

ANNUAL REPORT
OF



MALANA POWER COMPANY LIMITED

CIN No. U40101HP1997PLC019959

CORPORATE INFORMATION

CHAIRMAN - EMERITUS

Mr. L. N. Jhunjhunwala

CHAIRMAN & MANAGING DIRECTOR

Mr. Ravi Jhunjhunwala

DIRECTORS

Mr. R. P. Goel

Dr. Kamal Gupta

Mr. Tantra Narayan Thakur

Ms. Tima Iyer Utne

Mr. Knut Leif Bredo Erichsen

Mr. Bidyut Shome

KEY EXECUTIVES

Mr. O. P. Ajmera, Chief Executive Officer &
Chief Financial Officer

Mr. V. D. Bhatia, Advisor

Mr. H. S. Beshtoo, In-Charge (Operations)

COMPANY SECRETARY

Mr. Arvind Gupta

STATUTORY AUDITORS

M/s. S. R. Battliboi & Co., LLP, Gurgaon

INTERNAL AUDITORS

M/s KRA & Associates

BANKERS / FINANCIAL INSTITUTIONS

Punjab & Sind Bank

IDBI Bank Limited

CORPORATE OFFICE

Bhilwara Towers

A-12, Sector - 1

Noida - 201 301 (NCR - Delhi)

Phone : 0120 - 4390000 (EPABX)

Fax : 0120 - 4277841

Website : www.malanapower.com

REGISTERED OFFICE

Village Chowki, P.O.Jari

Distt. Kullu (H.P.) - 175 105

Phone : 01902-276074 - 78

Fax : 01920 - 276078

LIAISON OFFICE

Bhilwara Bhawan

40-41, Community Centre

New Friends Colony

New Delhi - 110 025

Phone : 011-26822997

DIRECTORS' REPORT

TO THE MEMBERS

MALANA POWER COMPANY LIMITED

The Board of Directors of the Company are pleased to present their Eighteenth Annual Report on the business and operations of the Company and audited statement of accounts for the year ended 31st March, 2015 together with the Auditors' Report.

1. FINANCIAL PERFORMANCE

(₹ in million)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Total Turnover	892.84	700.35
Less : Discount On Prompt Payments / Unscheduled Interchange Charges	25.13	32.42
Net Sales	867.71	667.93
Other Income	13.96	13.60
Total Income	881.67	681.53
Profit Before Interest, Depreciation And Tax	611.46	474.60
Interest	268.18	300.21
Profit Before Depreciation And Tax	343.28	174.39
Depreciation	109.12	198.50
Profit Before Tax	234.16	(24.11)
Provision For Tax		
- Current Tax	52.10	-
- Deferred Tax Charge/(Credit)	93.57	0.07
Net Profit After Depreciation, Interest And Tax (Pat)	88.49	(24.18)
Balance Brought Forward From Previous Year	4,744.67	4,768.86
Amount Available For Appropriation	4,833.16	4,744.68
Appropriation, if any	-	-
Surplus carried to Balance sheet	4,833.16	4,744.68
Basic and Diluted Earning Per Share (EPS) (in ₹)	0.60	(0.16)

OVERALL PERFORMANCE

The Company recorded net sales of Rs.867.71 million during the financial year 2014-15 as compared to Rs.667.93 million in the previous financial year. **The Net profit during the financial year 2014-15 was at Rs.88.48 million as compared to Rs.(24.194) million in the previous financial year.**

The generation during the year stood at 331.61 Million Kwh in the financial year 2014-15 as compared to 318.26 Million kWh in the previous year.

The operation data for the year is as given below:

(in million units)

S.No.	Particulars	2014-15	2013-14
1	Total Generation	331.61	318.25
2	Less: Auxiliary & Transformation Loss	4.27	2.89
3	Less: Royalty/Wheeling to Govt. of HP	75.93	67.95
4	Less: Impact of Unscheduled Interchange Energy /PoC Loss	5.83	8.80
5	Total Units sold	245.58	238.61

2. ONGOING PROJECT: BARA BHANGAL HEP

The members are aware that the Company was allotted 200 MW Bara Bhangal Hydro-electric Project (HEP) on River Ravi in Indus Basin located in District Chamba of Himachal Pradesh. As apprised to the members in the previous Report, some part of project falls under Dhauladhar Wild Life Sanctuary (DWLS). To mitigate this issue, the Company has contemplated to implement the project in two stages:

- the first stage (capacity of 92MW) to be developed outside the DWLS, and
- the second stage to be taken up for implementation after de-notification of area falling under DWLS.

Accordingly the Company had approached the State Govt. of Himachal Pradesh (GoHP) to develop the project in two phases, which was approved by the State Government in August 2012. Supplementary Pre-Implementation Agreement (SPIA) with GoHP for Bara Bhangal HEP Stage-I (92 MW) was signed on 3rd December 2012. The Detailed Project Report (DPR) is under preparation.

3. SUBSIDIARY COMPANY: AD HYDRO POWER LIMITED

AD Hydro Power Limited, a subsidiary of your Company, is engaged in operation, maintenance and generation of 192MW hydro electric project in the state of Himachal Pradesh.

In terms of the provisions of section 136(1) of the Companies Act, 2013, the audited financial statements of M/s AD Hydro Power Limited, subsidiary company of Malana Power Company Limited are being annexed in this Annual Report and have also been placed on the website of the Company. The financial statements of the subsidiary Company are kept for inspection by the shareholders at the registered office of the Company.

