

Nabha Power Limited



Nabha Power Limited



Annual Report  
2015-16



## Nabha Power Limited



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Nabha Power Limited



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Nabha Power Limited (NPL) is a group company of Larsen & Toubro Limited. The company was incorporated in 2007 engaged in generation of electricity. 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 for sale of 100% power generated from the plant for a period of twenty five years. The Company has secured a long term fuel linkage with South Eastern Coalfields Limited (SECL). The Company commenced its commercial operations in 2014.

- **Board of Directors**

Mr Shailendra Roy

Mr Ashwani Kumar

Mr Ajit Samal

Mr Y V S Sravankumar

Mr Chandan Roy

Ms Vijaya Sampath



Independent Directors

- **Registered Office**

Nabha Power Limited, PO Box No 28, Near Village Nalash, Rajpura

- **Auditors**

**Statutory Auditor:** M/s Sharp & Tannan

**Cost Auditor:** M/s R. Nanabhoy & Co

Nabha Power Limited



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# Nabha Power Limited

## Review of Financial Statements 2015-16

### *Business Environment*

2015-16 witnessed a muted demand growth for power with the average All India Plant Load Factor (PLF) at 62%. Punjab registered a mere 4% growth in demand. This resulted in a lower PLF for NPL. While the coal availability was adequate with an offtake of more than 85% from the linkage coal, issues on grade slippage continued to pose a major challenge. Weak demand in other states resulted in significant improvement in the availability of railway rakes for transportation of fuel.

NPL continued to be a major contributor of electricity in the state of Punjab and remained at the top of merit order amongst the Independent Power Producers (IPPs) with a lowest variable cost. However, continued deductions towards disputed components of tariff exerted pressure on NPL financials. Financial health of the state Discom - Punjab State Power Corporation Limited (PSPCL) remained a concern area.

### *Financial Performance Snapshot*

Rs Cr

Parameter	Q4 F Y 16		FY 16	
	Budget	Actual	Budget	Actual
Revenue	680	869	3681	3306
PAT	77	63	200	196
Average NWC	-	-	863	1080
Average Borrowings	-	-	7697	7882



### *Plant Performance Highlights*

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- **92% availability achieved**
- 63% PLF during the year (54% in FY 15)
- **Railway Siding Operational in Feb-16**
- ISO 9001, 14001 & 18001 certification awarded
- Unit 1 Overhaul completed successfully in Dec-15 leading to efficiency improvement
- Deductions for mega status stayed since April-15

## Significant Accounting Policy

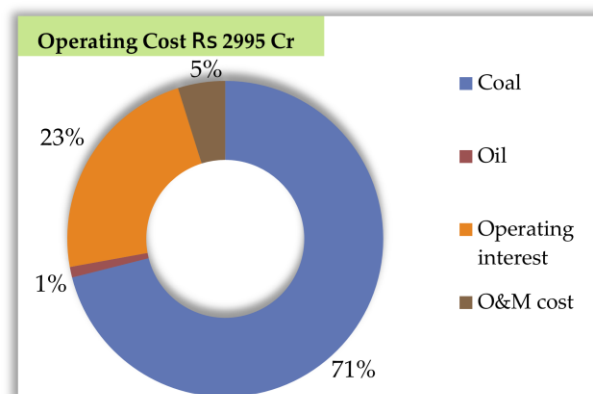
- Entire output from NPL power station is contracted with a single customer i.e. PSPCL for a long-term period of 25 years. Applying the lease accounting principle, this arrangement resembles a Finance Lease and has been accounted accordingly
- As a lessor, Finance lease receivables are recorded in place of fixed assets on the balance sheet. The payments received under the Power Purchase Agreement (PPA) by way of capacity charge are split into Capital Recovery and Finance Income. Energy charges which are reimbursement of Fuel costs are accounted as Fees for operation & maintenance of power plant
- The tariff received under the PPA has two components viz.: Capacity Charges (Escalable & Non-Escalable) and Energy Charges
- Non Escalable capacity charges are split into capital recovery and Finance Income (Revenue) based on the implicit rate of return in the lease
- Energy Charges are reckoned as Fees for O&M in the statement of Profit and Loss
- Average Tariff for FY 16 per unit: Rs 4.17
  - Capacity Charges: Rs 1.46
  - Energy Charges: Rs 2.71

## Revenue

Details of revenue during the year are as under:

Description	Rs Cr
Finance Lease Income - Capacity charges billed	1460
Finance Income – Accrued/Reduction lease Recoverable	(220)
Fees for O&M of power plant (Energy Charges) Net of Rebate	1960
Sale of Fly Ash	27
Premium on Forward Contracts	(29)
Construction Revenue (Project)	100
Other Income	8
<b>Total</b>	<b>3306</b>

## Cost of Operations and Maintenance



- Coal consumption of 4.1Mn MT at Rs. 2106 Cr largely comprises linkage coal.
- Adequate availability of linkage coal resulted in minimal alternative coal consumption (95% linkage coal)
- Average GCV of the washed linkage coal s fired during the year was ~4135 kcal/kg
- O&M cost stands at Rs 10.31L / MW at Rs. 144 Cr which includes Rs 8 Cr towards overhaul of unit 1



- Interest Rs 690 Cr is treated as an operating expense towards leasing of asset
- Rs 4.4 Cr is the CSR spend for the year

## Profitability

- The company reported a PBT of Rs 251 Cr
- Lower load leading to higher heat rate of ~2381 kcal/kwh has resulted in a under recovery of fuel cost by way of lower energy charges: Rs 99 Cr
- Incentive of Rs 19 Cr is reckoned towards higher than normative availability at 92%.
- Average Interest rate on Borrowings at 8.76% as against a budget of 9.25% helped contain the interest cost at Rs 690 Cr (Budget 694 Cr) despite higher borrowings
- Monitoring of O&M costs and cost reduction measures such as optimizing start-up costs etc. have resulted in a lower O&M costs at Rs 144 Cr as against a budget of Rs 154 Cr
- Availing of entire credit period as well as delays in payment resulted in lower rebate to the Customer by Rs 22 Cr
- Fly ash sale increased by Rs 11 Cr over budget due to higher Ash generation from linkage coal and better disposal rates on spot trading basis

## Forex Gain / (Loss)

The company has recognized a net loss of Rs 43 Cr towards forex transactions

Description	Rs Cr
Reinstatement – ECB & Creditors	(70)
MTM Forward Covers	56
Premium	(29)
<b>Total</b>	<b>(43)</b>

## YoY Comparison

- YoY growth in revenue is 3.8% and that in PAT is 3.15%
- However, the character of NPL P&L in FY 15 and FY16 is significantly different
  - Higher construction revenue in FY 15
  - Unit 2 operations for 9 months in FY 15

## Balance Sheet

### Debt Equity

As at March'15	Description	As at March'16
2688	<b>Equity (27%)</b>	2688
5480	ECB/NCDs	5650
1425	Commercial Papers	786
110	ICDs	847
7015	<b>Debt (Project) (73%)</b>	7283

### Does not include Working capital debt

- Equity includes Rs 290 Cr of security premium on preference shares issued during the year
- Debt is a mix of short term and long term borrowings utilized for project debt as well as working capital debt
  - Working capital debt as at 31<sup>st</sup> March: Rs 543 Cr
- During the year repayment of Rs 121 Cr was made towards the project debt
- NCDs and CPs issued by NPL are backed by a Corporate guarantee / Letter of comfort by the ultimate parent – L&T

## Reserves

- Total reserves of Rs 562 Cr include:
  - Security Premium: Rs 290 Cr
  - Debenture Redemption Reserve Rs 271 Cr
- PAT for the year Rs 196 Cr is transferred to DRR. Total Debentures outstanding as at 31<sup>st</sup> March 2016 is Rs 5157 Cr

## Other Liabilities

Description	Rs Cr
Trade Payables	307
Other Current Liabilities	264
Short Term Provisions	10
<b>Total</b>	<b>581</b>

- Rs 174 Cr out of the total trade payables pertain to fuel supply chain creditors
- Rs 80 Cr trade payable pertain to Project construction
- Other Current Liabilities include Rs 246 Cr towards interest accrued on debentures

## Assets

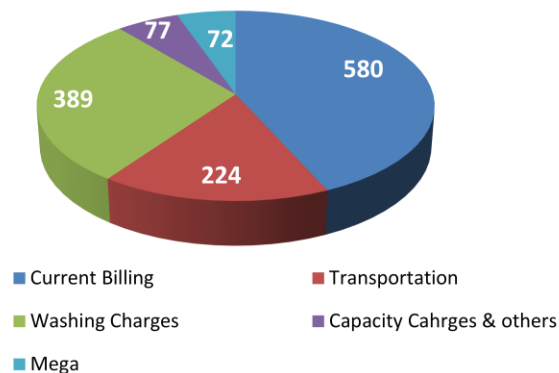
### Non-Current Assets: Rs 9270 Cr

- Rs. Rs. 9140 Cr Lease Asset Receivable (net investment in the lease)
- Rs 80 Cr Fixed Assets (Rs 76 Cr Capital WIP towards Unit-3 & 2 Cr advance for purchase of flat)
- Rs 45 Cr of unamortized financial closure expenses

## Current Assets

### Trade Receivables

**Debtors: Rs. 1342 cr**



- Rs 262 Cr has been collected in April-15 towards current billing.
- Rs 762 Cr are outstanding towards various disputes with the Customer. Petitions/Appeals have been filed for each of these deductions.
- Disputed receivables have climbed up by Rs 281 Cr. Rs 63 Cr of disputed receivables from FY 15 were collected during the year
- Deductions towards mega status have been stayed since April-15.
- Disputed receivables are disclosed as Contingent Liabilities
- Prolonged payment cycle (unlike FY15), Continued deductions of disputed receivables and payment delays caused a higher ANWC & borrowing

### Inventory

- Rs 282 Cr inventory mainly includes Coal Rs 264 Cr. This is a drop of 15% over FY 15.
- Lapsing of Linkage coal, avoiding imported coal from Coal India were some of the measures implemented to control the inventory & advances
- Improved railway rake availability and offtake from coal mines coupled with the Tribunal order to maximize linkage coal exerted pressure on inventory levels

*Other Current Assets*

Description	Rs Cr
Lease Receivable (Current)	288
Advances	153
Construction WIP	24
<b>Total</b>	<b>465</b>

- Advances include Rs 105 Cr of supplier advance
  - Advance towards Coal: Rs 90 Cr
  - L&T Units (Project activity): Rs. 12Cr
- Accrued Incentive of Rs 19 Cr towards higher than normative availability is grouped under Advances
- Construction WIP represents the un-capitalized project cost (Ash Pond etc.)

*Internal Financial Controls (IFC)*

NPL successfully completed the IFC exercise as required under the Companies Act 2013. The exercise involved following:

- Preparation of Risk Assessment & Control Mechanism for major processes
- Process Walkthroughs and review the design of controls
- Identification of control design gaps, if any
- Modifications in controls for design gaps
- Testing control for operating effectiveness

278 Controls – Financial and Non-Financial were identified. **Final Report has been generated on 31<sup>st</sup> March 2016 with NIL ineffective controls.**



**Director's Report**

Dear Members,

The Directors have pleasure in presenting their 9<sup>th</sup> Annual report and Audited Accounts for the year ended 31<sup>st</sup> March, 2016.

**1. Financial Results / Financial Highlights**

Particulars	2015-16	2014-15
	Rs.	Rs.
Profit Before Depreciation, exceptional and extra ordinary items & Tax	251,19,97,046	241,19,17,171
Less: Depreciation, amortization and obsolescence	55,50,084	51,56,990
Add: Transfer from Revaluation Reserve	-	-
Profit before exceptional and extraordinary items and tax	250,64,46,962	240,67,60,181
Add: Exceptional Items	-	-
Profit before extraordinary items and tax	250,64,46,962	240,67,60,181
Add: Extraordinary items	-	-
Profit / (Loss) before tax	250,64,46,962	240,67,60,181
Less: Provision for tax	54,43,93,700	50,24,83,540
Profit after tax from continuing operations	196,20,53,262	190,42,76,641
Profit from discontinued operations	-	-
Total expenses on discontinued operations	-	-
Profit from discontinued operations (after tax)	-	-
Profit for the period carried to the balance sheet	<b>196,20,53,262</b>	<b>190,42,76,641</b>
Add: Balance brought forward from previous year	-	(115,34,32,523)
Less: Dividend paid for the previous year (Including dividend distribution tax)	-	-
Balance available for disposal (which directors appropriate as follows)	1,96,20,53,262	75,08,44,118
Debenture Redemption Reserve	196,20,53,262	75,08,44,118
Proposed dividend	-	-
Dividend Tax	-	-
General Reserve	-	-
Balance carried to Balance Sheet	-	-
Dividend	-	-

## Capital & Finance

The Company also refinanced Rs.1950 Cr during the year through issuance of non-convertible debentures to reduce its interest cost. In addition, the Company also repaid a part of its long term foreign currency debt of JPY 836.98 million.

