



Nabha Power Limited



Power to the People

Annual Report

2014 – 15

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About Nabha

Nabha Power Limited (NPL) is a special purpose vehicle formed by Punjab State Electricity Board (PSEB) to undertake the development of a thermal power project at Rajpura, Punjab. L&T Power Development Limited (L&T PDL) emerged as a successful bidder in the tender floated by PSEB and the ownership of NPL was transferred to L&T PDL in Jan – 2010.

Nabha Power has set up a 2 X 700 MW Supercritical thermal power plant at Rajpura Punjab. This is the first developmental project of L&T in the thermal power space and the first power plant to be owned & operated by L&T. Entire power generated from this plant is contracted with Punjab State Power Corporation Limited (erstwhile PSEB) for a period of twenty five years under a Power Purchase agreement.

The power plant is running successfully for over a year. First Unit of 700 MW had already commenced Commercial Operation in Feb 2014 and the second unit of 700 MW commenced operation during the year in July 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 - 140401

- **Auditors**

M/s Sharp & Tannan



Financial Review 2014-15

Financial performance for FY 2014-15 of the company is highlighted below:

	₹ Cr		
Description	Project	O&M	Total
Sales	608	2572	3180
PBT	(13)	253	240

Significant Accounting Policy – 'Lease'

- Entire output from NPL power station for a long-term period of 25 years is contracted with a single customer i.e. State Discom. 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 cost are accounted as Fees for operation & maintenance of power plant

Performance highlights

- Unit 2 commenced commercial operations in July-2014.
- Plant load factor of 54.11% & plant availability factor of 84.18% reported for FY 15
- Entire linkage coal allocated under the fuel supply agreement was received from Coal India subsidiary. (Over 3 Million Ton coal received at plant including alternative sources)
- Refinancing of Long term Rupee Term loan resulted in a saving of ~2.5% on a debt of ₹ 6425 Cr.
- NCDs issued by NPL are listed on the National Stock Exchange & NPL now complies with the resultant requirement of listing agreement.

Performance Analysis (P&L)

- NPL financials continue to be a blend of two distinct stages in the Project implementation viz. Construction phase and Operations phase
- These two stages are analyzed separately in the next few sections

Operations Phase

Unit 2 commenced commercial operations on 10th July 2014 and both units (2X700MW) were operational during the year thereafter. Cumulative availability of the power station (both units) for FY 15 stood at **84.18%** and the Plant Load Factor at **54.11%**. PLF of 54.11% is a result of weak demand in the state. However it has no bearing on the Capacity charges which are based on Availability.

Power station reported a technical availability of 93.15% during FY 15; however availability under the PPA was reduced to 84.18% due to shortage of coal.

Challenges were also faced in the fuel supply chain due to shortage of railway rakes to transport the coal from mine end to the plant.

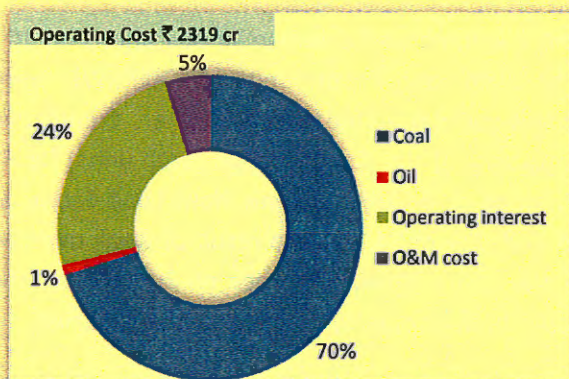
Operations Revenue

Details of revenue from operation as below:

Description	₹ Cr
Finance Lease Income - Capacity charges billed	1146
Finance Income – Accrued/ Reduction lease Recoverable	(107)
Fees for O&M of power plant (Energy Charges) Net of Rebate	1533
Total	2572

- 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
- Accrued Income would arise on account of the difference between actual capacity charges billed vs. the capital recovery element. Current year accrued Income is NIL

Operations Cost



- ₹ 1620 Cr coal consumed during the year is an aggregation of linkage coal under the FSA and coal procured from alternative sources
- O&M Costs stand at ₹ 9.30L/MW which is well within the industry benchmark
- Interest costs in Operations are treated as a part of operating costs

Profitability - Operations

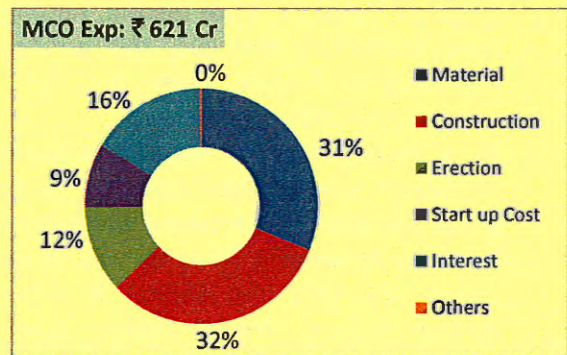
- **Operations in first full year have resulted in a PBT of ₹ 253 Cr**
- Lower load leading to a higher heat rate of ~2420 kcal/kg has resulted in a under recovery of fuel cost by way of lower energy charges by ₹ 51 Cr
- Refinancing and other interest saving measures have resulted in an interest saving of ₹ 86 Cr for FY 15
- Monitoring & control on O&M costs and efficiency improvement initiatives in

operations have helped in improvement in profit of Operations and to remain within budget estimates

Construction Phase

Construction costs incurred during the year are correspondingly reckoned as construction revenue under Accounting Standard-7 and do not contain any element of margin

- The Company has recognized revenue of ₹ 634 Cr towards construction & project related activity. Premium on forward contracts ₹ 28 Cr forms part of the revenue schedule, resulting in net revenue of ₹ 608 Cr
- Manufacturing & construction Expense ₹ 522 Cr form 84 % of total construction cost ₹ 621 Cr



- Total Finance cost ₹ 99 Cr represents the interest cost apportioned to construction phase

Forex Profit & Loss

The Company has recognized a loss of ₹ 25 Cr mainly towards foreign currency items as below:

Description	Gain/(Loss) ₹ Cr
Reinstatement – ECB & creditors	64
MTM – Forward covers	(46)
Forward cover premium	(43)
Total	(25)

Overall, the character of NPL P&L in FY 14 and FY15 being significantly different (Construction Vs Operations), no specific analysis is

presented on year on year variations. The P&L for FY 15 can largely be said to be zero based.

Performance Analysis (Balance sheet)

Leased Asset Receivable, Change in the debt profile, Debtors, Inventory and operations working Capital, Debenture Redemption Reserve are some of the new features to NPL Balance sheet for current year.

Equity & Liabilities

Debt Equity

₹ Cr

As at March'14	Description	As at March'15
2325	Equity (28%)	2688
5968	RTL/ECB/NCDs	5480
-	Commercial Papers	1425
71	ICDs	110
6039	Total Debt* (72%)	7015

*Does not include Working capital debt

- NCDs and CP's of different maturities are issued at an average rate of 8.5%

Short-term Borrowing

- Repayment of ₹ 47 Cr against ECB has been made during FY 15. Current Maturities of Long term borrowings represent mainly NCDs and CPs in addition to repayment due under the ECB for FY 16
- Working Capital in Operations is funded with a mix of Working Capital Loan: ₹ 70 Cr & Commercial Papers ₹ 450 Cr.

NCD and CP borrowings are supported by way of Guarantee & Letter of Comfort from the ultimate parent-L&T respectively.

Other Liabilities

- ₹ 461 Cr trade payables mainly include:
 - ₹ 245 Cr retention & payables to ultimate holding company for execution of main plant and railway siding contracts
 - Fuel Supply Chain creditors ₹ 128 Cr
 - Acceptances ₹ 53 Cr

- Other current liabilities ₹ 278 Cr mainly include ₹ 236 Cr accrued interest & ₹ 33 Cr forward cover payables
- Contingent liability reported at ₹ 499 Cr towards
 - Disputes under litigation with PSPCL: ₹ 498 Cr
 - Income Tax demand for AY 2009-10 which Company is in Appeal ₹ 1 Cr

Assets

Non-Current Assets

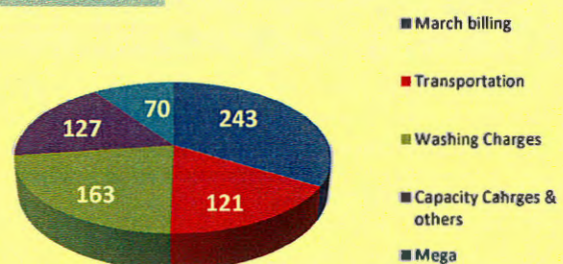
- ₹ 8900 Cr as Leased Asset Receivable represents the net investment in lease
- Fixed Assets of ₹ 78 Cr mainly include Capital Work in progress for Unit 3 of ₹ 76 Cr
- Long term loans and advances ₹ 57 Cr mainly include ₹ 53 Cr as unamortized financial closure expenses

Current Assets

- ₹ 724 Cr trade receivables is due from PSPCL for energy sales (including March Bill)
- Short term loans and advance ₹ 232 Cr mainly includes ₹ 173 Cr Cash & Bank and unadjusted project advance to L&T
- ₹ 216 Cr is current portion of Leased Asset Receivable
- Other Current assets ₹ 423 Cr represent Construction Work In Progress for Unit 2

Debtors Analysis

Debtors: ₹ 724 cr



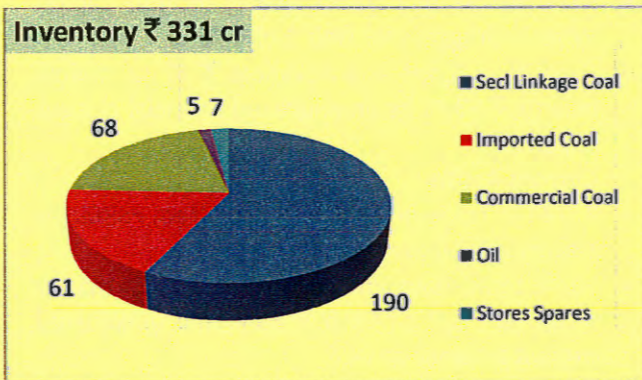
- ₹ 2220 Cr has been collected from the state discom since commencement of operations (Mar-15) against a billing of ₹ 2944 Cr
- ₹ 481 Cr are outstanding towards various disputes with the customer. Petitions/Appeals

have been filed for each of these deductions and are under various stages of litigation

- PPA related issues and Land Litigation are the major causes of these disputes.