The subsidiary Company has reported net profit of Rs. 308.94 million in the financial year 2014-15. A report on the performance and financial position of the subsidiary Company as per the Companies Act, 2013 in the Form AOC- 1 is annexed to the Consolidated Financial Statement and hence not repeated for the sake of brevity.

4. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

5. DIVIDEND

Keeping in view the financial position of the Company, your Directors do not propose any dividend for the financial year under review.

6. INDUSTRY POTENTIAL & DEVELOPMENT

India is a country of abundant Energy Potential for development through various sources of power and can bridge the gap of demand and supply for overall growth of the country. Hydro power generation is an area which can ensure not only the abridgement of gap in demand and supply, but can eventually lead to surplus power in the country if proper attention is paid to harness the hydro potential of the country. Hydro energy along with all sorts of renewable energies can be the best and cost effective supplement of the thermal energy besides being eco-friendly. India is endowed with rich hydropower potential to the tune of 148 GW (which would be able to meet a demand of 84 GW at 60% load factor) which makes it one of the most important potential sources to meet the energy security needs of the country.

Electricity generation in India is predominantly based on fossil fuel which accounts for almost 71% of the total installed capacity, whereas hydro share is barely 15%, though Hydro Power Policy 2008 of the Government of India envisages an ideal mix of 60:40 for thermal and hydro. Hence the gap is significantly high and therefore requires due attention.

In order to give the fillip to the development of hydro generation capacities, Government of India has, over the years, taken a number of initiatives to prioritize hydropower development and to attract investments in the sector. However, issues in implementation of such policy initiatives and regulations still plague the sector resulting in the declining share of hydropower in India. Various factors such as environmental concerns, R&R issues, land acquisition problems, lengthy clearance and approval procedures, capability of developers, etc. have contributed to the slow pace of hydropower development in the past. Though private participation in the hydropower sector has gained momentum in the recent past, it still faces impediments in the execution of projects across various stages of the project implementation cycle.

The per capita consumption of the country is still lower as compared to any other developing country. It is also only approximately one third of the World's average of per capita consumption. One of the main reasons of such a low per capita consumption of electricity is that, over one-third of the population doesn't have access to electricity because of slow integration of transmission corridors for flow of power from surplus region to deficit region and high T&D losses besides. This gives a large scope for growth of energy sector in terms of setting up of new generation facilities and integrated transmission and distribution facilities to cater to the need of large population in the coming years.

The gap in the electricity demand-supply situation is highlighted by the fact that the country experienced a peak deficit of 4.7% and energy deficit of 3.6% in FY 2014-15. One of the main reason for this was due to the surplus western and eastern regions unable to compensate for the severely deficit northern, southern and north-eastern regions due to various reasons including non availability of corridor besides non availability of adequate generation capacities to meet this deficit.

Long term power markets have historically dominated the power sector and expected to continue to do so. However, development of short-term power market over the last 10 years through bilateral contracts and Power exchange has significantly provided an opportunity to the Distribution Utilities to optimize their power purchase portfolio not only to reduce their overall cost of purchase but also to meet their seasonal as well as peak demand. However in terms of size, the short-term power market remained only 9% in 2014-15 leaving ample scope to grow. One of the main reasons of small size of the short term market is the poor financial position of the distribution utilities, which forced them to apply frequent power cuts instead of meeting short term needs by purchase of power from the short term market.

India has traditionally been a supply deficit nation, with a constant concern of security and reliability of supply. Creation of a national grid has been supported by commercial contracts wherein huge volumes of electricity are transferred across the country. The exchanges have added in better utilisation of national resources, reduced unmet energy and consequent economic losses and improved energy security of the nation. Short-term exchange based markets have been instrumental in incentivising mobilisation of resources in electricity generation – which India needs desperately to bridge its demand-supply gap.

While short-term power market offers significant benefits to industrial consumers which account for 42% of the total consumption by the end of March 2015, there are a number of challenges that deter them from opting for this route e.g. Open access/SLDC issues. Among the major impediments are the prohibitive open access charges and the unwillingness of states to allow open access for fear of losing high-paying industrial consumers which is deterrent to the growth of short term market.

Nevertheless India is a country of vast potential due to its large geographical area, huge population and scope for large industrial growth. Hence, the future outlook of the power sector looks to be positive.

7. CORPORATE GOVERNANCE

The Company is committed to achieving the higher standard of Corporate Governance by application of the best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities. Your Company has in all spheres of its activities adequate checks and balances to ensure protection of interest of all stakeholders. Your Company also endeavors to share, with its stakeholders' openly and transparently, information on matters which have a bearing on their economic and reputational interest.

The majority of the Board comprises of Non-Executive Directors' including Independent Directors appointed under the Companies Act, 2013, who play a critical role in imparting balance to the Board processes, by bringing an independent judgment to decide on issues of strategy, performance, resources, standards of Company's conduct, etc. The Audit Committee of the Board provides assurance to the Board on the adequacy of Internal Control Systems and Financial Systems.

8. INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit program covers various activities and periodical reports are submitted to the management. The Audit Committee reviews financial statements, internal audit reports along with internal control systems. The Company has a well defined organizational structure, authority levels, delegation of powers and internal rules and guidelines for conducting business transactions.