### Working Capital

The Company has issued commercial papers of Rs.200 Cr during the year to meet the working capital requirement. The Working Capital is within the approved overall limit of Rs.1000 Cr.

### Credit Rating

The Company issued INR denominated Non-Convertible Debentures assigned a Rating of "ICRA AAA (SO)/Stable" (pronounced "ICRA 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, 2016 the gross tangible and intangible assets stood, including Capital work-in-progress at Rs.82.84 Cr and the net tangible and intangible assets, including capital work-in-progress at Rs.80.48 Cr. Capital Expenditure during the year amounted to Rs. 1.43 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.X (d)(I).

## 3. Particulars of Contracts or Arrangements with related parties:

The Audit Committee has approved the actual Related Party Transactions for the financial year 2015-16 and the estimated transactions for the financial year 2016-17.

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 Rs.3305.88 Cr as against Rs.3179.94 Cr for the previous financial year registering an increase of 3.96 %. The profit before tax from continuing operations was Rs.250.64 Cr and profit after tax from continuing operations was Rs.196.21 Cr for the financial year

under review (against profit of Rs.190.43 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 2015-16.

#### 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. Adequacy of Internal Financial Control

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2016, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

#### 10. 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. The 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 is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years on its CSR activities as per the provision of Companies Act, 2013. The Company is required to spend an amount of Rs.2.42 Cr. on CSR activities during the financial year 2015-16. The Company has contributed an amount of Rs. 4.43 Cr. during the financial year 2015-16 as required under the Environmental clearances issued by Ministry of Environment & Forests.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure "C" to the Board report.

#### 11. 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. The terms and conditions of appointment of the Independent Directors in compliance with the provisions of the Companies Act, 2013

Mr. Shailendra Roy and Mr. Ashwani Kumar are liable to retire by rotation and being eligible offer themselves for re-appointment. The notice convening the AGM includes the proposal for re-appointment of Directors.

Mr. J.S. Gill has resigned and Mr. Sameer Godbole has been appointed as a Manager of the Company with effect from October 20, 2015. 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.

#### 12. 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 20, 2015, July 24, 2015, October 20, 2015 and January 25, 2016.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.



### 13. Audit Committee

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

The Committee comprised of one Non-Executive Director and two Independent Directors. The current members of the Committee are Mr. Y.V.S Sravankumar, Mr. Chandan Roy and Ms. Vijaya Sampath.

During the year under review, the Committee has met 4 times on April 20, 2014, July 24, 2015, October 20, 2015 and January 25, 2016.

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. This mechanism is in line with the requirements of the Companies Act, 2013.

### 14. 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 terms of reference of the Committee are in line with the Companies Act, 2013.

The Committee comprises of one Non-Executive Director and two Independent Directors. The current members of the Committee are Mr. Shailendra Roy, Mr. Chandan Roy and Ms. Vijaya Sampath.

During the year under review, two meetings of the Committee were held on October 20, 2015 and January 25, 2016.

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.

### 15. Declaration of Independence

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

### 16. 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.

#### 17. 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.

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

The inputs given by all the directors were discussed in the meeting of the Independent Directors held on January 25, 2016, as per Schedule IV of the Companies Act, 2013. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

#### 18. 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;	The Company does not have any Executive Directors. Non-Executive Directors are not paid any remuneration except sitting fees.
b. Percentage increase in remuneration of the following KMPs in the financial year; a) Directors b) CEO c) CFO d) CS e) Manager	- - 9% - *

c. Percentage increase in the median remuneration of employees in the financial year;	6%
d. Number of permanent employees on the rolls of company;	244 employees
e. Explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration per employee was 6%. The Profit after Tax for the year 2015-16 increased by 3%.
f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of Key management personnel for the year increased by 9% and the Profit after Tax increased by 3%.
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.	The Company net worth increased by 7% during 2015-16 against 2014-15.
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	Average percentage increase made in the salaries of employees other than the managerial personnel for the year 2015-16 was 11 % whereas there is increase in the managerial remuneration by 3%. The Profit after Tax for the year 2015-16 increased by 3%.
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

\* Mr.J.S.Gill has resigned and Mr.Sameer Godbole has been appointed as a Manager w.e.f. 20<sup>th</sup> Oct,2015.

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.

## 19. Secretarial Audit Report:

The Secretarial Auditors' report to the shareholders does not contain any qualification. The Secretarial Audit Report issued by M/s. Alwyn Jay & Co., Practicing Company Secretary is attached as Annexure 'D' to this Annual Report.

## 20. 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.

## 21. 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, 2016 at a remuneration of Rs.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, 2016 is under finalization and will be filed with the MCA within the prescribed period.

## 22. 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 'E' to this Report.

## 23. 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.

## 24. Debenture Trustee:

M/s IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 have been appointed as the Debenture Trustees for the same.

## 25. Compliance with Secretarial Standards on Board and Annual General Meetings:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

## 26. Protection of Women At Workplace:

The parent Company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group

companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during 2015-16.

## 27. 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

Director

Director

Date:  
Place:

**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**

**Director**

**Director**

Place:

Date:

**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(Rs.)	Salient Terms of contracts or arrangements or transactions	Amount paid as an advance(Rs.)	Duration
1	Larsen & Toubro Ltd.	Ultimate Holding	<b>Purchase of Goods &amp; Services</b>				
			• Gear Box	1,08,35,430	Comparable Uncontrolled Price		Four months
			• Thermocouple, Disays, PT Trolley	1,03,96,998	Cost plus margin		Three months
			• Deputation Cost	6,24,17,111	At Cost		Yearly
			• Cost of Shared Services	75,21,318	At Cost		Yearly
			• Commission	11,30,59,368	Rate Equivalent to arm's length compensation		Yearly
			• Administration & Management Expenses	21,74,19,496	Corporate Allocation on Turnover basis		Yearly
			<b>• Contracts awarded prior to FY 2014-15</b>				
			# Project Construction	26,44,11,334	Pre-bid arrangement		Four years
			# Construction of rail link	22,64,01,425	Mutual agreement based on RITES project report		Three years
			<b>Reimbursement of Expenses</b>	2,15,01,163	At Cost		Case to case basis mutual agreement
			<b>Financial Transactions</b>				
			• Placement of ICD	20,20,52,51,955	Total Transaction value		Short Term
			• ICD interest	4,70,12,728	Market Rate		
			• ICB	51,92,24,07,698	Total Transaction value		Short Term
			• ICB Interest	31,50,16,863	Market Rate		

**NABHA POWER LIMITED**

**CSR ACTIVITIES FOR 2015-16**

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken.**

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act 2013 for the benefit of the community.

The Company will primarily focus on the following activities as a part of its CSR Programme viz.

- **Rural Development** - may include but not limited to construction and renovation of roads, pathways, drains, toilets, water tanks, community centres, health centres, skill training centres, sports and other infrastructure in the surrounding villages.
- **Water** – may include but not limited to support for programmes making clean drinking water available, rain water harvesting, facilitating irrigation, conservation and purification of water.
- **Education** - may include but not limited to construction and renovation of schools, libraries, science laboratories and education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.
- **Health** - may include but not limited to support for community health centres mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.
- **Skill Development** - may include but not limited to vocational training, skill building, computer training, women empowerment, support to ITI & CSTI, support to specially abled, infrastructure support, providing employability skills at project sites, creating training centres.

Governance & Technology would be the Key drivers across all these verticals.

**2. Composition of the CSR Committee.**

The CSR Committee of the Board was re-constituted on January 14, 2015. It comprises of two Independent Directors and one Non-Executive Director. The Company Secretary acts as Secretary to the Committee.

The present Committee comprises of Mr. Ashwani Kumar Mr. Chandan Roy and Ms. Vijaya Sampath as members and Mr. Urvil Desai as the Secretary of the Committee.

**3. CSR Budget and Utilization**

CSR Budget shall be allocated for each financial year with the approval of the Board and shall be utilized on approved projects in accordance with the CSR policy. The company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years on its CSR activities as per the provision of Companies Act, 2013.



**4. Average net profit of the Company for the last three financial years.**

The average net profit of the Company for the last three financial years is Rs.121,18, 65,139/-.

**5. Prescribed CSR expenditure (two percent of the amount as in item 3 above) under the Companies Act 2013.**

The Company is required to spend an amount of Rs.2,42,37,303/- on CSR activities during the financial year 2015-16.

**6. Details of CSR spent under the Companies Act 2013, during the financial year:**

a. Total amount to be spent for the financial year – Rs.2,42,37,303/-

b. Amount unspent, if any – N.A

c. Manner in which the amount was spent In the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs. (2)Overhead s	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	- Construction of Village Roads - Construction of Community Centre - Construction of Toilets	Rural Development	Local Area : Fatehgarh,Punjab Patiala,Punjab	285,00,000	Entire amount is direct project expenditure	244,77,551	Direct
2	- Shagan Scheme - Female Child Birth Scheme	Rural Development	Local Area : Fatehgarh,Punjab Patiala,Punjab	60,00,000	Entire amount is direct project expenditure	97,23,000	Direct
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (2) Direct Expenditure on projects	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency

			undertaken		or programs. (2)Overhead s		
3	Construction of Classroom	Education	Local Area : Patiala, Punjab	10,00,000	Entire amount is direct project expenditure	5,66,559	Direct
4	Medical Assistance	Health	Local Area : Patiala, Punjab	10,00,000	Entire amount is direct project expenditure	3,26,000	Direct
5	Training Centre	Skill Development	Local Area : Fatehgarh, Punjab Patiala, Punjab	65,00,000	Entire amount is direct project expenditure	85,66,451	Direct
6	Submersible Boring	Water	Local Area : Fatehgarh, Punjab Patiala, Punjab	10,00,000	Entire amount is direct project expenditure	6,00,000	Direct
	<b>TOTAL</b>			<b>440,00,000</b>		<b>442,59,562</b>	

**7. Reasons for not spending the amount during the financial year – N.A**

**8. CSR Committee Responsibility Statement:**

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

Director

Chairman – CSR Committee

Annexure “B” to the Directors Report

- A. 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:

The major steps taken towards Energy Conservation are described as under:-

Improving Energy effectiveness/ efficiency of Manufacturing Processes:

- i. **Complete switch over from Heavy Fuel Oil (HFO) to Light Diesel Oil (LDO) for plant start-up using the existing system:** Auxiliary steam consumed for HFO heating is a direct energy loss in terms of coal and condensate/wet steam. Shifting of start-up and combustion support fuel system from HFO to LDO with existing layout has helped in eliminating the additional energy requirement to heat HFO and improving the plant heat rate.
- ii. **Turbine Generator (TG) Rolling at 60 kg/cm<sup>2</sup> instead of 86 kg/cm<sup>2</sup> and taking first mill into service before synchronization:** This change in SOP has helped in considerable reduction in start-up oil consumption and auxiliary power consumption as MDBF running hours was reduced during cold start up.

Improving Energy effectiveness/ efficiency of Equipment:

- i. **Auxiliary Power Consumption(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 keeping the interconnection valve open 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. **Reduction in Cycle make-up:** Continuous reduction in cycle make-up by arresting leakages & valve passing, which is helping in reduction in plant heat rate.
- iii. **Provision of Timer for Plant Lighting:** Providing timer in lighting distribution board is helping in reduction of Auxiliary power consumption.
- iv. **Solar Initiative:** Solar panels have been installed for CHP Building Lighting.

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

APC reduction Proposals:

- a. Keeping LDO forwarding pump (reqd for A-B elevation) as stand-by and stopped condition. Emergency requirement of oil support to be met through HFO forwarding pump (presently used as LDO forwarding) in C-D/ E-F elevation.
- b. Lube oil and hydraulic oil pump of standby mill shall be in standby and stop condition.

O&M team 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 in specific coal consumption
- Reduced auxiliary power consumption, Heat Rate improvement
- Reduction in Specific Oil consumption

**D. Technology Absorption & Foreign Exchange Earnings and Outgo**

There was no Technology Absorption during the year 2015-16.

**E. Foreign Exchange Earnings and Outgo**

There were no Foreign Exchange earnings during the year. The Foreign Exchange outgo during the year was Rs.4.81 Cr.