Inventory

- ₹ 331 Cr Inventory mainly includes ₹ 319 Cr towards Coal & ₹ 5 Cr Oil inventory
- Coal inventory comprises stock at plant, in-transit and at washery contractor locations.
- Third party physical verification conducted for Coal stock at plant. Confirmations are received for stocks lying at washeries.



Disclosures pursuant to Leases

- The Company has made following disclosure pursuant to Accounting standard for Leases in its financial statement:

Particulars	₹ Cr
Investment in Lease	28734
Less: Future finance lease investment	535
Gross Investment in Lease	28199
Less: Unguaranteed Residual Value	19038
Present value of Lease Receivable	9161

Capitalization

- The Company is following Lease Accounting treatment. Although Lease Accounting does not

Warrant asset wise segregation of leased receivables, the Company has opted to adopt all the requirements of conventional capitalization to ensure better control, asset monitoring and costing requirement

- SAP Asset module is used to capture asset master level data under leased asset scenario. This will help in computation of IT depreciation.
- The Company has capitalized Rs. 9260 Cr towards Unit 1&2 in its financial statement which are reflected as Leased Asset Receivable

Foreign Currency Exposure

Currency	Contract Exposure	FC in Mn
		Open Exposure as at Mar-2015
Non ECB		
JPY	10,375.72	74.90
USD	94.17	0.30
EUR	12.14	0.18
GBP	10.00	0.34
ECB		
JPY	10,043.81	9,625.31

- 80% non ECB Exposure & 80% ECB Exposure hedged in line with company's treasury policy.

Companies Act 2013 & Listing Agreement

Following are some of the major compliances implemented by NPL in line with provisions of the new Companies Act 2013 & Listing agreement

Companies Act

- Appointment of Independent & Woman Director
- Constitution of Audit, CSR and Nomination & Remuneration (NRC) Committees
- Appointment of Internal & Secretarial Auditor
- Appointment of KMP's – Manager, CFO and CS
- Adoption of Vigil Mechanism Policy
- Approval of Risk Management Policy
- Approval of CSR Policy
- Approval of NRC Policy
- Secretarial & Compliance Audit concluded

Listing Agreement

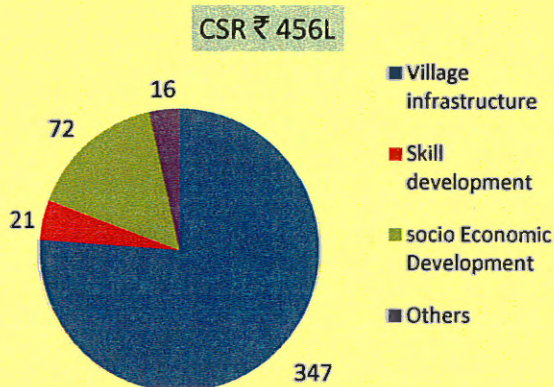
- Final Listing approval in place for debt issuances
- Half yearly certificate for asset cover provided to debenture trustee
- Half yearly accounts published in newspaper and submitted to the Exchange
- Requisite documentation furnished to the Exchange
- Allotment of securities done in requisite timelines
- Company secretary appointed as compliance officer
- Scores ID obtained as per SEBI requirement
- Credit Rating obtained

Corporate Social Responsibility

- The company is not required to spend any mandatory sum on CSR under the Companies Act 2013.
- However, as per requirements under project clearance, Company needs to spend ₹ 4.4 Cr on CSR initiatives. FY 15 spend on CSR is ₹ 4.5 Cr as under:



Thank You



Board Report (section 134)

Dear Members,

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

1. Financial Results / Financial Highlights

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

Proposed dividend	-	-
Dividend Tax	-	-
General Reserve	-	-
Balance carried to Balance Sheet	-	(115,34,32,523)
Dividend	-	-

Capital & Finance

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

Debt

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

Working Capital

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

Credit Rating

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

Capital Expenditure:

As at March 31, 2015 the gross tangible and intangible assets stood, including Capital work-in-progress at Rs.79.97 Cr and the net fixed and intangible assets,

including capital work-in-progress at Rs.78.07 Cr. Capital Expenditure during the year amounted to Rs. 55.89 Cr.

2. Particulars of loans given, investments made, guarantees given or security provided by the Company:

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

3. Particulars of Contracts or Arrangements with related parties:

The Audit Committee has approved the Related Party Transactions.

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

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

4. State of Company Affairs:

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

5. Dividend

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

6. Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report

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

7. Conservation of Energy, Technology absorption, foreign exchange earnings and outgo

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

8. Risk Management Policy

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

9. Corporate Social Responsibility

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

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

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

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

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

10.Details of Directors and Key Managerial Personnel appointed/resigned during the year

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

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

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

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

11. Number of Meetings of the Board of Directors

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

12. Audit Committee

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

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

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

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

13. Company Policy on Director Appointment and Remuneration

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

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

14. Declaration of Independence

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

15. Directors Responsibility Statement

The Board of Directors of the Company confirms:

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

16. Performance evaluation of the Board, its Committees and Directors

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

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

17. Disclosure of Remuneration

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

a. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	-
b. Percentage increase in remuneration of the following KMP:s in the financial year;	

a) Directors	-
b) CEO	-
c) CFO	*
d) CS	-
e) Manager	205.3% (including ESOP) 8.12% (excluding ESOP)
c. Percentage increase in the median remuneration of employees in the financial year;	3.40%
d. Number of permanent employees on the rolls of company;	262 employees
e. Explanation on the relationship between average increase in remuneration and company performance;	The Company has commenced full-fledged commercial operation during the year. This being the first year of operation, comparable performance of previous year is not available.
f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The Company has commenced full-fledged commercial operation during the year. This being the first year of operation, such comparison is not provided.
g. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	N.A.
h. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	3.40% 8.12%(excluding ESOP)
j The key parameters for any variable component of remuneration availed by the directors;	N.A.
k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	N.A.
l. Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

* CFO has been appointed during the year.

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

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

18. Secretarial Audit Report:

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

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

19. Auditors:

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

20. Cost auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014 the Board of Directors had appointed M/s. R. Nanabhoy & Co., Cost Accountants as Cost Auditors of the Company for audit of cost accounting records for the financial year ended March 31, 2015 at a remuneration of 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, 2015 is under finalization and will be filed with the MCA within the prescribed period.

A proposal for ratification of remuneration of the Cost Auditor is placed before the shareholders.

A proposal for re-appointment of M/s. R. Nanabhoy & Co. as Cost Auditors of the Company for the Financial year.