9. PERSONNEL

a) Industrial relations

The industrial relations during the period under review remained cordial at the Plant and Corporate office of the Company without any untoward incidents.

b) Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure - I.

10. PUBLIC DEPOSITS

Your Company has not invited any deposits from public/shareholders in accordance with Chapter V of the Companies Act, 2013.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals during the financial year 2014-15, impacting the going concern status and company's operations in future.

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure II forming part of this Report.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Directors in their previous report informed the members about the resignation of Mr. L. N. Jhunjhunwala, Chairman-Emeritus and the founder of the Company as well as the Group from the

directorship of the Company w.e.f. 21st April, 2014. Your Directors had also informed the members that Mr. L. N. Jhunjhunwala upon the unanimous request of the Board of Directors had agreed to continue as Chairman-Emeritus. Your Directors are utmost thankful to Mr. L. N. Jhunjhunwala for his continuous guidance to them and the Company.

Mr. Rajinder Pal Goel and Ms. Tima Iyer Utne, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Dr. Kamal Gupta, Independent Director was appointed for a term of 5 years by the Shareholders at the last Annual General Meeting held on the 29th September, 2014. Mr. Tantra Narayan Thakur, Independent Director was also appointed for a term of 5 years at the Extra Ordinary General Meeting held on 13th January, 2015.

During the year, Mr. Ravi Jhunjhunwala, Chairman & Managing Director of the Company, Mr. Om Prakash Ajmera, Chief Financial Officer & Chief Executive Officer of the Company (w.e.f. 16th March, 2015) and Mr. Arvind Gupta, Company Secretary of the Company (w.e.f. 9th July, 2015), were designated as Key Managerial Personnel.

Your Directors further inform the members that declarations have been taken from the Independent Directors at the beginning of the financial year stating that they meet the criteria of independence as specified under sub-section (6) of Section 149 of Companies Act, 2013.

14. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

The evaluation of Independent Directors' was carried out by entire Board and that of the Chairman and the non-independent Directors were carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

15. NOMINATION AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee approved a policy for appointment and removal of Directors, Key Managerial Personnel and Senior Management and their remuneration. The policy is appended as Annexure-III forming part of this Report.

16. MEETINGS OF THE BOARD

The Board of Directors had met 4 (four) times during the financial year 2014-15. The meetings of the Board were held on 24th June 2014, 6th September 2014, 12th December 2014 and 16th March 2015 respectively.

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The attendance for the above mentioned meetings were as follows :

S. No.	Name of Director	Category	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Ravi Jhunjunwala	Chairman & Director	4	4
2.	Dr. Kamal Gupta	Non-Executive Independent Director	4	3
3.	Mr. Bidyut Shome	Non-Executive Director	4	4
4.	Mr. Rajinder Pal Goel	Whole Time Director	4	4
5.	Mr. Lars Espen Ellegard	Non-Executive Director	4	4
6.	Ms. Tima Iyer Utne	Non-Executive Director	4	3
7.	Mr. Tantra Narayan Thakur*	Non-Executive, Independent Director	4	1

* Mr. T. N. Thakur was appointed as Director w.e.f. 13th January 2015. Therefore, he had attended only one meeting held on 16th March 2015.

17. AUDIT COMMITTEE

During the financial year 2014-15, the Company had re-constituted the Audit Committee to review the Company's financial results, review Internal Control Systems, Risk and Internal Audit Reports. The proceedings of the Committee have been in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. All the recommendations of the Audit Committee were accepted by the Board during the financial year 2014-15.

The composition as well as the Audit Committee meetings held in the financial year 2014-15 is as below:

(i) Composition of the Committee

All the Members of the Committee possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Internal Auditors and Senior Executives of the Company were invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.

S. No.	Name of Director	Designation	Category
1.	Ms. Tima Iyer Utne	Chairperson	Non-Executive Director
2.	Dr. Kamal Gupta	Member	Non-Executive Independent Director
3.	Mr. Tantra Narayan Thakur	Member	Non-Executive Independent Director

(ii) Meetings and attendance

The Audit Committee had met twice during the financial year to review the financial statements and the Internal Audit Reports of the Company. The meetings were held on 6th September, 2014 and 16th March, 2015.

The attendance for the above mentioned meetings are as below:

i. Audit Committee meeting held on 6th September, 2014:

S. No.	Name of Member	Designation	Attended (Yes/No)
1.	Mr. Ravi Jhunjunwala	Chairman	Yes
2.	Dr. Kamal Gupta	Member	No
3.	Ms. Tima Iyer Utne	Member	Yes

ii. The Audit Committee got re-constituted on 16th March 2015 and the following Members attended the meeting held on 16th March 2015:

S. No.	Name of Member	Designation	Attended (Yes/No)
1.	Ms. Tima Iyer Utne	Member	No
2.	Dr. Kamal Gupta	Member	Yes
3.	Mr. Tantra Narayan Thakur	Member	Yes

18. MEETING OF THE MEMBERS

The Annual General meeting of the members were held on 29th September, 2014. An Extra Ordinary General meeting of the Company was held on 13th January, 2015.

19. VIGIL MECHANISM/WHISTLE BLOWER

The Board on the recommendation of Audit Committee has adopted a Whistle Blower Policy. The details of the same are disclosed on the website of the Company and a weblink thereto is as under:

“ http://malanapower.com/docs/MPCL_Whistle_Blower_Policy.pdf ”

20. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company at its meeting held on the 16th March, 2015, renamed the “Remuneration Committee” as “Nomination and Remuneration Committee”.