## ***Alwyn Jay & Co.***

***Company Secretaries***

Annex-103, Dimple Arcade, Asha Nagar, Kandivli (E), Mumbai 400101. **Tel:** 022-28125781

Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower,  
Mira Road (E), Thane-401107 ; **Mob:** 09820465195; **Mob:** 9819334743

**Email :** [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com)/[dsouza.jay@gmail.com](mailto:dsouza.jay@gmail.com):Website:[www.alwynjay.com](http://www.alwynjay.com)

FORM NO. MR.3

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

To,  
The Members,  
**NABHA POWER LIMITED**

We 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 us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and kept at the place where the Company Secretary is based and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 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 External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - As applicable to the Company with respect to its listed debentures -

- 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 - The Company has complied with the provisions of the Electricity Act, 2003 and the terms of power purchase agreement.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India; and
- ii. The Debt Listing Agreements entered into by the Company with the National Stock Exchange of India in accordance with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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. The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

**We 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.

**We 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 and standards:

- (i) Increase of the Authorized Share Capital of the Company by Rs. 300,000,000,000 to Rs. 35,000,000,000 divided into 3,000,000,000 equity of Rs. 10 each and 2,500,000,000 preference shares of Rs. 2 each;
- (ii) Issue of 250,00,00,000, 10% Optionally Convertible Redeemable Preference Shares of Rs. 2/- each at a premium of Rs. 8/- per share, aggregating to Rs. 25,000,000,000/- and ;
- (iii) Authority to the Board of Directors to offer and invite subscription for Secured / unsecured redeemable non -convertible /perpetual debentures in one or more series / tranches / currencies within the overall borrowing limit of the Company aggregating up to Rs.14,400,00,00,000 on private placement basis and

Necessary compliance under the above mentioned rules and regulations has been made by the Company.

**For ALWYN JAY & CO.,**  
Company Secretaries



**[Ronald D'Mello]**  
Partner  
FCS No. 3818  
Certificate of Practice No. 14353

Place: Mumbai.  
Date: 25 April 2016

**EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2016**

[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 : Public Limited Company  
of the Company
- v) Address of the Registered office : P.O. Box No. 28, Near Village  
and contact details 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 : NA  
details of Registrar and Transfer  
Agent, if any

**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	97%
2	Construction and maintenance of Power plant	42201	3%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

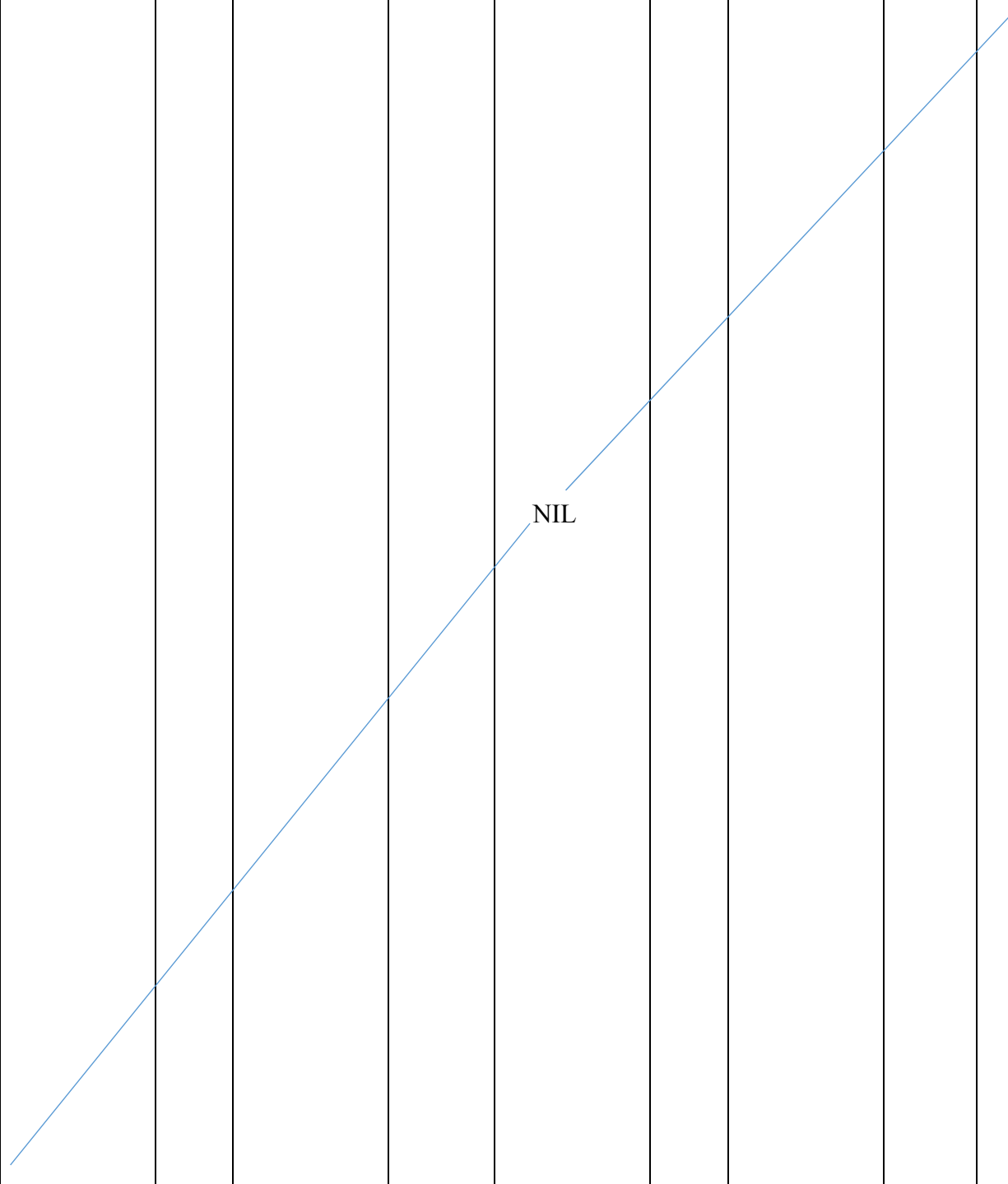
S. NO	Name and Address of The company	CIN/GLN	Holding/ Subsidiary /associate	% of Shares held	Applicable Section
1	L&T Power Development Limited	U40101MH2007PLC174071	Holding	100	2(46)



**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	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	2687999994	6	2688000000	100	2687999994	6	2688000000	100	NIL
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	2687999994	6	2688000000	100	2687999994	6	2688000000	100	NIL
(2) <b>Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									

<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	2687999994	6	2688000000	100	2687999994	6	2688000000	100	NIL
<b>B Public Shareholding</b>  <b>1. Institutions</b> a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify)  <b>Sub-total (B)(1):-</b>  <b>2. Non-Institutions</b> a) Bodies Corp. i) Indian ii) Overseas b) Individuals  i) Individual shareholders holding nominal share									

capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)					NIL				
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2687999994	6	2688000000	100	2687999994	6	2688000000	100	NIL

**(ii) Shareholding of Promoters**

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of 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	2688000000	100	51*	2688000000	100	51	100
	Total	2688000000	100	51	2688000000	100	51	100

\* Pledge is not created on 36.30 crore preference shares

**(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
	At the beginning of the year	2325000000	100	2325000000	100
	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):	363000000	100	2688000000	100
	At the End of the year	2688000000	100	2688000000	100

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

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
	At the beginning of the year				
	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	
	At the End of the year ( or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

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
	At the beginning of the year				
	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	
	At the End of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15,50,45,73,731	59,64,90,00,577	-	75,15,35,74,308
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55,86,86,118	1,81,00,87,325	-	2,36,87,73,443
<b>Total (i+ii+iii)</b>	16,06,32,59,849	61,45,90,87,902	-	77,52,23,47,751
<b>Change in indebtedness during the financial year</b>				
Addition	-	13,56,84,08,339	-	13,56,84,08,339
Reduction	(10,47,67,82,004)	-	-	(10,47,67,82,004)
<b>Net Change</b>	(10,47,67,82,004)	13,56,84,08,339	-	3,09,16,26,335
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,02,77,91,727	73,21,74,08,916	-	78,24,52,00,643
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	71,03,708	2,45,51,23,357	-	2,46,22,27,065
<b>Total (i+ii+iii)</b>	5,03,48,95,435	75,67,25,32,273	-	80,70,74,27,708

## 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 the Manager	Name of Manager	Total Amount
		<i>Mr. J.S Gill*</i>	<i>Mr. Sameer Godbole#</i>	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	18,96,840  3,11,128  NIL	37,55,842  2,52,175  NIL	56,52,682  5,63,303  NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	22,07,968	40,08,017	62,15,985
	Ceiling as per the Act	21,58,25,859	21,58,25,859	21,58,25,859

\* Mr. J.S Gill resigned as Manager of the Company with effect from October 20, 2015

# Mr. Sammer Godbole was appointed as Manager of the Company with effect from October 20, 2015 and his salary includes remuneration drawn in capacity as CFO also.

### B. Remuneration to other directors:

S.no	Particulars of Remuneration	Name of Directors				Total Amount
		<i>Mr.Chandan Roy</i>	<i>Ms. Vijaya Sampath</i>			
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	3,50,000	2,50,000			
	Total (1)					
		<i>Mr.Shailendra Roy</i>	<i>Mr. Ashwani Kumar</i>	<i>Mr. Y.V.S Sravankumar</i>	<i>Mr. Ajit Samal</i>	
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		NIL			
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT**

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	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
2.	Stock Option	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
3.	Sweat Equity	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
4.	Commission - as % of profit - others, specify	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
5.	Others, please specify	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
	Total	<i>NA</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

\* Mr. Sameer Godbole is the Manager and CFO of the Company and he draws salary as stated above in the capacity of manager

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## **INDEPENDENT AUDITOR'S REPORT To the Members Nabha Power Limited**

### **Report on the Audit of Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Nabha Power Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 'A', a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note I to the 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 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. 033013

Mumbai  
May \_\_, 2016

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(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, considering 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.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. 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 account.
- (iii) According to the information and explanations given to us, the Company has granted/repaid unsecured loan of Rs. 2,020.53 Cr. (previous year Rs. 1,852.47 Cr.) to companies covered in the register maintained under Section 189 of the Act. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
  - (a) the terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
  - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular; and
  - (c) there are no amounts overdue for more than ninety days';
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly, Paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company specified 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. The contents of these accounts and records have not been examined by us.

- (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, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to 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, sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31<sup>st</sup> March, 2016 which have not been deposited on account of a dispute pending, are as under:

<b>Name of the Statute</b>	<b>Nature of the disputed dues</b>	<b>Amount Rs. crore*</b>	<b>Period to which the amount relates</b>	<b>Forum where disputes are pending</b>
The Income Tax Act, 1961	Other income interest	1.06	F.Y 2008-09	ITAT
The Service Tax under the Finance Act, 1994	Service tax on Codal Charges- Statutory payments	8.20	F.Y 2009-10 to F.Y 2012-13	CESTAT

(\*net of pre-deposit paid in getting the stay / appeal admitted)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or Government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). Accordingly, the Paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company does not have any Employee/Director qualifying to be paid and provided as managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Mumbai  
May \_\_, 2016

MILIND P. PHADKE  
Partner  
Membership No.033013

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Nabha Power Limited** (the 'Company') as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

MILIND P. PHADKE  
Partner  
Membership No. 033013

Mumbai  
May \_\_, 2016





# Nabha Power Limited

## Balance Sheet as at March 31, 2016

Particulars	Note No.	As at 31-3-2016		As at 31-3-2015	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' funds:</b>					
Share Capital	A	23,97,60,00,000		23,25,00,00,000	
Reserves and Surplus	B	5,61,68,97,380		75,08,44,118	
			29,59,28,97,380		24,00,08,44,118
<b>Share application money pending allotment</b>					3,63,00,00,000
<b>Non-Current Liabilities</b>					
Long term borrowings	C (I)	44,01,32,43,785		49,36,27,69,092	
Other Long term liabilities	C (II)			27,28,42,881	
			44,01,32,43,785		49,63,56,11,973
<b>Current Liabilities</b>					
Short term borrowings	D(I)	33,73,82,61,846		25,35,45,27,306	
Current Maturities of Long Term Borrowings	D(II)	49,36,95,012		43,62,77,910	
Trade Payables	D(III)				
Total outstanding dues - micro and small enterprises		27,58,431		51,05,399	
Total outstanding dues - creditors other than micro and small enterprises		3,07,05,18,146		4,60,34,20,411	
Other current liabilities	D(IV)	2,64,39,52,585		2,78,09,81,607	
Short-term provisions	D(V)	10,26,64,388		2,15,52,995	
			40,05,18,50,407		33,20,18,65,627
<b>TOTAL</b>			1,13,65,79,91,572		1,10,46,83,21,718
<b>ASSETS</b>					
<b>Non-Current assets</b>					
<b>Fixed Assets</b>					
Tangible assets	E (I)	2,37,69,335		1,80,12,749	
Capital Work in Progress	E (I)	78,10,11,267		76,27,05,814	
			80,47,80,602		780,718,563
Deferred Tax Assets					
Long-term loans and advances	G (I) (a)		49,04,82,470		56,99,92,509
Loans and advances towards financing activities	G (I) (b)		91,40,20,89,979		89,34,14,04,742
Current Investments	H(I)			13,43,645	
Inventories	H(II)	2,81,90,13,081		3,31,01,29,359	
Trade receivables	H(III)	13,42,92,75,431		7,24,54,24,800	
Cash and bank balances	H(IV)	5,16,93,386		1,73,81,84,530	
Short-term loans and advances	H(V)	1,53,88,49,684		1,08,83,26,136	
Loans and advances towards financing activities	H(V)(a)	2,87,92,89,809		2,16,60,26,697	
Other Current Assets	H(VI)	24,25,17,131		4,22,67,70,737	
			20,96,06,38,522		19,77,62,05,904
<b>TOTAL</b>			1,13,65,79,91,572		1,10,46,83,21,718
<b>Contingent Liabilities</b>					
<b>Significant Accounting Policies</b>					
<b>Other Notes Forming Part of Accounts</b>					
As per our report attached					
SHARP & TANNAN					
Chartered Accountants					
ICAI Registration No.000452N					
by the hand of					
		Director		Director	
Milind P. Phadke					
Partner					
Membership No.33013		Sameer R Godbole		Urvil Desai	
		Chief Financial Officer		Company Secretary	
Place: Mumbai				CIN: U40102PB2007PLC031039	
Date: May ,2016				Place: Mumbai	
				Date: May ,2016	