21. Extract of Annual Return

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

22. Details of Significant and Material orders passed by the regulators or courts or tribunals:

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

23. Acknowledgement

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

For and on behalf of the Board

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: Mumbai

Date: 20th April, 2015

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	Purchase of Goods & Services				
			•C&I DCS items	1,47,63,209	OEM Basis		Three months
			•SAP License	28,69,500	At Cost		
			•Deputation Cost	4,87,94,877	At Cost		Yearly
			•Cost of Shared Services	65,52,015	At Cost		Yearly
			•Commission	6,35,99,000	Rate Equivalent to arm's length compensation		Yearly
			•Administration & Management Expenses	14,70,00,000	Corporate Allocation on Turnover basis		Yearly
			Contracts awarded prior to FY 2014-15				
			# Project Construction	4,04,62,50,302	Pre-bid arrangement		Four years
			# Construction of rail link	44,17,46,453	Mutual agreement based on RITES project report		Three years
			# Electrical Items in Water pump house	33,09,995	Market Rate		Case to case basis mutual agreement
			Reimbursement of Expenses	2,84,798	At Cost		Case to case basis mutual agreement
			Financial Transactions				
			•Placement of ICD	18,52,46,86,945	Total Transaction value		Short Term
			•ICD interest	4,75,60,994	Market Rate		
			•ICB	15,49,70,00,000	Total Transaction value		Short Term
			•ICB Interest	3,63,42,164	Market Rate		
2	L&T Investment Management Ltd	Fellow Subsidiary	Mutual Fund Investment	2,14,00,82,000	Market Rate		Short Term
			Mutual Fund Redemption	2,20,02,08,216	Market Rate		Short Term
			Dividend Received	52,98,448			
3	Larsen & Toubro Power Development Ltd.	Holding Company	Financial Transactions				
			•Repayment of ICB	70,60,00,000			Short Term
			•ICB Interest	5,87,19,857	Market Rate		
			Purchase of Goods & Services(Assets)	5,73,813	At cost		Case to case basis mutual agreement

Annexure "B" to the Directors Report

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

Energy Conservation Measures taken:

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

Improving Energy effectiveness/ efficiency of Manufacturing Processes:

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

Improving Energy effectiveness/ efficiency of Equipment:

- i. **APC reduction initiatives taken up by using low ambient temperature conditions during winter seasons:** 3/4 Nos. of CW Pumps are kept in operation by opening the interconnection valve for cooling purpose in condensers of both the units. Similarly HVAC system cooling circuit (Chiller, Chilled Water Pumps, Condenser Cooling water pumps & cooling towers) is kept under complete shutdown during the winter season.
- ii. **Revised the Operation Philosophy of Fire-fighting pumps to avoid the frequent start/stop of Main Hydrant pump:** Maintaining firefighting water header pressure by arresting leakages from hydrants & sprinklers. Also reducing the auto pick-up pressure of main hydrant pumps to 9 ksc from 10.5 ksc.

- iii. **Optimization of HP-LP Heaters:** Improving plant heaters TTD & DCA directly helped in reducing plant heat rate.
- iv. **Revised settings of HFO Cooler Downstream Temperature:** Cooler downstream temperature setting revised to 65 deg. C from 60 deg. C. Thus it will reduce auxiliary steam consumption & improve oil physical property.
- v. **Reduction in Cycle make-up:** Continuous reduction in cycle make-up by arresting leakages & valve passing. Thus resulting in reduction in plant heat rate.
- vi. **Revising methodology for DO removal during startup from conventional method used during initial commissioning period to OEM recommended method:** Adoption of recommended OEM method reduced unit start up time & improved the process up to plant synchronization. Thus it helped in reducing start-up oil consumption & auxiliary power consumption as MDBFP running hours was reduced and unit outage period.
- vii. **Reduction in PA header pressure:** PA fan header pr. setting was reduced from 840mmwc to 750mmwc. It's resulted in reducing the PA Fan blade pitch by 2-3% & improving system efficiency & reliability.

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

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

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

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

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

D. Technology Absorption & Foreign Exchange Earnings and Outgo

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

E. Foreign Exchange Earnings and Outgo

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

Naina R. Desai
Company Secretaries

Form No. MR-3

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

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

To,

The Members,
NABHA POWER LIMITED

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



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

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

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



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

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

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

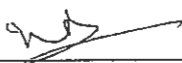
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

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

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

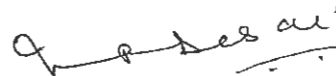
(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc., -

- The Board of Directors at its Meeting held on January 14, 2015 had approved issue of preference shares amounting to Rs.500 crore, to be issued in tranches towards which an amount of Rs.363 crore is received as subscription money during the financial year 2014-15.



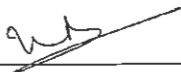
- (ii) Redemption / buy-back of securities- NIL.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013-
 - Increase in the limits of borrowings and charge creation from Rs.7200 crore to Rs. 14,400 crore.
- (iv) Merger / amalgamation / reconstruction, etc. - NIL.
- (v) Foreign technical collaborations - NIL.
- (vi) Other Events -
 - Board approval has been obtained, subject to shareholders' approval, for increase in Authorized Share Capital from equity share capital of Rs.3000 crore to equity share capital of Rs.3000 crore and Preference Share capital of Rs.500 crore aggregating to Rs.3500 crore. Shareholders' approval is yet to be obtained at a general meeting.

Place: Mumbai
Date: April 16, 2015



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

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



'Annexure A'

To,

The Members
NABHA POWER LIMITED

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

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



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

Place: Mumbai
Date: April 16, 2015



Form No. MGT-9

Annexure "D"

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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

Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	NIL
B Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share	\								

capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)					NIL				
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2324999994	6	2325000000	100	2324999994	6	2325000000	100	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	% change in share holding during the year
1	L&T Power Development Limited	2325000000	100	51	2325000000	100	51	100
	Total	2325000000	100	51	2325000000	100	51	100

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

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase			NIL	

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

S.no	Particulars of Remuneration	Name of Directors				Total Amount
		<i>Mr.Chandan Roy</i>	<i>Ms. Vijaya Sampath</i>			
1.	Independent Directors					
	• Fee for attending board / committee meetings	} NIL	} NIL			
	• Commission					
	• Others, please specify					
	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	} NIL	} NIL	} NIL	} NIL	
	• Commission					
	• Others, please specify					
	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/WTD

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Management Discussion and Analysis



Overview

Nabha Power Limited is a 2X700 MW supercritical thermal power plant at Rajpura, Punjab. This is the first development project and the first power plant to be owned & operated by L&T. Entire power generated from this plant is contracted with Punjab State Power Corporation Limited (erstwhile PSEB) for a period of twenty five years under a Power Purchase Agreement (PPA). The plant is built on super critical technology of Mitsubishi, Japan. It is the first 'made in India' supercritical power plant to be commissioned and operational in the country.

The plant sources its fuel from South Eastern Coalfields Ltd. (Subsidiary of Coal India Limited) under a 20 year Fuel Supply Agreement (FSA). The company also secured approvals to arrange coal from alternative sources to make up for any shortage in supply of coal under the FSA. Bhakra-Nangal distributary is the perennial source of water for the plant under an allocation by the state irrigation. The plant is operated by an in-house experienced team of operations and maintenance professionals

First unit of 700 MW had already commenced commercial operations in Feb – 2014 and the second unit of 700 MW commenced operations during the year in July 2014. The power plant is running successfully for over a year with a technical availability of over 90% in first year of operations.

Business Environment

The Year 2014-15 continued to witness challenges in the areas of Coal supply and regulatory uncertainty. Lack of adequate rail infrastructure in the country also posed challenges in fuel supply chain.

Power Generation Capacity additions have accelerated in the recent years' which in turn have propelled the demand for coal. As a result, despite an increase in the coal production, there is still significant dependence on imported coal. Fast tracking of coal block allocations

and environment clearances are expected to augment domestic production. Development of ancillary sectors such as railways to support the capacity additions is also a key factor.

This year has witnessed a balanced view being taken on various industry issues by Regulators across the country. Positive initiatives such as pass through of imported coal costs, new bidding guidelines, accelerated clearances; regular tariff hikes etc. were seen.

Significant Milestones & Initiatives

- Second Unit of 700 MW was commissioned and declared commercial operations on 10th July, 2014 after successful completion of necessary tests under the PPA. First unit had already commenced operations in FY 13-14.
- Over 90% technical availability achieved in first year of full-fledged operations
- Over 90% off take of linkage coal under the Fuel supply Agreement achieved
- The company undertook significant initiatives to source coal from alternative sources to make-up for any intermediate shortfall in linkage coal with the approval of state regulator
- 100% of dry fly ash disposal achieved
- Refinancing the long term debt in its existing projects with a view to significantly reduce the interest cost
- CSR initiatives in the area of development of village infrastructure, education, skill building, enhancing gender ratio, health and environment were implemented during the year

Risks & Concerns

As a private developer, the environment in the Power sector poses following major risks:

- a. Regulatory risks (Clearances, Government Policies, dispute resolution etc.)
- b. Financial Risks (Economic shocks, inflation, access to capital, financial health of the state discom - sole customer etc.)
- c. Operation & Fuel related Risks (Fuel quality, Availability, fuel supply chain logistics etc.)
- d. Strategic risks (market scenario, demand supply situation)

The company has a robust risk management framework which involves risk identification, assessment & evaluation, strategy & mitigation and Monitoring & review mechanism. The company has implemented multiple measures in each of the risk areas to ensure a proactive approach and timely mitigation.

Internal Control Systems

The company believes that a robust internal control system is an important pre-requisite to a strong governance system. The company has adequate internal control system in place commensurate with the nature and complexities of business. The Internal control system is primarily in the areas of financial, operational and risk management. Policies and procedures on internal control are well laid out and implemented confirming to the corporate policy on internal controls. The company also has a system of Audits, reviews and reporting which help in review and revalidation of effectiveness of internal controls. During the year the company systematically communicated the entire framework and measures adopted by the

group on “corporate governance and statutory compliances” to its workforce. This was done with an objective to create awareness and a culture of compliance.

Health Safety & Environment (HSE)

The company is committed to generate reliable and environment friendly power under safe working conditions. A policy on Quality, Environment, Health and Safety has been put in place. Emphasis is laid on continual improvement of our processes and practices to achieve improved environmental, health and safety performance. Training on HSE for employees and stake holders is undertaken on a regular basis to foster a culture of health and safety.