The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel.
- to carry out evaluation of Director's performance.
- assessing the independence of independent directors;
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- making recommendations to the Board on the remuneration/fee payable to the Directors/KMPs/Senior Officials so appointed/re-appointed;

- g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h) to devise a policy on Board diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act, 2013 and Rules made thereunder.

The Composition of the Committee is as under:

During the financial year 2014-15, the company had also re-constituted the Nomination & Remuneration Committee, composition of which is as under :

S. No.	Name of Member	Designation	Category
1	Ms. Tima Iyer Utne	Member	Non-Executive Director
2	Mr. Rajinder Pal Goel	Member	Non-Executive Director
3	Dr. Kamal Gupta	Member	Non-Executive Independent Director
4	Mr. Tantra Narayan Thakur	Member	Non-Executive Independent Director

The Company Secretary acts as the Secretary of the Committee.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its initiatives under Corporate Social Responsibility (CSR), the Company had undertaken projects in the areas of promotion of Education, taking initiatives towards Community Service and rural development, Healthcare, Plantation & Environmental Development, Protection of art, culture etc. These projects were in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 and Rules made thereunder.

The broad terms of reference of Company's CSR policy are as follows:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- (b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

S. No.	Name of Member	Designation	Category
1	Mr. Ravi Jhunjhunwala	Member	Chairman & Managing Director
2	Ms. Tima Iyer Utne	Member	Non-Executive Director
3	Dr. Kamal Gupta	Member	Non-Executive Independent Director

The CSR Committee of the Company had met on 12th December 2014, which was attended by Mr. Ravi Jhunjhunwala, Chairman and Managing Director, Ms. Tima Iyer Utne, Director and Dr. Kamal Gupta, Independent Director.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

23. AUDITORS

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No.301003E), Statutory Auditors of the Company, will retire from their office at the ensuing Annual General Meeting. They are, however, eligible for reappointment. They have furnished a Certificate to the effect that their re-appointment will be in accordance with the applicable provisions of the Companies Act, 2013. You are requested to consider their re-appointment for the financial year 2015-16 and financial year 2016-17. The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

24. COST AUDITORS

The Cost Audit for financial year ended March 31, 2014 was conducted by M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 0017). The Cost Audit Report in XBRL mode for financial year ended March 31, 2014 was filed within the due date.

Based on the Audit Committee recommendations at its meeting held on 16th March, 2015, the Board has approved the re-appointment of M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 0017), as the Cost Auditors of the Company for the financial year 2015-16 on a remuneration of Rs. 0.35 lakhs plus service tax and out of pocket expenses that may be incurred by them during the course of audit. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s K.G. Goyal & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

25. SECRETARIAL AUDITORS

The Company had appointed M/s. P. Kathuria & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2014-15, pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report is annexed herewith as Annexure IV for kind attention of the Members. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

26. INTERNAL AUDITORS

Based on the Audit Committee recommendations, the Board had appointed M/s. KRA & Associates, Chartered Accountants as the Internal Auditors of the Company for the financial year 2015-16.

27. BUSINESS RISK MANAGEMENT

The objective of risk management at the Company is to protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Audit Committee of the Company oversees the Risk functions. Further, the Company has in place Operations & Steering Committee (OSC) and a Policy thereto, which inter alia includes the Risk Management Policy including mitigation plans. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organization. Risk management capabilities aid in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The annual strategic planning done by OSC provides platform for identification, analysis, treatment and documentation of key risks. It is through this annual planning process that key risks and risk management strategies are communicated to the Board. The effectiveness of risk management strategies is monitored both formally and informally by Management. There is no major risk which may threaten the existence of the Company.

28. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii. They 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 ended 31st March, 2015 and of the profit of the Company for the year under review;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. They have prepared the annual accounts on a

going concern basis;

- v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

30. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return inform MGT - 9 is annexed herewith as Annexure V.

31. GENERAL DISCLOSURE

- The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaints were received during the financial year 2014-15.
- There was no change in the name of the Company and its nature of business.
- The financial year of the Company was same as of previous year.

32. ACKNOWLEDGMENT

Your Directors' place on record their sincere appreciation for the co-operation and support received by your Company from the Ministry of Power, Government of Himachal Pradesh, Ministry of Corporate Affairs, Central and State Government and other government agencies, Lenders, Banks, Financial Institutions, PTC India Limited, Statkraft Markets Private Limited, India Energy Exchange and our valued customers, who have continued their valuable support and encouragement during the year under review.

The Board also thanks the employees at all levels, for the dedication, commitment and hard work put in by them for Company's achievements.