# Nabha Power Limited

## Statement of Profit and Loss for the period ended March 31, 2016

Particulars	Note No.	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
		₹	₹	₹	₹
<b>REVENUE</b>					
Revenue from operations (Gross)	K	32,98,88,08,568		31,74,48,28,340	
Less: Excise duty		53,14,885		24,65,161	
Revenue from operations (Net of Excise Duty)			32,98,34,93,683		31,74,23,63,179
Other Income	L		7,53,35,774		5,70,26,221
<b>Total Revenue</b>			<b>33,05,88,29,457</b>		<b>31,79,93,89,400</b>
<b>EXPENSES</b>					
<b>Manufacturing, Construction and Operating expenses</b>	M				
Cost of raw materials and components consumed		21,54,29,89,836		18,00,41,57,730	
Stores, spares and tools Consumed		49,54,35,527		19,33,86,594	
Sub-contracting charges		40,24,92,545		3,20,64,83,608	
Other manufacturing, construction and operating expenses		94,14,31,072		1,21,02,60,981	
Finance cost of financial services business		6,67,12,67,589		5,61,80,05,222	
			30,05,36,16,570		28,23,22,94,136
Employee Benefit Expenses	N		31,33,34,737		29,68,31,180
Sales, administration and other expenses	O		17,98,81,103		(13,27,33,677)
Finance Cost	P		-		99,10,80,590
Depreciation, amortisation and obsolescence expenses		55,50,084		51,56,990	
			55,50,084		51,56,990
			30,55,23,82,495		29,39,26,29,218
<b>Total Expenses</b>			<b>30,55,23,82,495</b>		<b>29,39,26,29,218</b>
Profit before exceptional and extraordinary items and taxes			2,50,64,46,962		2,40,67,60,181
Profit before extraordinary items and taxes			2,50,64,46,962		2,40,67,60,181
Profit before tax			2,50,64,46,962		2,40,67,60,181
Tax Expense:					
Provision for Income-tax		54,43,93,700		50,24,83,540	
			54,43,93,700		50,24,83,540
<b>Profit after tax</b>			<b>1,96,20,53,262</b>		<b>1,90,42,76,641</b>
<b>Balance carried to Balance sheet</b>			<b>1,96,20,53,262</b>		<b>1,90,42,76,641</b>
Basic earnings per equity shares (₹)	R(XI)		0.84		0.82
Diluted earnings per equity shares (₹)	R(XI)		0.80		0.74
Face value per equity shares (₹)			10		10
Significant Accounting Policies	Q				
Other Notes Forming Part of Accounts	R				
As per our report attached					
SHARP & TANNAN					
Chartered Accountants					
ICAI Registration No.000452N					
by the hand of					
		Director		Director	
Milind P. Phadke					
Partner					
Membership No.33013					
		Sameer R Godbole		Urvil Desai	
		Chief Financial Officer		Company Secretary	
Place: Mumbai				CIN: U40102PB2007PLC031039	
Date: May ,2016				Place: Mumbai	
				Date: May ,2016	

# Nabha Power Limited

## Cash Flow Statement for year ended March 31,2016

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax (excluding minority interest, exceptional and extraordinary items)</b>	<b>2,50,64,46,962</b>	<b>2,40,67,60,181</b>
Adjustments for :		
Dividend received	(51,55,792)	(94,15,036)
(Profit)/loss on sale of investments (net)		
Interest (income)	(7,01,11,961)	(4,75,60,994)
Depreciation, amortisation, impairment and obsolescence	(55,50,084)	(51,56,990)
Exchange difference on items grouped under financing/investing activity	67,10,09,335	(63,54,19,416)
Interest expense	6,67,12,67,589	6,36,21,98,273
(Profit)/loss on obsolescence of fixed assets	(68,021)	
<b>Operating profit before working capital changes</b>	<b>9,76,78,38,028</b>	<b>8,07,14,06,018</b>
Adjustments for :		
(Increase)/decrease in other current assets	3,98,42,53,606	38,34,38,31,393
(Increase)/decrease in Other Loans & Advances	(1,16,37,86,660)	(1,82,19,58,392)
(Increase)/decrease in other advances (Non current)	(1,98,11,75,198)	(41,26,08,16,550)
(Increase)/ decrease in Debtors	(6,18,38,50,631)	(5,87,60,66,635)
(Increase)/ decrease in Inventories	49,11,16,278	(2,38,23,37,335)
Increase/(decrease) in other payables	(1,59,11,66,862)	(4,86,43,77,311)
<b>Cash generated from operations before financing activities</b>	<b>3,32,32,28,561</b>	<b>(9,79,03,18,812)</b>
(Increase)/decrease in loans and advances towards financing activities		
<b>Cash generated from operations</b>	<b>3,32,32,28,561</b>	<b>(9,79,03,18,812)</b>
Direct taxes refund/(paid) (net)	(54,43,93,700)	(50,24,83,540)
<b>Net cash (used in)/from operating activities</b>	<b>2,77,88,34,861</b>	<b>(10,29,28,02,352)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(1,85,11,953)	(54,89,58,330)
Purchase of intangible assets		
Profit /(Loss) on Sale of fixed assets	68,021	
Purchase/sale of current investments (net)	13,43,645	5,77,85,960
Dividend received from other investments	51,55,792	94,15,036
Profit/(loss) on sale of investments (net)		
Interest received	7,01,11,961	4,75,60,994
<b>Cash (used in)/from investing activities</b>	<b>5,81,67,466</b>	<b>(43,41,96,340)</b>
Extraordinary item:		
<b>Net cash (used in)/ from investing activities (after extraordinary items)</b>	<b>5,81,67,466</b>	<b>(43,41,96,340)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of share capital		3,63,00,00,000
Proceeds from long term borrowings	(5,62,23,68,188)	7,69,12,56,662
Proceeds from Short term borrowings	8,44,11,51,642	6,80,02,31,939
Translation Reserve on ECB Loan	(67,10,09,335)	63,54,19,416
Interest paid	(6,67,12,67,589)	(6,36,21,98,274)
<b>Net cash (used in)/ from financing activities</b>	<b>(4,52,34,93,470)</b>	<b>12,39,47,09,743</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(1,68,64,91,144)</b>	<b>1,66,77,11,051</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,73,81,84,530</b>	<b>7,04,73,479</b>
Less: Cash and bank balance transferred on subsidiary becoming an associate		
<b>Cash and cash equivalents at end of the year</b>	<b>5,16,93,386</b>	<b>1,73,81,84,530</b>

### 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 31st March 2016	For the year ended 31st March 2015
(a) Cash and cash equivalents disclosed under current assets	<b>1,73,81,84,530</b>	<b>7,04,73,479</b>
(b) Cash and cash equivalents disclosed under non-current assets.	-	-
Total cash and cash equivalents as per Cash Flow Statement [Note no.H(IV)]	<b>5,16,93,386</b>	<b>1,73,81,84,530</b>

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

Director

Director

Milind P. Phadke  
Partner  
Membership No.33013

Sameer R Godbole  
Chief financial Officer

Urvil Desai  
Company Secretary

Place: Mumbai  
Date: May ,2016

CIN: U40102PB2007PLC031039  
Place: Mumbai  
Date: May ,2016

## Notes forming part of the Accounts

	As at 31-03-2016		As at 31-03-2015	
A Share Capital	Number of shares	₹	Number of shares	₹
<b>Authorised</b>				
3000000000 Equity share of ₹10 Each	3000000000	30,00,00,00,000	3000000000	30,00,00,00,000
2500000000 Redeemable 10% Preference Shares of ₹ 2 Each	2500000000	5,00,00,00,000		
<b>Issued:</b>				
Subscribed and Paid up Equity Share Capital ICO				
2325000000 Equity Shares of ₹10 Each	2325000000	23,25,00,00,000	2325000000	23,25,00,00,000
Subscribed and Paid up Preference Share Capital ICO				
363000000 Redeemable 10% Preference Shares of ₹ 2 Each	363000000	72,60,00,000	-	
		<u>23,97,60,00,000</u>		<u>23,25,00,00,000</u>
<b>Subscribed and Paid up:</b>				
Subscribed and Paid up Equity Share Capital ICO	2325000000	23,25,00,00,000	2325000000	23,25,00,00,000
2325000000 Equity Shares of ₹10 Each				
Subscribed and Paid up Preference Share Capital ICO				
363000000 Redeemable 10% Preference Shares of ₹ 2 Each	363000000	72,60,00,000	-	
		<u>23,97,60,00,000</u>		<u>23,25,00,00,000</u>

### (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	2,32,50,00,000	23,25,00,00,000	2,32,50,00,000	23,25,00,00,000
Add : Shares issued during the year as fully paid	-	-	-	-
Issued,Subscribed & Fully paid-up equity shares outstanding at the end of the period	<u>2,32,50,00,000</u>	<u>23,25,00,00,000</u>	<u>2,32,50,00,000</u>	<u>23,25,00,00,000</u>

### (ii) Reconciliation of the number of preference shares and share capital :

Issued,Subscribed & Fully paid-up equity shares outstanding at the beginning of the period	-	-	-	-
Add : Shares issued during the year as fully paid	363000000	72,60,00,000	-	-
Issued,Subscribed & Fully paid-up equity shares outstanding at the end of the period	<u>363000000</u>	<u>72,60,00,000</u>	<u>-</u>	<u>-</u>

### (iii) Terms/Rights attached to Equity Shares :

The Company has Equity shares having a par value of ₹ 10 per share.Each holder of equity shares is entitled to one vote per share.  
The Shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

### (iv) Terms/Rights attached to Preference Shares :

The Company has Preference shares having a par value of ₹ 2 per share issued at premium of ₹ 8 per share @10% dividend p.a., non cumulative.  
Each share is optionally convertible at every 5 preference shares of ₹ 2 each entitled to 2 equity shares of ₹ 10 each.  
The tenure of preference shares will be 15 years. Issuer company and shareholder may mutually agree to redeem the preference shares at any time.

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

	Relationship	As at 31.03.2016	As at 31.03.2015
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees. Equity Shares of ₹10 each fully paid up	Holding Company	2325000000	2325000000
L&T Power Development Ltd. (L&T PDL),the Holding Company. Preference Shares of ₹ 2 each fully paid up	Holding Company	363000000	-

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

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	Number of shares	% age	Number of shares	% age
<b>Equity Shares</b>				
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees.	2325000000	100%	2325000000	100%
<b>Preference Shares</b>				
L&T Power Development Ltd. (L&T PDL),the Holding Company	363000000	100%	-	-

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>B Reserves and Surplus</b>				
<b>Securities premium account</b>				
Add:				
Additions	2,90,40,00,000			
		2,90,40,00,000		
<b>Debenture redemption reserve</b>				
As per last Balance Sheet	75,08,44,118			
Add:				
Additions	1,96,20,53,262			
Transfer from Debenture Redemption reserve			75,08,44,118	
		2,71,28,97,380		75,08,44,118
<b>Profit and Loss Account</b>				
Opening Balance			(1,15,34,32,523)	
Profit for the period	1,96,20,53,262		1,90,42,76,641	
Less:				
Transfer to debenture redemption reserve	1,96,20,53,262	-	75,08,44,118	
		5,61,68,97,380		75,08,44,118

Debenture Redemption Reserve has been created to the extent of free reserves available for distribution.