Human Resources

The company has built a committed team of professionals experienced in the field of operations and maintenance of power plants. Special emphasis is given to training and development of the workforce through various training programs. In addition to the competency building programs the company also focusses on soft skills and leadership development.

Outlook

Increased private participation in the power sector is expected to play an important role in future capacity additions. Lower per capita consumption promises robust long term demand. On the fuel side coal production capacity is expected to further increase by FY 2017.

Punjab is power surplus for 7-8 months in a year. With energy demand expected to grow and no further capacity additions being planned, the system may be deficit again in the medium term.

Maximising the plant availability, improving operational efficiency, settling the regulatory issues, ensuring adequate fuel availability and cost competitiveness are identified as the thrust areas for FY 2016.

-----X-----

**INDEPENDENT AUDITORS' REPORT
To the Members of Nabha Power Limited**

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (The 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company does not have any pending litigations which would impact its financial position in its financial statements;
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Mumbai
Date:

Milind P. Phadke
Partner
Membership No.33013

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
To the Members of Nabha Power Limited
For the year ended 31st March, 2015**

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, during the year the Company has granted/repaid unsecured loans amounting to Rs. 1,852.47 Cr (previous year Rs. 233 Cr.) to a company covered in the register maintained under Section 189 of the Act.
- (iv) As informed there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of production of electricity and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales

tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax and duty of excise as at 31st March, 2015 which have not been deposited on account of a dispute:

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

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

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

Place: Mumbai
Date:

Milind P. Phadke
Partner
Membership No.33013



Nabha Power Limited

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at 31-3-2015		As at 31-3-2014	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' funds:					
Share Capital	A	23,25,00,00,000		23,25,00,00,000	
Reserves and Surplus	B	75,08,44,118		(1,15,34,32,523)	
			24,00,08,44,118		22,09,65,67,477
Share application money pending allotment			3,63,00,00,000		
Non-Current Liabilities					
Long term borrowings	C (I)	49,36,27,69,092		41,81,06,77,282	
Other Long term liabilities	C (II)	27,28,42,881		13,36,78,029	
			49,63,56,11,973		41,94,43,55,311
Current Liabilities					
Short term borrowings	D(I)	25,35,45,27,306		16,61,16,79,685	
Current Maturities of Long Term Borrowings	D(II)	43,62,77,910		2,37,88,93,592	
Trade Payables	D(III)	4,60,85,25,810		10,91,75,38,078	
Other current liabilities	D(IV)	2,78,09,81,607		1,35,36,67,421	
Short-term provisions	D(V)	2,15,52,995		42,32,223	
			33,20,18,65,627		31,26,60,10,999
TOTAL			1,10,46,83,21,718		95,30,69,33,787
ASSETS					
Non-Current assets					
Fixed Assets					
Tangible assets	E (I)	1,80,12,749		1,23,59,957	
Capital Work in Progress	E (I)	76,27,05,814		21,42,43,286	
			78,07,18,563		22,66,03,243
Long-term loans and advances	G (I) (a)		56,99,92,509		1,01,65,71,093
Loans and advances towards financing activities	G (I) (b)		89,34,14,04,742		47,63,40,09,608
Current Assets					
Current Investments	H(I)	13,43,645		5,91,29,605	
Inventories	H(II)	3,31,01,29,359		92,77,92,024	
Trade receivables	H(III)	7,24,54,24,800		1,36,93,58,165	
Cash and bank balances	H(IV)	1,73,81,84,530		7,04,73,479	
Short-term loans and advances	H(V)	1,08,83,26,136		1,17,68,94,344	
Loans and advances towards financing activities	H(V)(a)	2,16,60,26,697		25,55,00,097	
Other Current Assets	H(VI)	4,22,67,70,737		42,57,06,02,130	
			19,77,62,05,904		46,42,97,49,843
TOTAL			1,10,46,83,21,718		95,30,69,33,787
Contingent Liabilities	I				
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 Chief Financial Officer		Urvil Desai Company Secretary	
Place: Mumbai Date: April ,2015				CIN: U40102P82007PLC031039 Place: Mumbai Date: April ,2015	



Nabha Power Limited

Statement of Profit and Loss for the period ended March 31, 2015

Particulars	Note No.	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
		₹	₹	₹	₹
REVENUE					
Revenue from operations (Gross)	K	31,74,48,28,340		28,33,88,74,609	
Less: Excise duty		24,65,161			
Revenue from operations (Net of Excise Duty)			31,74,23,63,179		28,33,88,74,609
Other Income	L		5,70,26,221		3,36,62,241
Total Revenue			<u>31,79,93,89,400</u>		<u>28,37,25,36,850</u>
EXPENSES					
Manufacturing, Construction and Operating expenses	M				
Cost of raw materials and components consumed		18,00,41,57,730		15,67,52,78,886	
Stores, spares and tools Consumed		19,33,86,594		1,20,11,355	
Sub-contracting charges		3,20,64,83,608		5,40,64,96,535	
Other manufacturing, construction and operating expenses		1,21,02,60,981		1,78,67,05,053	
Finance cost of financial services business		5,61,80,05,222		63,36,58,230	
			28,23,22,94,136		23,51,41,50,060
Employee Benefit Expenses	N		29,68,31,180		26,40,04,474
Sales, administration and other expenses	O		(13,27,33,677)		(23,86,66,576)
Finance Cost	P		99,10,80,590		5,06,02,20,570
Depreciation, amortisation and obsolescence expenses		51,56,990		35,62,807	
			51,56,990		35,62,807
Total Expenses			<u>29,39,26,29,218</u>		<u>28,60,32,71,335</u>
			29,39,26,29,218		28,60,32,71,335
Profit before exceptional and extraordinary items and taxes			2,40,67,60,181		(23,07,34,485)
Profit before extraordinary items and taxes			2,40,67,60,181		(23,07,34,485)
Profit before tax			2,40,67,60,181		(23,07,34,485)
Tax Expense:					
Provision for Income-tax		50,24,83,540		-	
			50,24,83,540		-
Profit after tax			<u>1,90,42,76,641</u>		<u>(23,07,34,485)</u>
Balance carried to Balance sheet			<u>1,90,42,76,641</u>		<u>(23,07,34,485)</u>
Basic earnings per equity shares (₹)	R(XI)		0.82		(0.15)
Diluted earnings per equity shares (₹)	R(XI)		0.74		(0.13)
Face value per equity shares (₹)			10		10
Significant Accounting Policies	Q				
Other Notes Forming Part of Accounts	R				
As per our report attached 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: April ,2015		CIN: U40102PB2007PLC031039 Place: Mumbai Date: April ,2015			

Nabha Power Limited

Cash Flow Statement for year ended March 31, 2015

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹	₹
A. Cash flow from operating activities:		
Profit before tax (excluding minority interest, exceptional and extraordinary items)	2,40,67,60,181	(23,07,34,485)
Adjustments for :		
Dividend received	(94,15,036)	(3,09,52,741)
(Profit)/loss on sale of investments (net)		(32,443)
Interest (income)	(4,75,60,994)	(20,24,247)
Depreciation, amortisation, impairment and obsolescence	(51,56,990)	35,62,807
Exchange difference on items grouped under financing/investing activity	(63,54,19,416)	(24,93,40,604)
Interest expense	6,36,21,98,273	5,64,73,73,466
(Profit)/loss on obsolescence of fixed assets		1,53,563
Operating profit before working capital changes	8,07,14,06,018	5,13,80,05,316
Adjustments for :		
(Increase)/decrease in other current assets	38,34,38,31,393	20,78,91,71,477
(Increase)/decrease in Other Loans & Advances	(1,82,19,58,392)	1,92,07,65,698
(Increase)/decrease in other advances (Non current)	(41,26,08,16,550)	(47,63,45,82,959)
(Increase)/ decrease in Debtors	(5,87,60,66,635)	(1,36,93,58,165)
(Increase)/ decrease in Inventories	(2,38,23,37,335)	(92,77,92,024)
Increase/(decrease) in other payables	(4,86,43,77,311)	(1,58,26,01,264)
Cash generated from operations before financing activities	(9,79,03,18,812)	(23,66,63,91,921)
(Increase)/decrease in loans and advances towards financing activities		
Cash generated from operations	(9,79,03,18,812)	(23,66,63,91,921)
Direct taxes refund/(paid) (net)	(50,24,83,540)	
Net cash (used in)/from operating activities	(10,29,28,02,352)	(23,66,63,91,921)
B. Cash flow from investing activities:		
Purchase of fixed assets	(54,89,58,330)	(34,55,219)
Purchase of intangible assets		
Profit/(Loss) on Sale of fixed assets	-	(1,53,563)
Purchase/sale of current investments (net)	5,77,85,960	34,32,91,238
Dividend received from other investments	94,15,036	3,09,52,741
Profit/(loss) on sale of investments (net)	-	32,443
Interest received	4,75,60,994	20,24,247
Cash (used in)/from investing activities	(43,41,96,340)	37,26,91,887
Extraordinary item:		
Net cash (used in)/ from investing activities (after extraordinary items)	(43,41,96,340)	37,26,91,887
C. Cash flow from financing activities:		
Proceeds from issue of share capital	3,63,00,00,000	9,52,00,00,000
Proceeds from long term borrowings	7,69,12,56,662	7,69,08,44,085
Proceeds from Short term borrowings	6,80,02,31,939	11,50,55,32,049
Translation Reserve on ECB Loan	63,54,19,416	24,93,40,604
Interest paid	(6,36,21,98,274)	(5,64,73,73,466)
Net cash (used in)/ from financing activities	12,39,47,09,743	23,31,83,43,272
Net (decrease)/increase in cash and cash equivalents (A + B + C)	1,66,77,11,051	2,46,43,238
Cash and cash equivalents at beginning of the year	7,04,73,479	4,58,30,241
Less: Cash and bank balance transferred on subsidiary becoming an associate	-	-
Cash and cash equivalents at end of the year	1,73,81,84,530	7,04,73,479
Notes:		
1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.		
2. Cash and cash equivalents are reflected in the Balance Sheet as follows:		
	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Cash and cash equivalents disclosed under current assets	7,04,73,479	4,58,30,241
(b) Cash and cash equivalents disclosed under non-current assets.	-	-
Total cash and cash equivalents as per Cash Flow Statement [Note no.H(IV)]	1,73,81,84,530	7,04,73,479
3. Previous year's figures have been regrouped/reclassified wherever applicable.		
As per our report attached SHARP & TANNAN Chartered Accountants ICAI Registration No.000452N by the hand of	Director	Director
Milind P. Phadke Partner Membership No.33013	Sameer R Godbole Chief financial Officer	Urvil Desai Company Secretary
Place: Mumbai Date: April ,2015		CIN: U40102PB2007PLC031039 Place: Mumbai Date: April ,2015