Your involvement as shareholders is greatly valued and appreciated. The Directors look forward to your continuing support.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS
RAVI JHUNJHUNWALA
CHAIRMAN AND MANAGING DIRECTOR
(DIN 00060972)**

PLACE: NOIDA
DATE: 1ST SEPTEMBER, 2015

ANNEXURE – I TO THE DIRECTORS' REPORT

The information of employees receiving salary in excess of the limits as prescribed under the provisions of Section 197 read with Rule 5, sub rule 2 & 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under the Companies Act, 2013, who were employed throughout or for a part of the financial year under review is given as under:

S. No.	Name of Employee	Designation	Remuneration (in million)	Qualification	Experience	Age	Date of Commencement of Employment	Last employment held, organisation, Designation & Duration
1.	Mr. Ravi Jhunjhunwala	Chairman & Managing Director	12.90	B.Com (Hons), MBA	34	60	01.11.2001	N.A.
2.	Mr. Om Prakash Ajmera	Chief Executive Office & Chief Financial Officer	12.16	FCA, ACS	28	53	01.04.2004	HEG Ltd 17 Years Last designation- Vice-President Finance

ANNEXURE – II TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy

- (a) the steps taken or impact on conservation of energy;
- Installation of three nos. Variable Frequency Drive (VFDs) in PH on TG Cooling Water pumps.
 - Replacement of conventional lighting with Light Emitting Diodes (LED) in 132kV Switchyard, Street Lighting in Powerhouse complex, residential colony and Barrage complex.
- (b) the steps taken by the Company for utilizing alternate sources of energy: NIL
- (c) the capital investment on energy conservation equipments:

S. No.	Description	Amount (₹)
1.	Variable Frequency Drive (VFD)	8,65,000
2.	Light Emitting Diodes (LED)	1,105,175
	Total (till 31st March 2015)	19,70,150

(B) TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption: NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NIL
- the details of technology imported;
 - the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development : ₹ NIL

		(in ₹ million)	
S. No.	PARTICULARS	2014-15	2013-14
I.	Foreign Exchange Outgo		
	Traveling and Conveyance	0.141	1.050
	Others	1.212	0.430
	Total	1.353	1.480
II.	Foreign Exchange Earnings		
	Others (Sale of Voluntary Emission Rights)	1.631	9.507
	Total	1.631	9.507

ANNEXURE – III TO THE DIRECTORS' REPORT
NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and Rules made thereunder, Malana Power Company Limited is required to constitute a Nomination and Remuneration Committee with atleast three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company already had a Remuneration Committee with three Non Executive Directors. In order to align the same with the provisions of the Companies Act, 2013, and Rules made thereunder from time to time, the Board of Directors at their meeting held on the 16th March, 2015, renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee and its Policy being in compliance with the provisions of Section 178 of the Companies Act, 2013, read with the applicable Rules made thereunder, applies to the Board of Directors, Key Managerial Personnel and the Senior management Personnel of the Company.

1. OBJECTIVE

The Key Objectives of the Committee would be:

- a) to advise the Board in relation to appointment, appraisal and removal of Directors, Key Managerial Personnel and Senior Management of the Company.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

- (a) "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (b) "Board" means Board of Directors of the Company.
- (c) Key Managerial Personnel (KMP), means:
 - i. Chief Executive Officer or the managing director or the manager;
 - ii. Company Secretary,
 - iii. Whole-time Director;
 - iv. Chief Financial Officer; and
 - v. such other officer as may be prescribed.
- (d) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

3. ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

- a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b) to recommend to the Board the appointment and removal of Director or Key Managerial Personnel or Senior Management Personnel.
- c) to carry out evaluation of Director's performance.
- d) assessing the independence of independent directors;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) making recommendations to the Board on the remuneration/fee payable to the Directors/ KMPs/Senior Officials so appointed/re-appointed;
- g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h) to devise a policy on Board diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act, 2013 and Rules made thereunder.

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.

- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a) Chairman of the Committee shall be a Non-executive Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. POLICY ON BOARD DIVERSITY

The Nomination and Remuneration Committee shall ensure that Board of Directors have the combination of Directors from different areas /fields or as may be considered appropriate in the best interest of the Company. The Board shall have at least one Board member who has accounting/ financial management expertise.

11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
3. Determining the appropriate size, diversity and composition of the Board;
4. Follow a formal and transparent procedure for selecting new Directors for appointment to the Board, Key Managerial Personnel's and Senior Management Personnel;
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Considering any other matters as may be requested by the Board;

12. REMUNERATION DUTIES

The Committee will recommend the remuneration/fee to be paid to the Managing Director, Whole-time Director, other Directors, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration/fee so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration/fee to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

1. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission/fee to be paid to Director/ Managing Director/ Whole Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. Non executive Independent Directors

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

3. Key Managerial Personnel's/Senior Management Personnel etc

The Remuneration to be paid to Key Managerial Personnel's/ Senior Management Personnel shall be based on the experience, qualification, performance and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

4. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel's/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

13. EVALUATION/ ASSESSMENT OF DIRECTORS OF THE COMPANY

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees

Additionally, for the evaluation/assessment of the performances of Managing Director(s)/Whole Time Director(s) of the Company, following criteria may also be considered:

- Leadership abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

14. DISCLOSURE

The Remuneration policy and the evaluation criteria shall be disclosed in the Board's Report.

15. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

16. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However, this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.



ANNEXURE – IV TO THE DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 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,
Malana Power Company Limited (CIN: U40101HP1997PLC019959)
Himachal Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Malana Power Company 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 herein after:

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;
(Not applicable to the Company during the Audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the Audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (All the following Regulations are not applicable to the Company during the Audit period)
 - (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 laws applicable specifically to the Company as per the representation given by the company.

I have not examined compliance with the clauses of the following because of the reasons mentioned herein :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified but effective from 1st July, 2015).
- (ii) The company has not entered into the Listing Agreements with Stock Exchange. 3
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

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.