# Notes forming part of the Accounts

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>C(I) Long-term borrowings</b>				
<b>Secured :</b>				
Long Term Secured Debentures/Bonds*				
Secured - Redeemable non-convertible fixed rate debentures			10,00,00,00,000	10,00,00,00,000
Long Term Secured Term Loans (Refer Note R(XIV))**				
Long Term Secured Loans from Banks***		4,44,32,43,785		4,36,27,69,092
		<u>4,44,32,43,785</u>		<u>14,36,27,69,092</u>
<b>Unsecured :</b>				
Long Term Unsecured Debentures/Bonds (Refer Note R(XXI))				
Unsecured - Redeemable non-convertible fixed rate debentures	39,57,00,00,000		35,00,00,00,000	
		<u>39,57,00,00,000</u>		<u>35,00,00,00,000</u>
		<u>39,57,00,00,000</u>		<u>35,00,00,00,000</u>
		<u>44,01,32,43,785</u>		<u>49,36,27,69,092</u>

\* Non Convertible Debentures issued by company Rs. 5157 Cr are secured by Corporate Gurantee from Larsen & Toubro Ltd.(Ultimate holding Company). Non Covertible Debentures are listed on National Stock Exchange .

\*\*Loan is repayable in 24 equal installments started from Sep 2014.

\*\*\*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.

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>C(II) Other Long term liabilities</b>				
Others				
Forward Contract Payable			27,28,42,881	
Suppliers Ledger - Revenue goods / services				27,28,42,881
				<u>27,28,42,881</u>

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Liabilities</b>				
<b>D(1) Short-term borrowings:</b>				
Secured:				
Loans repayable on demand:				
From banks				
Secured Loans from Banks - Cash Credits*	9,08,52,930		70,55,26,729	
		9,08,52,930		70,55,26,729
		9,08,52,930		70,55,26,729
<b>Unsecured:</b>				
Short Term Loans/Inter-corporate borrowings from Parent Companies ICO	8,78,60,64,000		1,10,00,00,000	
Other loans and advances:				
From banks				
Commercial paper	12,86,13,44,916		18,54,90,00,577	
Redeemable non-convertible fixed rate debentures (Refer Note R(XXI))	12,00,00,00,000		5,00,00,00,000	
		33,64,74,08,916		24,64,90,00,577
		33,73,82,61,846		25,35,45,27,306

\*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

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Liabilities</b>				
<b>D(II) Current maturities of long term borrowings</b>				
<b>Secured :</b>				
*Secured Loans from Banks - Current <i>(Refer Note - R(XIV))</i>	49,36,95,012		43,62,77,910	
		49,36,95,012		43,62,77,910
		<u>49,36,95,012</u>		<u>43,62,77,910</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.

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Liabilities</b>				
<b>D(III) Trade payables:</b>				
Total outstanding dues of micro enterprises and small enterprises Amounts Due to MSMED (Refer Note - R. (XVI))	27,58,431	27,58,431	51,05,399	51,05,399
Total outstanding dues of creditors other than micro enterprises and small enterprises				
Acceptances - Including ICO			53,04,78,041	
Due to Subsidiaries ICO	10,36,58,508		3,10,02,099	
Due to Parent ICO	92,66,16,882		2,57,21,04,395	
Liability for Revenue Goods	1,28,05,45,689		5,70,44,848	
Suppliers Ledger - Revenue goods / services	75,96,97,067		1,41,27,91,028	
		3,07,05,18,146		4,60,34,20,411
		3,07,32,76,577		4,60,85,25,810
<b>D(IV) Other current liabilities</b>				
Interest Accrued but not Due - Debentures	2,21,12,62,936		2,36,14,07,051	
Interest Accrued but not Due - Term Loans	71,03,708		69,05,296	
Interest Accrued but not Due - IC Borrowings ICO	24,38,60,421		4,61,096	
Interest Accrued but not Due - Others	18,43,315		19,59,425	
		2,46,40,70,380		2,37,07,32,868
<b>Advances from customers</b>				
<b>Other Payables</b>				
Liability towards gratuity fund-funded plan (Refer Note R(V)(a))	19,15,086		11,67,304	
Liability for Sales Tax	2,36,488		7,43,157	
Liability to Provident Fund	11,07,247		10,63,996	
Liabilities TDS on Contractors Payment	1,36,76,348		1,16,17,061	
Liabilities TDS Others	3,60,51,458		2,01,35,166	
Security Deposit Received	1,38,51,958		3,43,36,958	
Other Payables	69,70,158		20,20,689	
Forward Contract Payable	10,60,73,462		33,91,64,408	
		17,98,82,205		41,02,48,739
		2,64,39,52,585		2,78,09,81,607
<b>D(V) Short term provisions</b>				
Provision for employee benefits:				
Compensated Absences (Refer Note R(V)(b))	1,12,94,508		98,44,634	
		11,294,508		98,44,634
<b>Others:</b>				
Tax Provision				
Provision for Current year tax	54,43,93,700		50,24,83,540	
Less :				
TDS Certificate Received in Current Year			53,72,707	
TDS Certificate Receivables Current Year	70,27,070			
TDS Certificate Unlinked Current Year				
Advance Tax Installment Current Year	44,59,96,750		48,54,02,472	
		9,13,69,880		1,17,08,361
		9,13,69,880		1,17,08,361
		10,26,64,388		2,15,52,995

Notes forming part of the Accounts

E (I) Tangible Assets



Particulars	Cost/valuation						Depreciation					Impairment	Book Value	
	Revised_opening	Pursuant to acquisition	Additions	Deductions	Adjustment	As at 31-3-2016	Revised_opening	Pursuant to acquisition	Additions	Deductions	As at 31-3-2016	As at 31-3-2016	As at 31-3-2016	As at 31-03-2015
Land														
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings														
Owned														
Buildings	8,148,755	-	-	62,106	-	8,086,649	7,525,809	-	23,192	62,105	7,486,895	-	599,754	622,947
PWD Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ownership Flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Out Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Buildings	8,148,755	-	-	62,106	-	8,086,649	7,525,809	-	23,192	62,105	7,486,895	-	599,754	622,947
Plant & equipment														
Owned														
Plant and Equipment General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Railway Wagons	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Power Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aircondition and Refrigeration	1,410,357	-	1,166,578	6,300	-	2,570,635	389,125	-	184,544	4,594	569,074	-	2,001,560	1,021,232
Canteen Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Photographic Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Installations	3,962,015	-	306,504	163,561	-	4,104,958	1,151,693	-	501,545	134,793	1,518,445	-	2,586,513	2,810,322
Leased Out Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Equipment Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Plant & equipment	5,372,372	-	1,473,081	169,861	-	6,675,592	1,540,817	-	686,089	139,388	2,087,519	-	4,588,073	3,831,555
Computers														
Owned Computers	15,381,588	-	5,163,690	414,130	-	20,131,148	7,206,760	-	3,090,554	407,179	9,890,135	-	10,241,013	8,174,828
Leased Out Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Computers	15,381,588	-	5,163,690	414,130	-	20,131,148	7,206,760	-	3,090,554	407,179	9,890,135	-	10,241,013	8,174,828
Office equipment														
Owned Office Equipments	2,909,466	-	3,312,250	46,543	-	6,175,173	1,061,144	-	1,085,565	35,291	2,111,417	-	4,063,756	1,848,323
Leased Out Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Office equipment	2,909,466	-	3,312,250	46,543	-	6,175,173	1,061,144	-	1,085,565	35,291	2,111,417	-	4,063,756	1,848,323
Furniture and fixtures														
Owned Furniture and Fixtures	5,151,775	-	1,393,343	234,468	-	6,310,649	1,616,677	-	640,718	223,484	2,033,911	-	4,276,738	3,535,097
Leased Out Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Furniture & fixtures	5,151,775	-	1,393,343	234,468	-	6,310,649	1,616,677	-	640,718	223,484	2,033,911	-	4,276,738	3,535,097
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements														
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease Adjustment														
Total	36,963,956	-	11,342,364	927,108	-	47,379,212	18,951,207	-	5,526,118	867,447	23,609,877	-	23,769,335	18,012,749
Previous year	26,571,252	-	10,811,342	418,638	-	36,963,956	14,211,295	-	5,097,904	357,993	18,951,207	-	-	-
Add : Asset held for sale													-	-
Add : Capital work-in-progress													23,769,335	18,012,749
													781,011,267	762,705,814
													804,780,602	780,718,563

## Notes forming part of the Accounts

## E (I) Tangible Assets- Revised Opening Details

Fixed Assets-Tangible	Cost/valuation			Depreciation		
	OpeningBalance	Opening_Regroupings	Revised_opening	OpeningBalance	Opening_Regroupings	Revised_opening
<b>Land</b>						
Freehold Land	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-
<b>Sub total - Land</b>	-	-	-	-	-	-
<b>Buildings</b>						
Owned						
Buildings	8,148,755	-	8,148,755	7,525,809	-	7,525,809
PWD Roads	-	-	-	-	-	-
Ownership Flats	-	-	-	-	-	-
Leased Out Buildings	-	-	-	-	-	-
<b>Sub total - Buildings</b>	8,148,755	-	8,148,755	7,525,809	-	7,525,809
<b>Plant &amp; equipment</b>						
Owned						
Plant and Equipment General	-	-	-	-	-	-
Railway Wagons	-	-	-	-	-	-
Contribution to Power Lines	-	-	-	-	-	-
Aircondition and Refrigeration	1,410,357	-	1,410,357	389,125	-	389,125
Canteen Equipments	-	-	-	-	-	-
Photographic Equipments	-	-	-	-	-	-
Laboratory Equipments	-	-	-	-	-	-
Electrical Installations	3,962,015	-	3,962,015	1,151,693	-	1,151,693
Leased Out Plant and Equipment	-	-	-	-	-	-
Plant and Equipment Taken on Lease	-	-	-	-	-	-
<b>Sub total - Plant &amp; equipment</b>	5,372,372	-	5,372,372	1,540,817	-	1,540,817
<b>Computers</b>						
Owned Computers	15,381,588	-	15,381,588	7,206,760	-	7,206,760
Leased Out Computers	-	-	-	-	-	-
Computers Taken on Lease	-	-	-	-	-	-
<b>Sub total - Computers</b>	15,381,588	-	15,381,588	7,206,760	-	7,206,760
<b>Office equipment</b>						
Owned Office Equipments	2,909,466	-	2,909,466	1,061,144	-	1,061,144
Leased Out Office Equipment	-	-	-	-	-	-
<b>Sub total - Office equipment</b>	2,909,466	-	2,909,466	1,061,144	-	1,061,144
<b>Furniture and fixtures</b>						
Owned Furniture and Fixtures	5,151,775	-	5,151,775	1,616,677	-	1,616,677
Leased Out Furniture and Fixtures	-	-	-	-	-	-
<b>Sub total - Furniture &amp; fixtures</b>	5,151,775	-	5,151,775	1,616,677	-	1,616,677
<b>Vehicles</b>						
Owned						
Buses and Trucks	-	-	-	-	-	-
Cars	-	-	-	-	-	-
Motor Cycles and Scooters	-	-	-	-	-	-
Bicycles	-	-	-	-	-	-
Other vehicles	-	-	-	-	-	-
Leased Out Vehicles	-	-	-	-	-	-
Vehicles Taken on Lease	-	-	-	-	-	-
<b>Sub total - Vehicles</b>	-	-	-	-	-	-
<b>Other Assets</b>						
Owned						
Railway Sidings	-	-	-	-	-	-
Aircraft	-	-	-	-	-	-
Ships	-	-	-	-	-	-
Dredged Channel	-	-	-	-	-	-
Breakwater Structures	-	-	-	-	-	-
<b>Sub total - Other assets</b>	-	-	-	-	-	-
Owned						
Leasehold Improvements	-	-	-	-	-	-
<b>Sub total - Other assets</b>	-	-	-	-	-	-
<b>Total</b>	36,963,956	-	36,963,956	18,951,207	-	18,951,207
Previous year	26,571,252	-	26,571,252	14,211,295	-	14,211,295
<b>Capital Work in Progress</b>	762,705,814	-	762,705,814			
Previous Year	214,243,286	-	214,243,286			

Particulars	Cost/valuation													Amortisation													Impairment	Book Value	
	Revised opening	Pursuant to acquisition	Additions	Capital Expenses-CSR	Obsolescence-CSR	As 16 Borrowing Cost Capitalised	Deductions	Inter company purchases and sales	TransferIn	TransferOut	Adjustment	As at 31-3-2015	Revised opening	Pursuant to acquisition	Additions	Capital Expenses-CSR	Obsolescence-CSR	Transferred to Retained Earnings	Amortisation Capitalised	Deductions	Inter company purchases and sales	TransferIn	TransferOut	Adjustment	As at 31-3-2016	As at 31-3-2016		As at 31-03-2015	
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																													

Fixed Assets- Intangible	Cost/valuation			Amortisation		
	OpeningBalance	Opening_Regroupings	Revised_opening	OpeningBalance	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	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Previous year</b>	-	-	-	-	-	-
<b>Intangible assets under development</b>	-	-	-			
Previous Year	-	-	-			