Notes forming part of the Accounts

A Share Capital	As at 31-3-2015		As at 31-3-2014	
	Number of shares	₹	Number of shares	₹
Authorised				
Equity shares of ₹10 each	3,00,00,00,000	30,00,00,00,000	2,40,00,00,000	24,00,00,00,000
Issued,Subscribed & Fully paid-up:				
Equity shares of ₹10 each	2,32,50,00,000	23,25,00,00,000	2,32,50,00,000	23,25,00,00,000
		<u>23,25,00,00,000</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	1,14,70,00,000	11,47,00,00,000
Add : Shares issued during the year as fully paid	-	-	1,17,80,00,000	11,78,00,00,000
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) Terms/Rights attached to Equity Shares :

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

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

	Relationship	As at 31.03.2015	As at 31.03.2014
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees. Equity Shares of ₹10 each fully paid up	Holding Company	2,32,50,00,000	2,32,50,00,000

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

Name of Shareholders	As at 31.03.2015		As at 31.03.2015	
	Number of shares	% age	Number of shares	% age
L&T Power Development Ltd. (L&T PDL),the Holding Company and its nominees.	2,32,50,00,000	100%	2,32,50,00,000	100%

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
B Reserves and Surplus				
Debenture redemption reserve				
Add:				
Transfer from Profit & Loss Account		75,08,44,118	-	-
		<u>75,08,44,118</u>		
Profit and Loss Account				
Opening Balance	(1,15,34,32,523)		(92,26,98,038)	
Profit for the period	1,90,42,76,641		(23,07,34,485)	
Less:				
Transfer to debenture redemption reserve	(75,08,44,118)		-	
		<u>75,08,44,118</u>		<u>(1,15,34,32,523)</u>
				<u>(1,15,34,32,523)</u>

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

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
C(I) Long-term borrowings (Refer Note R(XXI))				
Secured :				
Long Term Secured Debentures/Bonds*				
Secured - Redeemable non-convertible fixed rate debentures	<u>10,00,00,00,000</u>		-	
		10,00,00,00,000		-
Long Term Secured Term Loans				
Long Term Secured Loans from Banks**		<u>4,36,27,69,092</u>		<u>41,81,06,77,282</u>
		<u>14,36,27,69,092</u>		<u>41,81,06,77,282</u>
Unsecured :				
Long Term Unsecured Debentures/Bonds				
Unsecured - Redeemable non-convertible fixed rate debentures	<u>35,00,00,00,000</u>		-	
		35,00,00,00,000		-
		<u>35,00,00,00,000</u>		-
		<u>49,36,27,69,092</u>		<u>41,81,06,77,282</u>

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

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

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

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
C(II) Other Long term liabilities				
Others				
Forward Contract Payable (Refer Note - R (XIII))	27,28,42,881		13,36,78,029	
Suppliers Ledger - Revenue goods / services	-		-	
		<u>27,28,42,881</u>		<u>13,36,78,029</u>
		<u>27,28,42,881</u>		<u>13,36,78,029</u>

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Liabilities				
D(1) Short-term borrowings:				
Secured:				
Loans repayable on demand:				
From banks				
Secured Loans from Banks - Cash Credits*	70,55,26,729		41,79,60,281	
		70,55,26,729		41,79,60,281
		<u>70,55,26,729</u>		<u>41,79,60,281</u>
Unsecured:				
Short Term Loans/Inter-corporate borrowings from Parent Companies ICO	1,10,00,00,000		70,60,00,000	
Other loans and advances:				
From banks			15,48,77,19,404	
Commercial paper	18,54,90,00,577		-	
Redeemable non-convertible fixed rate debentures	5,00,00,00,000		-	
(Refer Note R(XXI)) :		24,64,90,00,577		16,19,37,19,404
		<u>25,35,45,27,306</u>		<u>16,61,16,79,685</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 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Liabilities				
D(II) Current maturities of long term borrowings				
Secured :				
Secured Loans from Banks - Current *	43,62,77,910		2,37,88,93,592	
Refer Note - R.(XIV)		43,62,77,910		2,37,88,93,592
		<u>43,62,77,910</u>		<u>2,37,88,93,592</u>

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

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Liabilities				
D(III) Trade payables:				
Acceptances - Including ICO		53,04,78,041	-	-
Due to Subsidiaries ICO		3,10,02,099		9,748,170
Due to Parent ICO		2,57,21,04,395		10,200,035,039
Others				
Liability for Revenue Goods	5,70,44,848		1,80,40,916	
Suppliers Ledger - Revenue goods / services	1,41,78,96,427		68,97,13,954	
		1,47,49,41,275		707,754,869
		<u>4,60,85,25,810</u>		<u>10,917,538,078</u>
D(IV) Other current liabilities				
Interest Accrued but not Due - Term Loans	2,36,83,12,347		3,77,80,929	
Interest Accrued but not Due - Others	19,59,425		63,66,27,055	
		2,37,02,71,772		674,407,984
Interest accrued and due on borrowings				
Interest Accrued and Due on ICD	4,61,096		-	
		4,61,096		-
Advances from customers				
Other Payables				
Liability towards gratuity fund-funded plan (Refer Note R(V)(a))	11,67,304		7,62,950	
Liability for Sales Tax	7,43,157		-	
Liability for Service Tax	-		82,55,661	
Liability to Provident Fund	10,63,996		9,61,393	
Liabilities TDS on Contractors Payment	1,16,17,061		1,18,09,783	
Liabilities TDS Others	2,01,35,166		1,28,87,820	
Security Deposit Received	3,43,36,958		4,10,000	
Other Payables (ICO)	20,20,689		11,91,548	
Forward Contract Payable	33,91,64,408		64,29,80,282	
		41,02,48,739		679,259,437
		<u>2,78,09,81,607</u>		<u>1,353,667,421</u>
D(V) Short term provisions				
Provision for employee benefits:				
Compensated Absences(Refer Note R(V)(b))	98,44,634		42,32,223	
		98,44,634		4,232,223
Others:				
Tax Provision				
Provision for Current year tax	50,24,83,540			
Less :				
TDS Certificate Received in Current Year	53,72,707			
TDS Certificate Receivables Current Year	-			
TDS Certificate Unlinked Current Year	-			
Advance Tax Installment Current Year	48,54,02,472			
		1,17,08,361		
		<u>1,17,08,361</u>		
		<u>2,15,52,995</u>		<u>42,32,223</u>