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

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on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There was no dissenting vote for any matter.

I further report that I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company. Therefore, I am of the opinion that the management has 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, during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the Company's affairs.

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

**FOR P. KATHURIA & ASSOCIATES
COMPANY SECRETARIES**

PRADEEP KATHURIA

FCS 4655

CP 3086

PLACE: NEW DELHI

DATE: 1ST SEPTEMBER, 2015

ANNEXURE – I

To
The Members,
Malana Power Company Limited (CIN: U40101HP1997PLC019959)
Himachal Pradesh

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial record and Books of Accounts of the company since the same have been subject to review by Statutory Auditor.
4. Where ever required, I 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. My 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 efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR P. KATHURIA & ASSOCIATES
COMPANY SECRETARIES**

PRADEEP KATHURIA

FCS 4655

CP 3086

PLACE: NEW DELHI

DATE: 1ST SEPTEMBER, 2015



ANNEXURE V TO THE DIRECTORS' REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 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	U40101HP1997PLC019959
ii)	Registration Date	20/05/1997
iii)	Name of the Company	Malana Power Company Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by shares
v)	Address of the registered office and contact details	Village Chauki, Post Office Jari, Kullu-175 105, Himachal Pradesh Phone: 01902-276074;276075
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Limited

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 :-

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Hydro Power Generation	40101	100%

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.	Bhilwara Energy Limited	U31101DL2006PLC148862	Holding Company	51%	2(46)
2.	AD Hydro Power Limited	U40101HP2003PLC026108	Subsidiary Company	88%	2(87)

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

(i) CATEGORY WISE SHARE HOLDING

Category of	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a. Individual/HUF	-	50	50	0.00	-	50	50	50
b. Central Govt.								
c. State Govt(s)								
d. Bodies Corp.	75,238,073	-	75,238,073	51.00	75,238,073	-	75,238,073	51.00
e. Banks/FI								
f. Any Other								
Sub Total (A) (1) :	75,238,073	50	75,238,073	51.00	75,238,073	-	75,238,073	51.00
(2) Foreign								
a. NRIs -Individuals								
b. Other - Individuals								
c. Bodies Corp.								
d. Banks/FI								
e. Any Other								
Sub Total (A) (2) :	-	-	-	-	-	-	-	-
Total shareholdings of Promoter (A)	75,238,073	50	75,238,073	51.00	75,238,073	-	75,238,073	51.00
=(A)(1)+(A)(2)								

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Category of	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
B. Public Shareholding								
(1) Institutions								
a. Mutual Funds								
b. Banks/ FI								
c. Central Govt.								
d. State Govt(s)								
e. Venture Capital Funds								
f. Insurance Companies								
g. FIs								
h. Foreign Venture Funds								
i) Other (specify)								
Sub Total (B)(1) :								
(2) Non Institutions								
a. Bodies Corp.								
i) Indian								
ii) Overseas	-	72,287,608	72,287,608	49.00	-	72,287,608	72,287,608	49.00
b. Individuals								
Shareholders holding nominal Share Capital upto Rs. 1 Lakh								
Shareholders holding nominal Capital in upto Rs. 1 Lakh								
c. Other (specify)								
Sub Total (B)(2) :								
C. Shares held by Custodian for GDRs & ADRs								
GRAND TOTAL (A+B+C)	75,238,073	72,287,658	147525731	100.00	75,238,073	50	147,525,731	100.00

(ii) SHAREHOLDING OF PROMOTERS

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
	No. of shares	% of Total Shares of the company	% of Shares pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the company	% of Share Pledged/ encumbered to Total Shares	% Change in share holding during the year
Bhilwara Energy Limited	75,238,123	51%	-	75,238,123	51%	-	NIL
Total	75,238,123	51%	-	75,238,123	51%	-	NIL

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of Total Share of the company	No. of shares	% of Total Share of the company
At the beginning of the year	No Changes	-	-	-
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):	No Changes	-	-	-
At the End of the year	No Changes	-	-	-

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

For Each of the Top 10 Shareholders (Statkraft Holding Singapore Pvt. Ltd.)	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of Total Share of the company	No. of shares	% of Total Share of the company
At the beginning of the year	72,287,608	49%	72,287,608	49%
Date wise Increase/ Decrease in Share holding during the year, specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change	-	No Change	-
At the End of the year (or on the date of separation, if separated during the year)	72,287,608	49%	72,287,608	49%

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

S. 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 Share of the company	No. of shares	% of Total Share of the company
	At the beginning of the year				
1.	Mr. L.N. Jhunjhunwala	-	-	-	-
2.	Mr. Ravi Jhunjhunwala	-	-	-	-
3.	Dr. Kamal Gupta	-	-	-	-
4.	Mr. Bidyut Shome	-	-	-	-
5.	Mr. Rajinder Pal Goel	-	-	-	-
6.	Mr. Lars Espen Ellegard	-	-	-	-
7.	Ms. Tima Iyer Utne	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes	No changes	No changes	No changes
	At the End of the year				
1.	Mr. Ravi Jhunjhunwala	-	-	-	-
2.	Dr. Kamal Gupta	-	-	-	-
3.	Mr. Bidyut Shome	-	-	-	-
4.	Mr. Rajinder Pal Goel	-	-	-	-
5.	Mr. Lars Espen Ellegard	-	-	-	-
6.	Ms. Tima Iyer Utne	-	-	-	-
7.	Mr. Tantra Narayan Thakur	-	-	-	-
8.	Mr. Om Prakash Ajmera (CEO & CFO)	-	-	-	-
9.	Mr. Arvind Gupta (Company Secretary)	-	-	-	-

