		

XXII. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
ICAI Registration No. 000452N
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

SAMEER R GODBOLE **URVIL DESAI**
Chief Financial Officer Company Secretary

S. N. ROY
Director
DIN: 02144836

ASHWANI KUMAR
Director
DIN: 00910864

Place : Mumbai
Date : April 20, 2015

Place : Mumbai
Date : April 20, 2015