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 31-3-2015	Revised opening	Pursuant to acquisition	Additions	Deductions		As at 31-3-2015	As at 31-3-2015
Land													
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings													
Owned													
Buildings	8,096,283	-	52,472	-	-	8,148,755	7,450,146	-	75,663	-	7,525,809	-	622,947
PWD Roads	-	-	-	-	-	-	-	-	-	-	-	-	646,137
Ownership Flats	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Out Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Buildings	8,096,283	-	52,472	-	-	8,148,755	7,450,146	-	75,663	-	7,525,809	-	622,947
Plant & equipment													
Owned													
Plant and Equipment General	-	-	-	-	-	-	-	-	-	-	-	-	-
Railway Wagons	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Power Lines	-	-	-	-	-	-	-	-	-	-	-	-	-
Aircondition and Refrigeration	1,217,007	-	193,350	-	-	1,410,357	265,892	-	123,233	-	389,125	-	1,021,232
Canteen Equipments	-	-	-	-	-	-	-	-	-	-	-	-	951,115
Photographic Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Installations	2,170,992	-	1,791,023	-	-	3,962,015	557,960	-	593,732	-	1,151,693	-	2,810,322
Leased Out Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	1,613,031
Plant and Equipment Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Plant & equipment	3,387,999	-	1,984,373	-	-	5,372,372	823,852	-	716,965	-	1,540,817	-	3,831,555
Computers													
Owned Computers	9,482,862	-	6,239,716	340,990	-	15,381,588	4,311,303	-	3,203,388	307,930	7,206,760	-	8,174,828
Leased Out Computers	-	-	-	-	-	-	-	-	-	-	-	-	5,171,559
Computers Taken on Lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total - Computers	9,482,862	-	6,239,716	340,990	-	15,381,588	4,311,303	-	3,203,388	307,930	7,206,760	-	8,174,828
Office equipment													
Owned Office Equipments	2,039,380	-	895,376	25,290	-	2,909,466	415,514	-	653,360	7,730	1,061,144	-	1,848,323
Leased Out Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	1,623,867
Sub total - Office equipment	2,039,380	-	895,376	25,290	-	2,909,466	415,514	-	653,360	7,730	1,061,144	-	1,623,867
Furniture and fixtures													
Owned Furniture and Fixtures	3,564,728	-	1,639,405	52,358	-	5,151,775	1,210,480	-	448,529	42,332	1,616,677	-	3,535,097
Leased Out Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	2,354,248
Sub total - Furniture & fixtures	3,564,728	-	1,639,405	52,358	-	5,151,775	1,210,480	-	448,529	42,332	1,616,677	-	3,535,097
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	26,571,252	-	10,811,342	418,638	-	36,963,956	14,211,295	-	5,097,904	357,993	18,951,207	-	18,012,749
Previous year	23,352,789	-	3,455,219	236,756	-	26,571,252	10,885,245	-	3,409,249	83,199	14,211,295	-	12,359,957
Add : Asset held for sale													-
Add : Capital work-in-progress													18,012,749
													12,359,957
													762,705,814
													214,243,286
													780,718,563
													226,603,243

Refer Note R (III)

Fixed Assets-Tangible	Cost/valuation			Depreciation		
	OpeningBalance	Opening_Regroupings	Revised_opening	OpeningBalance	Opening_Regroupings	Revised_opening
Land						
Freehold Land	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-
Sub total - Land	-	-	-	-	-	-
Buildings						
Owened						
Buildings	8,096,283	-	8,096,283	7,450,146	-	7,450,146
PWD Roads	-	-	-	-	-	-
Ownership Flats	-	-	-	-	-	-
Leased Out Buildings	-	-	-	-	-	-
Sub total - Buildings	8,096,283	-	8,096,283	7,450,146	-	7,450,146
Plant & equipment						
Owened						
Plant and Equipment General	-	-	-	-	-	-
Railway Wagons	-	-	-	-	-	-
Contribution to Power Lines	-	-	-	-	-	-
Aircondition and Refrigeration	1,217,007	-	1,217,007	265,892	-	265,892
Canteen Equipments	-	-	-	-	-	-
Photographic Equipments	-	-	-	-	-	-
Laboratory Equipments	-	-	-	-	-	-
Electrical Installations	2,170,992	-	2,170,992	557,960	-	557,960
Leased Out Plant and Equipment	-	-	-	-	-	-
Plant and Equipment Taken on Lease	-	-	-	-	-	-
Sub total - Plant & equipment	3,387,999	-	3,387,999	823,852	-	823,852
Computers						
Owened Computers	9,482,862	-	9,482,862	4,311,303	-	4,311,303
Leased Out Computers	-	-	-	-	-	-
Computers Taken on Lease	-	-	-	-	-	-
Sub total - Computers	9,482,862	-	9,482,862	4,311,303	-	4,311,303
Office equipment						
Owened Office Equipments	2,039,380	-	2,039,380	415,514	-	415,514
Leased Out Office Equipment	-	-	-	-	-	-
Sub total - Office equipment	2,039,380	-	2,039,380	415,514	-	415,514
Furniture and fixtures						
Owened Furniture and Fixtures	3,564,728	-	3,564,728	1,210,480	-	1,210,480
Leased Out Furniture and Fixtures	-	-	-	-	-	-
Sub total - Furniture & fixtures	3,564,728	-	3,564,728	1,210,480	-	1,210,480
Vehicles						
Owened						
Buses and Trucks	-	-	-	-	-	-
Cars	-	-	-	-	-	-
Motor Cycles and Scooters	-	-	-	-	-	-
Bicycles	-	-	-	-	-	-
Other vehicles	-	-	-	-	-	-
Leased Out Vehicles	-	-	-	-	-	-
Vehicles Taken on Lease	-	-	-	-	-	-
Sub total - Vehicles	-	-	-	-	-	-
Other Assets						
Owened						
Railway Sidings	-	-	-	-	-	-
Aircraft	-	-	-	-	-	-
Ships	-	-	-	-	-	-
Dredged Channel	-	-	-	-	-	-
Breakwater Structures	-	-	-	-	-	-
Sub total - Other assets	-	-	-	-	-	-
Total	26,571,252	-	26,571,252	14,211,295	-	14,211,295
Previous year	23,352,789	-	23,352,789	10,885,245	-	10,885,245
Capital Work in Progress	214,243,286	-	214,243,286			
Previous Year	214,243,286	-	214,243,286			

Description	2013		2012		2011		2010		2009	
	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount	Net carrying amount
Goodwill										
Intangible assets under development										
Other intangible assets										
Total										

Notes forming part of the Accounts

E (I) Intangible Assets- Revised Opening Details

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	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

F - Non current Investments

As at 31-3-2015		As at 31-3-2014	
₹	₹	₹	₹
-	-	-	-

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
G (1) (a) Long-term Loans and advances :				
Loans and advances :				
Unsecured :				
Considered good:				
Capital Advances :				
CWIP Inter Company Purchase			48,61,66,658	48,61,66,658
Security Deposits		4,21,39,470		4,21,39,470
Long term advance recoverable in cash or kind				
Prepaid Expenses*	52,78,53,039		48,82,64,965	
		52,78,53,039		48,82,64,965
Total		56,99,92,509		1,01,65,71,093

* Prepaid Expenses includes Amortisation of Annual Financial Closure (Refer Note R(VII))

Notes forming part of the Accounts

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
G (i) (b) Loans and advances towards financing activities:				
Secured loans:				
Unsecured loans:				
Finance Lease Receivable (Refer Note R(X))	89,34,14,04,742		47,63,40,09,608	
	<u>89,34,14,04,742</u>		<u>47,63,40,09,608</u>	
		89,34,14,04,742		47,63,40,09,608
		<u>89,34,14,04,742</u>		<u>47,63,40,09,608</u>

Notes forming part of the Accounts

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
H(I) Current Investments:				
Mutual funds (Refer Note R (XX))	<u>13,43,645</u>		<u>5,91,29,605</u>	
		<u>13,43,645</u>		<u>5,91,29,605</u>
		<u>13,43,645</u>		<u>5,91,29,605</u>

Notes forming part of the Accounts

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Assets:				
H (II) Inventories:(at cost or net realisable value whichever is lower)				
Raw Materials	3,04,87,51,886		80,31,68,626	
Raw Materials in Transit	<u>18,79,60,466</u>		<u>11,01,45,090</u>	
		3,23,67,12,352		91,33,13,716
Stores Spares Parts	<u>7,34,17,006</u>		<u>1,44,78,308</u>	
		<u>7,34,17,006</u>		<u>1,44,78,308</u>
		<u>3,31,01,29,359</u>		<u>92,77,92,024</u>

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Assets				
H (III) Trade Receivables				
Unsecured:				
Debts outstanding for more than 6 months				
Considered Good	1,59,04,91,507		-	
	<u>1,59,04,91,507</u>		-	
Other debts:				
Considered Good	5,65,49,33,293		1,36,93,58,165	
	<u>7,24,54,24,800</u>		<u>1,36,93,58,165</u>	
		7,24,54,24,800		1,36,93,58,165
		<u>7,24,54,24,800</u>		<u>1,36,93,58,165</u>

Notes forming part of the Accounts

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Assets				
H (IV) Cash and bank balances:				
Cash and Cash Equivalent:				
On current accounts				
Balance with banks				
Balances with Scheduled Banks Current Account	1,73,81,58,383		7,04,47,180	
Cash on hand	26,147		25,999	
		1,73,81,84,530		7,04,73,179
		<u>1,73,81,84,530</u>		<u>7,04,73,179</u>

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
H (V) Short-term Loans and advances :				
Loans and advances :				
Unsecured :				
Others				
Considered good:				
Security Deposit		2,46,500		2,71,500
Advance recoverable in cash or kind				
Advances to Suppliers	67,65,52,577		83,38,74,385	
Prepaid Insurance	9,64,84,140		6,38,91,586	
Prepaid Expenses (Refer Note R(VII))	7,24,02,845		4,51,91,459	
Prepaid Interest	71,03,185		-	
VAT Recoverable	27,38,424		27,37,734	
Advances to Employees	1,15,000		41,789	
Advances to Others (ICO)	23,26,83,465		23,06,83,465	
		1,08,80,79,636		1,17,64,20,418
Income tax receivable of current year				
Advance Tax Installment C.Y.			-	
Provision for Current year tax			-	
TDS Certificate Received in C.Y.			-	
TDS Certificate Receivables C.Y.			2,02,426	2,02,426
Total		1,08,83,26,136		1,17,68,94,344