V. INDEBTEDNESS

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

(Amt. in ₹ crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	243.00	-	-	243.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	243.00	-	-	243.00
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	27.00	-	-	27.00
Net Change	(27.00)	-	-	(27.00)
Indebtedness at the end of the financial year				
i) Principal Amount	216.00	-	-	216.00
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	216.00	-	-	216.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amt. in ₹ million)

S. No.	Particulars of Remuneration	Name of Chairman, Managing Director
1	Gross salary	Mr. Ravi Jhunjunwala
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.48
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit 1.00%	-
	- others, specify	-
5	Others, please specify	4.03
	Total (A)	12.94
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

1. Independent Directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount (In ₹)
		Dr. Kamal Gupta	Mr. Tantra Narayan Thakur	
1	Fee for attending board committee meetings	100,000	100,000	200,000
2	Commission	-	-	-
3	Others, please specify	-	-	-
4	Total (1)	100,000	100,000	200,000

2. Other Non-Executive Directors (if any)

S. No.	Particulars of Remuneration	Name of Directors			
		Mr. Lars Espen Ellegard	Ms. Tima Iyer Utne	Mr. Bidyut Shome	Mr. R. P. Goel
1	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
2	Commission	Nil	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil	Nil
4	Total	Nil	Nil	Nil	Nil

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		(₹ in Million)
		Mr. Om Prakash Ajmera Chief Financial Officer & Chief Executive Officer	Mr. Arvind Gupta Company Secretary	Total Amount (In ₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.37	0.67	12.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.37	-	0.37
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	– as % of profit	-	-	-
	– others, specify	-	-	-
5	Others, please specify	0.42	0.04	0.46
	Total (A)	12.16	0.71	12.87

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description fees imposed	Details of Penalty / Punishment/ Compounding	Authority [RD/NCLT/ COURT] (give Details)	Appeal made, if any
A. COMPANY					
			NONE		
B. DIRECTORS					
			NONE		
C. OTHER OFFICERS IN DEFAULT					
			NONE		

ANNEXURE VI TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

PART - A

S. No.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee.	Refer to Point No. 20 on Corporate Social Responsibility in Director's Report.
1.	Average Net Profit of the Company for last three financial years	Rs. 157.55 million
2.	Prescribed CSR Expenditure (two percent of the amount as in item 2 above)	Rs. 3.15 million
3.	Details of CSR spent during the financial year 2014-15:	
	a. Total amount to be spent for the financial year 2014-15	Rs. 3.15 million
	b. Total amount spent during the financial year 2014-15	Rs. 0.51 million
	c. Amount unspent, if any	Rs. 2.64 million
	d. Manner in which the amount spent during the financial year	As detailed below

Manner in which the amount spent during the financial year 2014-15

S. No.	CSR project or activity identified	Sector in which Project is covered	Projects or Programs (State and district where projects or programs were)	Amount outlay (budget) project or programs wise	Cumulative expenditure upto the reporting	Amount spent: Direct or through implementing agency
1	Providing Teaching aid and honorarium	Promoting Education	Local Area (Dist-Kullu, Himachal Pradesh)	167,000	166,500	Direct
2	Providing facilities to adjoining school	Promoting Education	Local Area (Dist-Kullu, Himachal Pradesh)	120,000	9,000	Direct
3	Acupressure Health Centre	Promoting Health care	Local Area (Dist-Kullu, Himachal Pradesh)	200,000	177,796	Direct
4	Providing Doctor and medicine facilities	Promoting Health care	Local Area (Dist-Kullu, Himachal Pradesh)	225,000	116,329	Direct
5	Sports Meet & Other Associational Activities. (Annual police sports meet, District Boxing championship)	Promoting sports/ rural sports	Local Area (Dist-Kullu, Himachal Pradesh)	16,000	15,100	Direct
6	Donation to Red cross society (to help physically challenged and poor people)	Measures to reduce inequalities faced by socially and economically backward	Local Area (Dist-Kullu, Himachal Pradesh)	50,000	30,000	Direct
7	Miscellaneous Expenditure	Environment, Rural Development	Local Area (Dist-Kullu, Himachal Pradesh)	300,000	0	Direct
8	Others	As allowed under the Companies Act, 2013	Local Area (Dist-Kullu, Himachal Pradesh)	2,073,000	0	Direct
TOTAL				3,151,000	514,725	

PART - B**Reason for not spending the entire amount as given in point no.3 of (PART-A) above:**

During the financial year 2014-15, the Company was required to spend total amount of Rs. 3.15 million on various CSR activities. However the Company could spend only Rs. 0.51 million on CSR areas covered under the Companies Act, 2013 and Rules made thereunder. The CSR Committee was constituted on 12th December, 2014 and the CSR policy was approved on 16th March 2015. Due to paucity of time, the Company could not plan and spend the balance expenditure of INR 2.64 million.