Notes forming part of the Accounts

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>G (I) (a) Long-term Loans and advances :</b>				
<b>Loans and advances :</b>				
Unsecured :				
Considered good:				
Security Deposits		4,21,53,970		4,21,39,470
Long term advance recoverable in cash or kind				
Prepaid Expenses <i>(Refer Note R(VII))</i>	43,27,68,781		52,78,53,039	
Forward Cover Recievable (NC)	1,55,59,719			
		44,83,28,500		52,78,53,039
<b>Total</b>		<b>49,04,82,470</b>		<b>56,99,92,509</b>

## Notes forming part of the Accounts

### G (i) (b) Loans and advances towards financing activities:

Secured loans:

Unsecured loans:

Finance Lease Receivable (Refer Note R(IX)(f))

As at 31-03-2016		As at 31-03-2015	
₹	₹	₹	₹
91,40,20,89,979		89,34,14,04,742	
<u>91,40,20,89,979</u>		<u>89,34,14,04,742</u>	
	91,40,20,89,979		89,34,14,04,742
	<u>91,40,20,89,979</u>		<u>89,34,14,04,742</u>



# Notes forming part of the Accounts

## H(1) Current Investments: Mutual funds (Refer Note R (XX))

As at 31-03-2016		As at 31-03-2015	
₹	₹	₹	₹
		13,43,645	
			13,43,645
			13,43,645

**Notes forming part of the Accounts**

**Current Assets:**

**H (II) Inventories: (at cost or net realisable value whichever is lower)**

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
Raw Materials	2,36,08,41,095		3,04,87,51,886	
Raw Materials in Transit	30,60,68,623		18,79,60,466	
		2,66,69,09,718		3,23,67,12,352
Stores Spares Parts	15,20,52,098		7,34,17,006	
Stores Spares parts in Transit	51,265			
		15,21,03,363		7,34,17,006
		<u>2,81,90,13,081</u>		<u>3,31,01,29,359</u>

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Assets</b>				
<b>H (III) Trade Receivables</b>				
<b>Unsecured:</b>				
Debts outstanding for more than 6 months				
Considered Good	5,68,22,83,109		1,59,04,91,507	
	<u>5,68,22,83,109</u>		<u>1,59,04,91,507</u>	
Other debts:				
Considered Good	7,74,69,92,322		5,65,49,33,293	
	<u>7,74,69,92,322</u>		<u>5,65,49,33,293</u>	
		13,42,92,75,431		7,24,54,24,800
		<u>13,42,92,75,431</u>		<u>7,24,54,24,800</u>

**Notes forming part of the Accounts**

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Assets</b>				
<b>H (IV) Cash and bank balances:</b>				
<b>Cash and Cash Equivalent:</b>				
On current accounts				
Balance with banks				
Balances with Scheduled Banks Current Account	33,92,349		1,73,81,58,383	
Cash on hand	26,675		26,147	
		34,19,024		1,73,81,84,530
Other Bank balances:				
Fixed deposits with banks (maturity less than 3 months)				
Balance with Scheduled Banks Fixed Deposit with maturity less than 3 Months	4,82,74,362			
		4,82,74,362		
		5,16,93,386		1,73,81,84,530

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>H (V) Short-term Loans and advances :</b>				
<b>Loans and advances :</b>				
Unsecured :				
Others				
Considered good:				
Security Deposit		2,01,500		2,46,500
Advance recoverable in cash or kind				
Advances to Suppliers	1,05,59,41,446		67,65,52,577	
Prepaid Insurance	8,59,66,891		9,64,84,140	
Prepaid Expenses (Refer Note R(VII))	6,19,94,163		7,24,02,845	
Prepaid Interest			71,03,185	
VAT Recoverable			27,38,424	
Service Tax Recoverable	31,97,170			
Advances to Employees	1,55,000		1,15,000	
Advances to Others	11,86,47,088		23,26,83,465	
IncomeTax Prior Years	2,58,86,239			
Other Receivables	18,68,60,187			
		1,53,86,48,184		1,08,80,79,636
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.				
<b>Total</b>		<b>1,53,88,49,684</b>		<b>1,08,83,26,136</b>

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>Current Assets</b>				
<b>H (v) (a) Loans and advances towards financing activities:</b>				
Secured loans:				
Unsecured loans:				
Considered good:				
Finance Lease Receivable ( <i>Refer Note R (IX)(f)</i> )	2,87,92,89,809		2,16,60,26,697	
		2,87,92,89,809		2,16,60,26,697
		<u>2,87,92,89,809</u>		<u>2,16,60,26,697</u>

Notes forming part of the Accounts

	As at 31-03-2016		As at 31-03-2015	
	₹	₹	₹	₹
<b>H (VI) Other current assets (Refer Note R (IV))</b>				
Due from customers (construction and project related activity)				
Work-in-Progress at Realisable Sales Value	24,25,17,131		4,22,67,70,737	
		24,25,17,131		4,22,67,70,737
		<u>24,25,17,131</u>		<u>4,22,67,70,737</u>

## Notes forming part of the Accounts

	As at 31-03-2016	As at 31-03-2015
	₹	₹
<b>I Contingent Liabilities:</b>		
(a) Income tax liability (including penalty) that may arise in respect of which the company is in appeal	1,05,64,450	1,05,64,450
(b) Service tax liability (including penalty) that may arise in respect of which the company is in appeal	8,52,57,872	
(c) Claims/Recoveries against the company are in relation to disputes related to power purchase agreement. The company has filed petition/appeal towards these disputes with appropriate regulatory authority/court (Refer Note R (XII))	9,22,21,00,000	4,97,64,00,000



## Notes forming part of the Accounts

	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
	₹	₹	₹	₹
<b>Schedule K</b>				
K Revenue from operations				
Sales & Services				
Manufacturing and trading activity				
Manufacturing Activity - Gross Sales ICO	1,13,686			
Manufacturing Activity - Gross Sales Others	27,09,24,556		12,25,86,401	
		27,10,38,242		12,25,86,401
Construction and project related activity				
Charged for Completed Jobs AS 7 Others	4,98,74,79,560		44,68,74,11,957	
WIP at Close Including Materials at Site AS 7 Others	24,25,17,130		4,22,67,70,737	
WIP at Commencement Incl. Materials at site AS 7 Others	(4,22,67,70,737)		(42,57,06,02,130)	
		1,00,32,25,953		6,34,35,80,564
Income from financing activity/annuity based projects				
Profit on Sale of Assets				
Finance lease Income Power Plant	12,39,77,68,563		10,39,27,29,664	
		12,39,77,68,563		10,39,27,29,664
Fees for Operation and Maintenance of Power Plant		19,60,36,14,687		15,31,79,35,412
		33,27,56,47,445		32,17,68,32,041
Other Operational Income:				
Miscellaneous Income Other Receipts				41,41,800
Premium earned (net) on related forward exchange contracts				
Premium on Forward Contracts	(28,68,38,877)		(43,61,45,501)	
		(28,68,38,877)		(43,61,45,501)
		(28,68,38,877)		(43,20,03,701)
		32,98,88,08,568		31,74,48,28,340

## Notes forming part of the Accounts

	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
	₹	₹	₹	₹
<b>L Other Income</b>				
Interest Received on ICD- Others ( Short Term) ICO	4,70,12,728		4,75,60,994	
		4,70,12,728		4,75,60,994
Dividend Income:				
Dividend Income from Mutual Funds	51,55,792		94,15,036	
Income from Other Investments	2,30,99,233			
	2,82,55,025		94,15,036	
		2,82,55,025		94,15,036
Net gain/(loss) on sale of fixed assets (net)				
Gain on Sale of Fixed Assets Net - Tangible	68,021		50,190	
		68,021		50,190
		7,53,35,774		5,70,26,221

	01-04-2015 to 31-03-2016	01-04-2014 to 31-03-2015
<b>M Manufacturing , Construction and Operating Expenses:</b>		
Materials consumed:		
Cost of Raw materials and components Consumed		
Opening Stock Raw Materials Others	3,04,87,51,886	80,31,68,626
Opening stock of raw materials in transit	18,79,60,466	11,01,45,090
Purchase Raw Materials Others	20,58,85,51,767	18,77,63,42,348
Purchase Components ICO	39,89,23,838	1,57,01,42,831
Purchase Components Others	34,78,865	60,61,535
Freight Inwards ICO	12,94,814	58,49,737
Closing Stock Raw Materials	(2,36,08,41,095)	(3,04,87,51,886)
Closing stock of raw materials in transit	(30,60,68,623)	(18,79,60,466)
	<u>21,56,20,51,918</u>	<u>18,03,49,97,814</u>
Less: Scrap sales		
Scrap Sales Mfg Scrap	<u>1,90,62,082</u>	<u>3,08,40,084</u>
	21,54,29,89,836	18,00,41,57,730
Stores, Spares and tools		
Stores, Spares		
Opening Stock - Stores Spares Others	7,34,17,006	1,44,78,308
Purchase - Stores Spares ICO	20,11,02,872	6,31,78,657
Purchase - Stores Spares Others	37,30,19,013	18,91,46,635
Closing Stock - Stores Spares In Transit	(51,265)	
Closing Stock - Stores Spares Others	<u>(15,20,52,098)</u>	<u>(7,34,17,006)</u>
	49,54,35,527	19,33,86,594
Sub-contracting charges		
Sub Contracts Others	26,90,51,814	24,73,27,497
Sub Contracts ICO	<u>13,34,40,731</u>	<u>2,95,91,56,111</u>
	40,24,92,545	3,20,64,83,608
<b>Other manufacturing, construction and operating expenses:</b>		
Power and fuel		
Power	1,75,17,859	8,04,09,415
Fuel		<u>47,29,54,287</u>
	1,75,17,859	55,33,63,702
Hire charges-plant Machinery		
Hire Charges Plant Machinery MCO Activity	<u>30,00,294</u>	<u>10,20,033</u>
	30,00,294	10,20,033
Engineering, professional, technical or consultancy fees		
Engineering Professional Technical or Consultancy Fees	9,16,53,520	8,04,39,130
Engg. Professional Technical or Consultancy Fees ICO	<u>30,91,20,740</u>	<u>19,82,94,693</u>
	40,07,74,260	27,87,33,823
Insurance MCO Activity		
Others MCO Activity	<u>11,66,43,677</u>	<u>11,66,68,183</u>
	11,66,43,677	11,66,68,183
Rent MCO Activity		
Rent others	<u>19,16,320</u>	<u>22,17,865</u>
	19,16,320	22,17,865
Rates Taxes MCO Activity		
Water Charges paid	<u>1,50,14,393</u>	<u>1,98,83,214</u>
	1,50,14,393	1,98,83,214
Travelling and conveyance MCO Activity		
Travelling		
Travel Inland Tickets MCO Activity	43,43,537	54,42,964
Travel Conv. allowance for official purpose MCO Activity ICO	1,54,602	
Conveyance		
Conveyance expenses MCO Activity	<u>3,41,05,909</u>	<u>3,13,90,955</u>
	3,86,04,048	3,68,33,919
General repairs and maintenance		
Security services at site	1,98,86,120	1,50,21,454
Other repairs maintenance incl. ICO	<u>76,98,062</u>	<u>51,09,034</u>
	2,75,84,182	2,01,30,488
Miscellaneous expenses		
Other Manufacturing Construction and Operating Expenses	20,73,16,672	4,58,42,140
Other Manufacturing Construction and Operating Exp. ICO	<u>11,30,59,368</u>	<u>13,55,67,614</u>
	<u>32,03,76,040</u>	<u>18,14,09,754</u>
	<u>94,14,31,072</u>	<u>1,21,02,60,981</u>
Finace cost of financial services business		
Interest and other financing charges		
Interest Paid on Inter-Corporate Borrowing ICO	31,50,16,863	3,63,00,247
Interest Lease Finance	<u>6,35,62,50,726</u>	<u>5,58,17,04,975</u>
	6,67,12,67,589	5,61,80,05,222
<b>Total Mfg Construction and Operating expenses</b>	<u><u>30,05,36,16,570</u></u>	<u><u>28,23,22,94,136</u></u>

## Notes forming part of the Accounts

	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
	₹	₹	₹	₹
<b>N Employee Benefit Expenses</b>				
Salaries , Wages and bonus				
Salaries				
Salaries	23,77,26,750		22,92,65,593	
Salaries ICO	6,24,17,111		4,87,94,877	
Leave Encashment Paid			10,15,634	
		30,01,43,861		27,90,76,104
Wages				
Leave Encashment Provision (Refer Note R(V(b)))	24,01,478		56,12,411	
		24,01,478		56,12,411
		30,25,45,339		28,46,88,515
Contribution to and provision for				
Provident fund and pension fund				
Contribution Provision to PF Pension RPFC	66,40,608		66,67,811	
Gratuity funds				
Provision to Gratuity Fund	19,15,086		21,98,982	
		85,55,694		88,66,793
Staff welfare expenses				
Staff Welfare Expenses	22,33,704		32,75,873	
		22,33,704		32,75,873
		31,33,34,737		29,68,31,180