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
Current Assets				
H (v) (a) Loans and advances towards financing activities:				
Secured loans:				
Unsecured loans:				
Considered good:				
Finance Lease Receivable (Refer Note R (X))		2,16,60,26,697		25,55,00,097
		<u>2,16,60,26,697</u>		<u>25,55,00,097</u>
		<u>2,16,60,26,697</u>		<u>25,55,00,097</u>

	As at 31-3-2015		As at 31-3-2014	
	₹	₹	₹	₹
H (VI) Other current assets (Refer Note R (IV))				
Due from customers (construction and project related activity)				
Work-in-Progress at Realisable Sales Value	4,22,67,70,737		42,57,06,02,130	
		4,22,67,70,737		42,57,06,02,130
		<u>4,22,67,70,737</u>		<u>42,57,06,02,130</u>

Notes forming part of the Accounts



Nabha Power Limited

	As at 31-3-2015	As at 31-3-2014
I Contingent Liabilities:	₹	₹
(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) 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	4,97,64,00,000	-

Notes forming part of the Accounts

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
Schedule K				
K Revenue from operations				
Sales & Services				
Manufacturing and trading activity				
Manufacturing Activity - Gross Sales Others	12,25,86,401		-	
		12,25,86,401	-	
Construction and project related activity				
Charged for Completed Jobs AS 7 Others	44,68,74,11,957		47,80,94,87,915	
WIP at Close Including Materials at Site AS 7 Others(Refer Note R(IV))	4,22,67,70,737		42,57,06,02,130	
WIP at Commencement Incl. Materials at site AS 7 Others	(42,57,06,02,130)		(63,35,97,73,607)	
		6,34,35,80,564		27,02,03,16,438
Income from financing activity/annuity based projects				
Finance lease Income Power Plant (Refer Note R(X))	10,39,27,29,664		1,02,33,84,597	
		10,39,27,29,664		1,02,33,84,597
Fees for Operation and Maintenance of Power Plant		15,31,79,35,412		85,38,32,098
		32,17,68,32,041		28,89,75,33,133
Other Operational Income:				
Miscellaneous Income Other Receipts		41,41,800		
Premium earned (net) on related forward exchange contracts				
Premium on Forward Contracts (OD Purchases)	(43,61,45,501)		(55,86,58,524)	
		(43,61,45,501)		(55,86,58,524)
		(43,20,03,701)		(55,86,58,524)
		31,74,48,28,340		28,33,88,74,609

Notes forming part of the Accounts

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
L Other Income				
Interest Received on ICD- Others (Short Term) ICO	4,75,60,994	4,75,60,994	20,24,247	20,24,247
Dividend Income:				
Others				
Dividend Income from Mutual Funds	94,15,036	94,15,036	3,09,85,184	3,09,85,184
	94,15,036		3,09,85,184	
Net gain/(loss) on sale of fixed assets (net)				
Gain on Sale of Fixed Assets Net - Tangible	50,190	50,190	-	-
Miscellaneous income				
Other incomes	-	-	6,52,810	6,52,810
		5,70,26,221		3,36,62,241

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
M Manufacturing , Construction and Operating Expenses:				
Materials consumed:				
Cost of Raw materials and components Consumed				
Opening Stock Raw Materials Others	80,31,68,626		-	
Opening stock of raw materials in transit	11,01,45,090		-	
Purchase Raw Materials Others	18,77,63,42,348		1,32,96,10,797	
Purchase Components ICO	1,57,01,42,831		14,40,86,11,310	
Purchase Components Others	60,61,535		3,55,38,677	
Freight Inwards ICO	58,49,737		83,46,83,796	
Closing Stock Raw Materials	(3,04,87,51,886)		(80,31,68,626)	
Closing stock of raw materials in transit	(18,79,60,466)		(11,01,45,090)	
	<u>18,03,49,97,814</u>		<u>15,69,51,30,865</u>	
Less: Scrap sales				
Scrap Sales Mfg Scrap	3,08,40,084		1,98,51,979	
		18,00,41,57,730		15,67,52,78,886
Stores, Spares and tools consumed				
Stores, Spares				
Opening Stock - Stores Spares Others	1,44,78,308		-	
Purchase - Stores Spares ICO	6,31,78,657		-	
Purchase - Stores Spares Others	18,91,46,635		2,64,89,663	
Closing Stock - Stores Spares Others	(7,34,17,006)		(1,44,78,308)	
		19,33,86,594		1,20,11,355
Sub-contracting charges				
Sub Contracts Others	24,73,27,497		14,56,94,400	
Sub Contracts ICO	2,95,91,56,111		5,26,08,02,135	
		3,20,64,83,608		5,40,64,96,535
Other manufacturing, construction and operating expenses:				
Power and fuel				
Power	8,04,09,415		23,97,73,681	
Fuel	47,29,54,287		92,31,96,447	
		55,33,63,702		1,16,29,70,128
Hire charges-plant Machinery				
Hire Charges Plant Machinery	10,20,033		8,52,192	
		10,20,033		8,52,192
Engineering, professional, technical or consultancy fees				
Engineering Professional Technical or Consultancy Fees	8,04,39,130		6,51,80,602	
Engg. Professional Technical or Consultancy Fees ICO	19,82,94,693		81,64,495	
		27,87,33,823		7,33,45,097
Insurance(Mega Insurance Policy)	11,66,68,183		2,35,29,002	
		11,66,68,183		2,35,29,002
Rent				
Rent others	22,17,865		20,43,845	
		22,17,865		20,43,845
Rates Taxes				
Water Charges paid	1,98,83,214		1,11,551	
		1,98,83,214		1,11,551
Travelling and conveyance				
Travelling				
Travel Inland Tickets	54,42,964		60,51,397	
Conveyance				
Conveyance expenses	3,13,90,955		2,35,35,463	
		3,68,33,919		2,95,86,860
General repairs and maintenance				
Security services at site	1,50,21,454		1,18,09,633	
Other repairs maintenance incl. ICO	51,09,034		11,66,492	
		2,01,30,488		1,29,76,125
Miscellaneous expenses				
Other Manufacturing Construction and Operating Expenses	4,58,42,140		48,00,04,691	
Other Manufacturing Construction and Operating Exp. ICO	13,55,67,614		12,85,561	
		18,14,09,754		48,12,90,252
		<u>1,21,02,60,981</u>		<u>1,78,67,05,053</u>
Finance cost of financial services business				
Interest and other financing charges				
Interest Paid on Inter-Corporate Borrowing ICO	3,63,00,247		-	
Interest Lease Finance	5,58,17,04,975		63,36,58,230	
		5,61,80,05,222		63,36,58,230
Total Mfg Construction and Operating expenses		<u>28,23,22,94,136</u>		<u>23,51,41,50,060</u>

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
N Employee Benefit Expenses				
Salaries , Wages and bonus				
Salaries				
Salaries	22,92,65,593		16,33,52,862	
Salaries ICO	4,87,94,877		8,95,82,996	
Leave Encashment Paid	10,15,634		2,42,636	
		27,90,76,104		25,31,78,494
Wages				
Leave Encashment Provision(Refer Note R(V(b)))	56,12,411		22,96,830	
		56,12,411		22,96,830
		28,46,88,515		25,54,75,324
Contribution to and provision for				
Provident fund and pension fund				
Contribution Provision to PF Pension RPF	66,67,811		54,39,524	
Gratuity funds				
Provision to Gratuity Fund(Refer Note R(V(a)))	21,98,982		11,90,957	
		88,66,793		66,30,481
Staff welfare expenses				
Staff Welfare Expenses	32,75,873		18,98,669	
		32,75,873		18,98,669
		29,68,31,180		26,40,04,474

Notes forming part of the Accounts

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
Schedule O				
Sales, Administration and Other Expenses				
Miscellaneous expenses				
Corporate Social Responsibility	4,56,88,047		2,06,05,911	
Donations	2,04,889		1,46,392	
		4,58,92,936		2,07,52,303
Exchange (gain)/loss				
Exchange Gain Loss IC/Unit - Creditors	(75,36,150)		20,73,53,449	
Exchange Gain Loss - Forward Contract Payables	46,43,28,953		(21,74,31,724)	
Exchange Gain Loss - Long Term Loans	(63,54,19,416)		(24,93,40,604)	
		(17,86,26,613)		(25,94,18,879)
		<u>(13,27,33,677)</u>		<u>(23,86,66,576)</u>

Notes forming part of the Accounts

	01-04 -2014 to 31-3-2015		01-04 -2013 to 31-3-2014	
	₹	₹	₹	₹
P Finance Cost:				
Interest Expenses				
Debentures and fixed loans				
Interest on Bonds	12,41,93,906		-	
Interest Paid on Term loans from Banks	61,47,72,849		4,05,70,72,500	
		73,89,66,755		4,05,70,72,500
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		96,34,21,456	
		24,68,87,539		96,34,21,456
Other borrowing costs				
Borrowing Costs Ancillary	52,26,295		3,97,26,614	
		52,26,295		3,97,26,614
		99,10,80,590		5,06,02,20,570

Brief description of the Company:

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

Note No. Q Significant accounting policies:

I. Basis of accounting

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

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

II. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

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

III. Leases

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

- i. Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under

a contract, the Company has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration, such arrangement is also accounted as finance lease.

- ii. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Wherever the asset is manufactured/constructed by the Company, the fair value of the asset, representing the net investment in the lease, is recognized as sales revenue in accordance with the Company's revenue recognition policy. Lease income is recognized over the period of the lease so as to yield an implicit rate of return on the net investment in the lease.

IV. Revenue Recognition

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

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

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

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

- a) Capacity Charges

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

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

b) Energy Charges

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

V. Tangible Fixed Assets

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

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

VI. Depreciation

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

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

VII. Investments

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

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

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

VIII. Inventories

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

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

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

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

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

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

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

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

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

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

Amounts recognized in Balance Sheet:

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

Expense recognized in statement of Profit & Loss Account:

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

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

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

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

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

Experience Adjustment:

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

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

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

Principal actuarial assumption at the balance sheet date:

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

Particulars	2014-15	2013-14
	%	%
(ii) Salary Escalation Rate (p.a.)	6.00%	6.00%

(iii) Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at 5th March 2015 for the estimated term of the obligations.

(iv) Expected Rate of Return on Plan Assets: This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(v) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vi) Retirement Age: The employees of the Company are assumed to retire at the age of 58 years.

vii) Mortality: Published rates under the Indian Assured Lives Mortality (2006-08) Ult table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

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

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

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

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

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

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

VII. Amortization of expenditure:

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

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

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

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

(i) Primary Segment (Business Segment):

Particulars	Finance Lease of Power Generating Assets including Operation & Maintenance		Engineering & Construction Services		Total Business	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
External revenue (net of excise duty)	25,72,36,03,922	1,87,77,07,108	6,07,57,85,478	26,49,48,29,741	31,79,93,89,400	28,37,25,36,850
Add / (less) : Inter segment revenue	-	-	-	-	-	-
Total	25,72,36,03,922	1,87,77,07,108	6,07,57,85,478	26,49,48,29,741	31,79,93,89,400	28,37,25,36,850
Segment results	2,48,40,37,266*	5,60,85,630*	86,70,22,147	4,77,09,23,397	3,35,10,59,413	4,82,70,09,027
Add: Interest income	4,67,33,241	-	-	24,77,057	4,67,33,241	24,77,057
Less: Interest expenses	-	-	99,10,32,473	5,06,02,20,569	99,10,32,473	5,06,02,20,569
Less: Other unallocable expenditure (Net of unallocable income)	-	-	-	-	-	-
Profit / (loss) before tax	2,53,07,70,507	5,60,85,630	(12,40,10,326)	(28,68,20,115)	2,40,67,60,181	(23,07,34,485)
Less: Tax expense	-	-	-	-	50,24,83,540	-
Profit / (loss) for the year	-	-	-	-	1,90,42,76,641	(23,07,34,485)

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

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

(ii) Secondary Segments (Geographical Segments):

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

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

a. List of related parties who can exercise control:

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

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

S.No.	Name of the Related party	Relationship
1.	Larsen & Toubro Limited (L&T)	Ultimate Holding company
2.	L&T Power Development Limited (L&T PDL)	Holding company

- | | |
|---|---------------------------|
| 3. L&T Sargent & Lundy Ltd | Fellow Subsidiary Company |
| 4. L&T Infrastructure Finance Company Limited | Fellow Subsidiary Company |
| 5. L&T Investment Management Limited | Fellow Subsidiary Company |
| 6. L&T Uttaranchal Hydropower Limited | Fellow Subsidiary Company |
| 7. L&T InfoTech Limited | Fellow Subsidiary Company |
| 8. L&T MHPS Turbine Generators Pvt. Ltd | Fellow Subsidiary Company |
| 9. L&T Howden Pvt. Limited | Fellow Subsidiary Company |
| 10. EWAC Alloys Limited | Fellow Subsidiary Company |
| 11. L&T Realty Ltd. | Fellow Subsidiary Company |
- c. Names of the Key Management Personnel and their relatives with whom transactions were carried out during the year :
1. Mr. Sameer R Godbole (Chief Financial Officer)
 2. Mr. Jagdeep Singh Gill (Manager)

d. Disclosure of related party transactions:

Sl. No.	Name/Relationship/Nature of transaction	2014-15	2013-14
		Rupees	Rupees
I	Ultimate Holding company		
	Larsen & Toubro Limited		
	Advance Adjustment – Contracts for Project	97,51,97,241	246,52,31,486
	Retention Money – Contracts for Project	644,14,44,006	8,42,03,990
	Expenses reimbursed	14,72,84,798	21,34,40,549
	Purchase of Goods & Services	4,56,14,16,851	1978,43,76,722
	Asset Transfer	28,69,500	-
	Inter Company Borrowings	1549,70,00,000	-
	Interest on Inter Company Borrowings	3,63,42,164	-
	Inter Company Deposits	1852,46,86,945	233,00,00,000
	Interest on Inter Company Deposits	4,75,60,994	20,24,247
Commission paid	6,35,99,000	-	
II	Holding company		
	L&T Power Development Limited		
	Professional Fees & Business Support Services	-	4,26,96,334
	Inter Company Borrowing repaid	70,60,00,000	-
	Investment in Equity Shares	-	11,78,00,00,000
	Share Application Money	363,00,00,000	9,52,00,00,000
	Reimbursement of expenses	-	67,69,157
	Purchase of Fixed Asset	5,73,813	86,055
Interest on Inter Company Borrowing	5,87,19,858	-	

Sl. No.	Name/Relationship/Nature of transaction	2014-15	2013-14
		Rupees	Rupees
III	Fellow Subsidiary company		
	L&T Sargent & Lundy Limited		
	Professional Fees & Business Support Services	3,82,024	16,51,692
	L&T Infrastructure Finance Company Limited		
	Professional Fees	1,72,00,000	-
	L&T Investment Management Ltd		
	Mutual Fund-Investment	214,00,82,000	854,95,00,000
	Mutual Fund- Redemption	220,02,08,216	884,36,63,261
	Mutual Fund- Dividend Received	52,98,448	1,20,60,741
	L&T Uttaranchal Hydropower Limited		
	Asset Transfer	-	23,626
	L&T InfoTech Limited		
	Professional Fees	80,89,037	23,25,852
	L&T MHPS Turbine Generators Pvt. Ltd		
Purchase of Goods & Services	6,65,369	-	
L&T - MHPS Boilers Private Limited			
Purchase of Goods & Services	74,74,778	65,537	
L&T Howden Private Limited			
Purchase of Goods & Services	3,70,73,083	-	
EWAC Alloys Limited			
Purchase of Goods & Services	1,08,000	-	
L&T Realty Limited			
Advance for Flat	12,96,870	-	

e. Amount due to and due from related parties:

Sl. No.	Particulars	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees	
		Due to	Due from	Due to	Due from
I	Larsen & Toubro Limited (Ultimate Holding Company)				
	Trades Payable	249,64,68,166	-	10,20,00,14,221	-
	Trades Receivable	-	15,76,30,059		130,11,07,814
	Inter Corporate Borrowing	110,00,00,000	-	-	-
II	L&T Power Development Limited (Holding Company)				
	Trades Payable	9,95,884	-	68,41,321	-
	Inter Corporate Borrowings	-	-	70,60,00,000	-
III	Fellow Subsidiary company:				
	L&T Infrastructure Finance Company Limited				
	Trades Payable	-	-	-	-
	L&T Sargent & Lundy Limited				
	Trades Payable	-	-	7,64,363	-
	L&T MHPS Boilers Private Ltd				
	Trades Payable	73,67,001	-	-	-
	L&T Investment Management Ltd				
	Trades Payable	-	-	-	5,48,27,769

Sl. No.	Particulars	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees	
		Due to	Due from	Due to	Due from
	L&T Uttaranchal Hydropower Limited Trades Payable	-	-	23,626	-
	L&T InfoTech Limited Trades Payable	71,44,319	-	21,18,852	-
	L&T MHPS Turbine Generators Pvt. Ltd Trades Payable	6,65,369	-	-	-
	L&T Howden Private Limited Trades Payable	17,23,088	44,43,935	-	-
	EWAC Alloys Limited Trades Payable	1,19,188	-	-	-
	L&T Reality Limited Trades Payable	-	12,96,870	-	-

f. Key Management Personnel:

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

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

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

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

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

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

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

XII. Contingent Liabilities:

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

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

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

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

Un-hedged Foreign currency Exposure

Payables including firm commitments and highly probable forecasted transactions:

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

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

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

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

XVII. Auditors' remuneration:

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

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

XIX. Expenditure in foreign currency:

Foreign Travel: Nil (Previous Year: Rs. Nil)

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

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

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

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

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

As per our report attached

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

Director

Director

Milind P. Phadke
Partner
Memebership No.33013

Sameer R Godbole
Chief Financial Officer

Urvil Desai
Company Secretary

CIN: U40102PB2007PLC031039

Place : Mumbai
Date : April ,2015

Place : Mumbai
Date : April ,2015