# Notes forming part of the Accounts

	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
	₹	₹	₹	₹
<b>Schedule O</b>				
<b>Sales, Administration and Other Expenses</b>				
Miscellaneous expenses				
Corporate Social Responsibility	4,43,05,132		4,56,88,047	
Donations	3,94,618		2,04,889	
		4,46,99,750		4,58,92,936
Exchange (gain)/loss				
Exchange Gain Loss OD - Others	7,009			
Exchange Gain Loss IC/Unit - Creditors	2,48,42,830		(75,36,150)	
Exchange Gain Loss - Forward Contract Payables	(55,95,16,174)		46,43,28,953	
Exchange Gain Loss - Long Term Loans	67,10,09,335		(63,54,19,416)	
Exchange Gain Loss - Others	(11,61,647)			
		13,51,81,353		(17,86,26,613)
		<u>17,98,81,103</u>		<u>(13,27,33,677)</u>

## Notes forming part of the Accounts

	01-04-2015 to 31-03-2016		01-04-2014 to 31-03-2015	
	₹	₹	₹	₹
<b>P Finance Cost:</b>				
Interest Expenses				
Debentures and fixed loans				
Interest on Bonds			12,41,93,906	
Interest Paid on Term loans from Banks			61,47,72,849	
				73,89,66,755
Interest Paid on Cash Credit			-	
Interest Paid on Commercial Paper			3,87,19,505	
Interest Paid on Bills Discounting Others			-	
Other Interest Paid			20,81,68,034	
				24,68,87,539
Other borrowing costs				
Borrowing Costs Ancillary			52,26,295	
				52,26,295
				<u>99,10,80,590</u>

## **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 period of twenty five years. Unit 1 of the power plant commenced commercial operations on 1<sup>st</sup> Feb 2014 and Unit 2 commenced its commercial operations on 10<sup>th</sup> 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 read with Rule 7 of the Companies (Accounts) Rules, 2014

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.

### **I. 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 (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.

### **II. 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.

### III. 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. For the 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.

**IV. Property, Plant and Equipment (Fixed Assets)**

Gross carrying amount of an asset is its cost or other amount substituted for the cost in the books of accounts, without making any deduction for accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Accounting Standards.

Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated depreciation losses.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Useful life is:

- (a) the period over which an asset is expected to be available for use by an enterprise;  
or
- (b) the number of production or similar units expected to be obtained from the asset by an enterprise.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the Company; and
- (b) the cost of the item can be measured reliably.

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

**V. Depreciation**

Depreciation on assets has been provided on straight line method on the basis of useful life as prescribed in Schedule II to the Companies Act, 2013.

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

#### **VI. Impairment**

The carrying amount of assets is reviewed at each Balance Sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### **VII. Investments**

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

Investments, which are readily realizable 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 recognized 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.

#### **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 expense.
- 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.

**Note No. R Other Notes forming part of accounts**

- I. The Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016 are drawn and presented as per the Schedule III to the Companies Act, 2013.

**II. Disclosures pursuant to Accounting Standard on “Inventories”**

Particulars	2015-16	2014-15
	Rupees	Rupees
i. Raw Materials	2,666,909,718	3,236,712,352
ii. Stores, Spares and Consumables	152,103,363	73,417,006

**III. Disclosures pursuant to Accounting Standard on “Depreciation”**

As per the Companies Act, 2013, the Company has charged depreciation and obsolescence on the basis of useful life of assets as per Schedule II of the Companies Act, 2013. The total depreciation and obsolescence charged during the financial year 2015-16 is ₹ 55,50,084.

**IV. Disclosures pursuant to Accounting Standard on “Construction Contracts”**

Particulars	2015-16	2014-15
	Rupees	Rupees
iii. Contract Revenue recognized for the Financial year	100,32,25,954	6,343,580,564
iv. Aggregate amount of Contract costs incurred as at end of Financial year for all contracts in progress as at that date	24,25,17,131	4,226,770,737
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 on “Employee Benefits”**

- a. Provision for Gratuity ₹ 19,15,086 (Previous year ₹ 11,67,304) as per the provisions of Payment of Gratuity Act, 1972 is made on actuarial basis as follows:

**Amounts recognized in Balance Sheet:**

Particulars	2015-16	2014-15
	Rupees	Rupees
Present Values of Funded Obligations	60,43,806	43,17,561
Present Values of Unfunded Obligations	-	-
Fair Value of Plan Assets	(41,28,720)	(31,50,257)
<b>Net Liability</b>	<b>19,15,086</b>	<b>11,67,304</b>
<b>Amount in Balance Sheet</b>		
Current Liabilities	-	-
Non-Current Liabilities	19,15,086	11,67,304

**Expense recognized in statement of Profit & Loss Account:**

Particulars	2015-16	2014-15
	Rupees	Rupees
Current Service Cost	19,61,029	10,78,670
Interest on Defined Benefit Obligation	4,93,012	2,75,572
Expected Return on Plan Assets	(3,08,425)	(1,26,498)
Net Actuarial Losses / (Gains) Recognized in Year	(2,30,530)	6,71,556
<b>Total Included in Employee benefit expenses</b>	<b>19,15,086</b>	<b>18,99,300</b>
<b>Actual Return on Plan Assets</b>	<b>(1,88,841)</b>	<b>1,44,930</b>

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

Particulars	2015-16	2014-15
	Rupees	Rupees
Opening balance of Present value of defined benefit obligation	43,17,561	19,61,389
Add:		
Current Service Cost	19,61,029	1,078,670
Interest on Defined Benefit Obligation	4,93,012	275,572
Liabilities Assumed on Acquisition	-	311,942
Net Actuarial Losses / (Gains) Recognized in Year	(7,27,796)	6,89,988
Closing balance of Present value of defined benefit obligation	60,43,806	4,317,561

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

Particulars	2015-16	2014-15
	Rupees	Rupees
<b>Opening balance of Fair value of Plan Assets</b>	<b>31,50,257</b>	<b>11,98,439</b>
Expected Return on Plan Assets	3,08,425	1,26,498
Actuarial Gain/(losses)	(4,97,266)	18,432
Add: Contributions by Employer	11,67,304	14,94,946
Assets Acquired on Acquisition	-	3,11,942
<b>Closing balance of Fair value of Plan Assets</b>	<b>41,28,720</b>	<b>31,50,257</b>

**Experience Adjustment:**

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
	Rupees	Rupees	Rupees	Rupees	Rupees
Defined benefit Obligation	60,43,806	4,317,561	19,61,389	7,70,432	2,39,756
Plan Asset	41,28,720	3,150,257	11,98,439	-	-
Surplus/ (deficit)	(19,15,086)	(1,167,304)	(7,62,950)	(7,70,432)	(2,39,756)
Exp. Adj. on Plan Liabilities	(4,79,417)	61,996	3,99,012	1,22,986	-
Exp. Adj. on Plan Asset	(4,97,266)	18,432	-	-	-

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

Particulars	2015-16		2014-15	
	%	Rupees	%	Rupees
Insurer Managed Funds	100	41,28,720	100	3,150,257
<b>Total</b>	<b>100</b>	<b>41,28,720</b>	<b>100</b>	<b>3,150,257</b>

**Principal actuarial assumption at the balance sheet date:**

Particulars	2015-16	2014-15
	%	%
(i) Discounting Rate (p.a.)	8.20%	7.90%
(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 11<sup>th</sup> Feb 2016 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 ₹ 112,94,508 (Previous year ₹ 98,44,634) is made on actuarial basis. During the current year ₹ 24,01,478 is charged to the Profit and Loss account (Previous year ₹ 56,12,411)

VI. An amount of ₹ NIL (Previous year ₹ 99,10,80,590) 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 (Rupees)	Amortization			Balance (Rupees)
		Up to 31.03.2015 (Rupees)	For 2015-16 (Rupees)	Total (Rupees)	
Financial Closure Expenditure	64,28,08,095	14,90,47,058	12,68,67,255	27,59,14,313	36,68,93,782
ECB Loan Processing Charges	17,68,15,432	3,67,01,341	1,22,44,929	4,89,46,270	12,78,69,162
<b>Total</b>					<b>49,47,62,944</b>

Long term prepaid expenses are ₹ 43,27,68,781 and Short term ₹ 6,19,94,163

VIII. **Disclosure pursuant to Accounting Standard on “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	
	2015-16 (Rupees)	2014-15 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)
External revenue <i>(net of excise duty)</i>	31,98,54,91,542	25,67,68,70,681	1,00,32,25,954	6,07,57,85,478	32,98,87,17,496	31,75,26,56,159
Add / (less) : Inter segment revenue						
<b>Total</b>	<b>31,98,54,91,542</b>	<b>25,67,68,70,681</b>	<b>1,00,32,25,954</b>	<b>6,07,57,85,478</b>	<b>32,98,87,17,496</b>	<b>31,75,26,56,159</b>
Segment results	2,43,63,35,001	2,48,40,37,266	0	86,70,22,147	2,43,63,35,001	3,35,10,59,413
Add: Interest income	7,01,11,961	4,67,33,241	-	-	7,01,11,961	4,67,33,241
Less: Interest expenses	-	-	-	99,10,32,473	-	99,10,32,473
Less: Other unallocable expenditure (Net of unallocable income)	-	-	-	-	-	-
<b>Profit / (loss) before tax</b>	<b>2,50,64,46,962</b>	<b>2,53,07,70,507</b>	<b>0</b>	<b>(12,40,10,326)</b>	<b>2,50,64,46,962</b>	<b>2,40,67,60,181</b>
Less: Tax expense		-	-	-	54,43,93,700	50,24,83,540
<b>Profit / (loss) for the year</b>	<b>2,50,64,46,962</b>	<b>2,53,07,70,507</b>	<b>0</b>	<b>(12,40,10,326)</b>	<b>1,96,20,53,262</b>	<b>1,90,42,76,641</b>
<b>Capital employed:</b>						
Segment assets	1,13,16,51,74,762	1,05,80,29,06,683	49,28,16,811	4,66,54,15,035	1,13,65,79,91,572	1,10,46,83,21,718
Unallocable corporate assets	-	-	-	-	-	-
<b>Total assets</b>	<b>1,13,16,51,74,762</b>	<b>1,05,80,29,06,683</b>	<b>49,28,16,811</b>	<b>4,66,54,15,035</b>	<b>1,13,65,79,91,572</b>	<b>1,10,46,83,21,718</b>
Segment liabilities	1,12,95,72,19,516	80,33,82,75,510	70,07,72,056	2,49,92,02,090	1,13,65,79,91,572	82,83,74,77,600
Unallocable corporate liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,12,95,72,19,516</b>	<b>80,33,82,75,510</b>	<b>70,07,72,056</b>	<b>2,49,92,02,090</b>	<b>1,13,65,79,91,572</b>	<b>82,83,74,77,600</b>
Capital expenditure	-	-	-	-	2,96,47,817	1,03,92,704
Depreciation, Obsolescence and amortization included in segment expenses	-	-	-	-	55,50,084	51,56,990

(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 on "Leases"**

**a. The total gross investment in lease as on 31<sup>st</sup> March 2016 and the present value of minimum lease payments receivable as on 31<sup>st</sup> March 2016 is as under:**

Particulars	2015-16	2014-15
	Rupees	Rupees
1.Receivable not later than 1 year	1500,84,55,440	1430,05,45,248
2. Receivable later than 1 year and not later than 5 years	6609,44,52,864	6916,10,13,504
3. Receivable later than 5 years	19693,00,80,864	20388,36,07,580
Total (1+2+3)	<b>278,03,29,89,168</b>	<b>287,345,166,332</b>
Less : Future Finance Lease Investment	48,31,69,335	535,00,00,000
Gross investment in lease	<b>2,77,54,98,19,833</b>	<b>2,81,99,51,66,332</b>
Less: Unearned finance income	18307,04,40,045	19038,88,22,808
Present value of receivables	<b>9428,13,79,788</b>	<b>9160,63,43,523</b>

b. Unearned finance income as at 31<sup>st</sup> March 2016 is ₹ **18316,94,40,045**  
( Previous Year- ₹ 19038,88,22,808)

c. Unguaranteed Residual Value accruing to the benefit of the Company is ₹ **980,66,54,880**.  
(Previous Year - ₹ 979,45,81,196).

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 31<sup>st</sup> March 2016 is ₹ **12,39,07,673** (Previous Year – ₹ 6,45,84,881).

f. Long Term Lease Receivables are ₹ **9140,20,89,979** and Short term Lease Receivables are ₹ **287,92,89,809**

**X. Disclosure pursuant to Accounting Standard on "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 Uttaranchal Hydropower Limited	Fellow Subsidiary Company
5.	L&T InfoTech Limited	Fellow Subsidiary Company
6.	L&T MHPS Turbine Generators Pvt. Ltd	Fellow Subsidiary Company
7.	L&T - MHPS Boilers Private Limited	Fellow Subsidiary Company
8.	L&T Howden Pvt. Limited	Fellow Subsidiary Company
9.	EWAC Alloys Limited	Fellow Subsidiary Company
10.	L&T Realty Ltd.	Fellow Subsidiary Company
11.	L&T Hydrocarbon Engineering 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 & Manager (appointed w.e.f.20<sup>th</sup>Oct ,2015)
2. Mr.Jagdeep Singh Gill, Manager (resigned as Manager w.e.f.20<sup>th</sup> Oct, 2015 )

## d. Disclosure of related party transactions:

Sl. No.	Name/Relationship/Nature of transaction	2015-16	2014-15
		Rupees	Rupees
I	Ultimate Holding company		
	<b>Larsen &amp; Toubro Limited</b>		
	Advance Adjustment – Contracts for Project	-	97,51,97,241
	Retention Money – Contracts for Project	-	644,14,44,006
	Expenses reimbursed	2,15,01,163	14,72,84,798
	Purchase of Goods & Services	91,24,62,480	456,14,16,851
	Asset Transfer	-	28,69,500
	Inter Company Borrowings	5192,24,07,698	1549,70,00,000
	Interest on Inter Company Borrowings	31,50,16,863	3,63,42,164
	Inter Company Deposits	20,20,52,51,955	1852,46,86,945
	Interest on Inter Company Deposits	4,70,12,727	4,75,60,994
	Commission paid	-	6,35,99,000
II	Holding company		
	<b>L&amp;T Power Development Limited</b>		
	Purchase of Goods & Services	5,29,21,878	-
	Inter Company Borrowing repaid	-	70,60,00,000
	Investment in Equity Shares	-	-
	Investment in Preference Share	72,60,00,000	-
	Share Premium on Preference Share	2,90,40,00,000	-
	Share Application Money	-	363,00,00,000
	Reimbursement of expenses	6,04,083	-
	Purchase of Fixed Asset	-	5,73,813
	Interest on Inter Company Borrowing	-	5,87,19,858
		-	-
III	Fellow Subsidiary company		
	<b>L&amp;T Sargent &amp; Lundy Limited</b>		
	Purchase of Goods & Services	3,77,497	3,82,024
	<b>L&amp;T Infrastructure Finance Company Limited</b>		
	Purchase of Goods & Services	-	1,72,00,000
	<b>L&amp;T Investment Management Ltd</b>		
	Mutual Fund-Investment	-	214,00,82,000

Sl. No.	Name/Relationship/Nature of transaction	2015-16	2014-15
		Rupees	Rupees
	Mutual Fund- Redemption	-	220,02,08,216
	Mutual Fund- Dividend Received	-	52,98,448
	<b>L&amp;T Uttaranchal Hydropower Limited</b>		
	Asset Transfer	-	-
	Reimbursement of expenses	45,570	-
	<b>L&amp;T InfoTech Limited</b>		
	Purchase of Goods & Services	75,49,938	80,89,037
	<b>L&amp;T MHPS Turbine Generators Pvt. Ltd</b>		
	Purchase of Goods & Services	8,04,29,751	6,65,369
	<b>L&amp;T - MHPS Boilers Private Limited</b>		
	Purchase of Goods & Services	2,97,06,670	74,74,778
	<b>L&amp;T Howden Private Limited</b>		
	Purchase of Goods & Services	1,39,05,948	3,70,73,083
	<b>EWAC Alloys Limited</b>		
	Purchase of Goods & Services	54,34,548	1,08,000
	<b>L&amp;T Realty Limited</b>		
	Purchase of Flat	1,83,05,453	-
	Advance for Flat	-	12,96,870
	<b>L&amp;T Hydrocarbon Engineering Ltd.</b>		
	Purchase of Goods & Services	6,60,060	-

e. Amount due to and due from related parties:

Sl. No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rupees		Rupees	
		Due to	Due from	Due to	Due from
I	<b>Larsen &amp; Toubro Limited</b> (Ultimate Holding Company)				
	Trades Payable	92,56,08,499	-	249,64,68,166	-
	Advance	-	11,65,13,292	-	-
	Trades Receivable	1,37,757	-	-	5,76,30,059
	Inter Corporate Borrowing	878,60,64,000	-	110,00,00,000	-
	Interest Payable	24,38,60,419	-	461,096	-
II	<b>L&amp;T Power Development Limited</b> (Holding Company)				
	Trades Payable	1,14,79,125	-	9,95,884	-
	Inter Corporate Borrowings	-	-	-	-
III	Fellow Subsidiary company: <b>L&amp;T Infrastructure Finance Company Limited</b>	-	-	-	-
	<b>L&amp;T Sargent &amp; Lundy Limited</b>				
	Trades Payable	-	-	-	-

Sl. No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Rupees		Rupees	
		Due to	Due from	Due to	Due from
	<b>L&amp;T MHPS Boilers Private Ltd</b>				
	Trades Payable	-	-	73,67,001	-
	<b>L&amp;T Investment Management Ltd</b>				
	Trades Payable	-	-	-	-
	<b>L&amp;T Uttaranchal Hydropower Limited</b>				
	Trades Payable	45,570	-	-	-
	<b>L&amp;T InfoTech Limited</b>				
	Trades Payable	61,55,308	-	71,44,319	-
	<b>L&amp;T MHPS Turbine Generators Pvt. Ltd</b>				
	Trades Payable	5,15,39,747	-	6,65,369	-
	<b>L&amp;T Howden Private Limited</b>				
	Trades Payable	1,58,86,070	-	17,23,088	44,43,935
	<b>EWAC Alloys Limited</b>				
	Trades Payable	40,83,214	-	1,19,188	-
	<b>L&amp;T Reality Limited</b>				
	Trades Payable	1,38,67,314	-	-	12,96,870
	<b>L&amp;T Hydrocarbon Engineering Limited</b>				
	Trades Payable	6,02,160	-	-	-



f. Key Management Personnel:

Payment of Salaries/Perquisites:	2015-16	2014-15
Mr. Sameer R Godbole	40,08,017	36,64,378
Mr. Jagdeep Singh Gill*	22,07,968	98,37,629
<b>Total</b>	<b>62,15,985</b>	<b>1,35,02,007</b>

\*Mr. Jagdeep Singh Gill resigned as Manager w.e.f. 20<sup>th</sup> Oct, 2015

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

Particulars	2015-16	2014-15
<u>Basic</u>		
<b>Profit</b> as per profit and loss account (Rupees)	1,96,20,53,262	1904276641
Average number of equity shares outstanding	2,32,50,00,000	2,32,50,00,000
<b>Basic EPS (Rupees)</b>	<b>0.84</b>	<b>0.82</b>
<u>Diluted</u>		
<b>Profit</b> as per profit and loss account (Rupees)	1,96,20,53,262	1,90,42,76,641
Average number of equity shares outstanding	2,32,50,00,000	2,32,50,00,000
Average number of equity shares to be allotted on conversion of advance towards equity to equity	0	24,01,66,667
Average number of equity shares to be allotted on conversion of Convertible Preference Shares-	12,93,31,148	0
Average number of equity shares to be outstanding	0	0.00
<b>Diluted EPS (Rupees)</b>	<b>0.80</b>	<b>0.74</b>

**XII. Contingent Liabilities:**

- Income tax demand of ₹ 1,05,64,450 towards disallowance of interest under section 37 of Income Tax Act, 1961 for which the Company has filed an appeal with ITAT. ITAT has remanded the case to Income Tax Authority for reassessing the evidence.
- Service tax demand of ₹ 8,52,57,872 raised by Commissioner Service Tax under Reverse charge mechanism of Codal Charges to Northern Railways. Appeal has been filed with CESTAT against the erroneous demand.
- Claims against the company ₹ 922,21,00,000 are in relation to disputes related to power purchase agreement with its customer Punjab State Power Corporation Limited. The company has filed petitions/appeals towards these disputes with appropriate 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, 2016:**

Particulars	Amount of exposure hedged	
	As at 31-03-2016 (Rupees)	As at 31-03-2015 (Rupees)
i. Forward Contracts for payables towards firm commitments and highly probable forecasted transactions.	83,67,463	9,24,24,893
ii. Forward Contracts for repayment of Foreign-currency Loan (ECB).	394,95,60,099	401,77,17,782

**Un-hedged Foreign currency Exposure**

Payables including firm commitments and highly probable forecasted transactions:

- a. Firm commitment ₹ 14,14,437 (Previous year ₹ 4,15,81,260)  
 b. ECB ₹ 98,73,78,699 (Previous year ₹ 95,98,09,400).

- XIV.** JPY denominated ECB Loan balance as on 31<sup>st</sup> March, 2016 ₹ 493,69,38,797 (Previous year: ₹ 479,90,47,001) includes reinstatement exchange gain amount of ₹ 44,70,57,947 (Previous year gain: ₹ 112,28,90,491)

The above amount is segregated into long term loan at ₹ 444,32,43,785 and current maturities at ₹ 49,36,95,012.

- XV.** The company has taken Inter Corporate Borrowing from its ultimate holding company- Larsen & Toubro Ltd. Balance as on 31<sup>st</sup> March 2016 of ₹ 902,99,24,419 (Previous year ₹ 110,00,00,000) @8.25 % interest rate.
- XVI.** As on 31<sup>st</sup> March 2016, amounts of ₹ 27,58,431 (Previous Year: ₹ 51,05,399) 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 ₹ 27,727 (Previous Year ₹ 37,237) to suppliers under MSMED Act, 2006 is included in the above amount.

**XVII. Auditors' remuneration:**

Particulars	2015-16	2014-15
	Rupees	Rupees
Audit Fees	7,30,728	5,05,620
Other Matters	68,588	78,091
Reimbursement of expenses	13,389	27,543
<b>Total</b>	<b>8,12,705</b>	<b>6,11,254</b>

**XVIII.** Estimated amount of contracts remaining to be executed on capital account (net of advances) as at 31<sup>st</sup> March 2016 is ₹ 59500 (Previous year: ₹ Nil).

**XIX. Expenditure in foreign currency:**

Foreign Travel: Nil (Previous Year: ₹ Nil)

Purchase of Goods: ₹ 4,81,10,038 (Previous Year : ₹ NIL)

**XX.** Investments as on 31<sup>st</sup> March, 2016 is ₹ Nil (Aggregate values of quoted investments-Previous Year: ₹ 13,43,645)

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

Sr. No.	Secured/ Unsecured	Issue Date	Face Value (₹)	Application Amount (₹)	Repayment Year	Interest rate
<b>Long Term Debentures</b>						
3	Unsecured	25-09-2014	1000000	10,60,00,00,000	2017-2018	8.11%
4	Unsecured	28-11-2014	1000000	5,00,00,00,000	2018-2019	8.11%
5	Unsecured	23-01-2015	1000000	2,90,00,00,000	2017-2018	8.11%
6	Unsecured	30-04-2015	1000000	11,00,00,00,000	2018-2019	8.11%
7	Unsecured	30-04-2015	1000000	10,00,00,00,000	2017-2018	8.32%
8	Unsecured	30-04-2015	1000000	1,15,00,00,00,000	2017-2018	8.25%
9	Unsecured	30-04-2015	1000000	21,00,00,00,000	2018-2019	8.25%
10	Unsecured	12-08-2015	1000000	5,00,00,00,000	2018-2019	8.25%
11	Unsecured	05-06-2015	1000000	45,00,00,00,000	2017-2018	8.25%
12	Unsecured	05-06-2015	1000000	2,10,00,00,00,000	2017-2018	8.35%
13	Unsecured	05-06-2015	1000000	1,05,00,00,00,000	2017-2018	8.50%
14	Unsecured	05-06-2015	1000000	90,00,00,00,000	2017-2018	8.95%
15	Unsecured	16-10-2015	1000000	5,00,00,00,00,000	2018-2019	8.72%
16	Unsecured	28-03-2016	1000000	5,00,00,00,00,000	2019-2020	8.11%
				<b>3957,00,00,000</b>		
<b>Short Term Debentures</b>						
1	Unsecured	01-09-2014	1000000	6,50,00,00,00,000	2016-2017	8.95%
2	Unsecured	19-09-2014	1000000	5,50,00,00,00,000	2016-2017	8.72%
	<b>Total</b>			<b>1200,00,00,000</b>		

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

As per our report attached

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

Director

Director

Milind P. Phadke  
Partner  
Membership No. 33013

Sameer R Godbole  
Chief Financial Officer

Urvil Desai  
Company Secretary

Place:  
Date: May ,2016

CIN: U40102PB2007PLC031039