A brief summary of the various CSR activities carried out during the financial year 2014-15 by the Company is appended below.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

(Ravi Jhunjunwala)

Chairman & Managing Director
Chairman, CSR Committee

1st September, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Malana Power Company Limited Report on the Financial Statements

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

Management's Responsibility for the 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, financial performance and cash flows of the Company in accordance with 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 the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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 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 effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and there as on ableness 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 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 March 31, 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 sub-section (11) of section 143 of the Act, we give in the Annexure 1 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 purpose of our audit;
 - (b) In our opinion proper books of account as required bylaw have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i.) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and 31 to the financial statements;

Annual Report 2014-15

- ii.) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Atul Seksaria

Partner

Membership Number: 86370

Place : Noida

Date: 1st September, 2015

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Malana Power Company Limited (the Company)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are 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 and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to its subsidiary company (i.e. AD Hydro Power Limited – ADHPL where it holds 88% in share capital and thus has substantial interest)) covered in the register maintained under section 189 of the Companies Act, 2013. ADHPL has requested the Company to waive off the interest from September 17, 2010 till the time its operations become profitable, which was approved by the board of directors of the Company in their meeting dated March 29, 2011. In view of the carry forward accumulated losses, the loan is continued to be considered as interest free for the year. Read with above, in our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan is not prima facie prejudicial to the interest of the Company. Also, as informed to us and as per the terms of subordinated Loan agreement between the Company and ADHPL, the loan granted and interest thereon is repayable only once all obligations to the senior lenders have been paid and discharged in full. Accordingly, the Company has not demanded repayment of any such loan and interest thereon during the year and there has been no default on the part of the parties to whom the money has been lent.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion, and according to the information and explanations given to us, 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 power. The Company's activities does not involve any sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation of electricity from hydro-electric power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax on account of any dispute, are as follows.

Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses under Section 14A	15.85*	Assessment Year 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Penalty for concealment of income, furnishing of inaccurate particulars	18.74	Assessment Year 2008-09	CIT (Appeals), New Delhi
Income Tax Act, 1961	Disallowance of expenses under Section 14A, excess disallowance claimed u/s 80IA and disallowance of common expenses.	34.07*	Assessment Year 2009-10	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowance of expenses under Section 14A, excess disallowance claimed u/s 80IA	68.75	Assessment Year 2011-12	Income Tax Appellate Tribunal, New Delhi

- * Though, these demands have been adjusted by the Assessing Officer against refunds for subsequent assessment years, the Company has not contested the same.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima facie prejudicial to the interest of the Company..
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Atul Seksaria

Partner

Membership Number: 86370

Place : Noida

Date: 1st September, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	14,752.57	14,752.57
(b) Reserves and surplus	4	80,877.22	79,992.39
Total Shareholders' funds		95,629.79	94,744.96
2. Non-current liabilities			
(a) Long-term borrowings	5	18,900.00	21,600.00
(b) Deferred tax liabilities	6	3,132.78	2,197.08
(c) Long-term provisions	7	71.77	66.07
Total Non-current liabilities		22,104.55	23,863.15
3. Current liabilities			
(a) Trade payables	8	187.04	168.18
(b) Other current liabilities	8	2,775.56	2,749.01
(c) Short-term provisions	7	168.07	53.23
Total Current liabilities		3,130.67	2,970.42
TOTAL		120,865.01	121,578.53
II. Assets			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	12,970.02	14,035.16
(ii) Intangible assets	9	0.96	4.02
(b) Non-current investments	10	49,295.56	49,295.56
(c) Long-term loans and advances	11	49,618.87	49,775.76
(d) Other non-current assets	12	7,482.14	7,479.91
Total Non-current assets		119,367.55	120,590.41
2. Current assets			
(a) Inventories	13	248.34	237.54
(b) Trade receivables	14	73.82	60.12
(c) Cash and bank balances	15	1,103.18	620.03
(d) Short-term loans and advances	11	70.82	69.08
(e) Other current assets	16	1.30	1.35
Total Current Assets		1,497.46	988.12
TOTAL		120,865.01	121,578.53
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Atul Seksaria
Partner
Membership No. : 86370

Place : Noida
Date : 1st September, 2015

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

Ravi Jhunjunwala
Chairman and Managing Director
DIN:-00060972

O. P. Ajmera
CEO & CFO

Tima Iyer Utne
Director
DIN:-06839949

Arvind Gupta
Company Secretary
M. No.: F7690

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

PARTICULARS	Note No.	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
I. Income			
(a) Revenue from operations (net)	17	8,677.12	6,679.28
(b) Other Income	18	139.68	136.03
Total Income		8,816.80	6,815.31
II. Expenses			
(a) Wheeling Cost		317.55	265.35
(b) Open access charges		367.63	252.44
(c) Employee benefits expense	19	808.46	665.26
(c) Other expenses	20	1,208.55	886.28
(d) Depreciation and amortisation expense	21	1,091.27	1,985.00
(e) Finance costs	22	2,681.80	3,002.18
Total expenses		6,475.26	7,056.51
III. Profit / (Loss) before tax		2,341.54	(241.20)
IV. Tax expense			
(a) Current tax		521.01	9.63
(b) Less : MAT Credit Entitlement		-	(9.63)
(c) Deferred tax charge		935.70	0.74
V. Total tax expense		1,456.71	0.74
VI. Profit / (Loss) for the year		884.83	(241.94)
Earnings / (Loss) per share (nominal value of share ₹10)			
Basic and diluted	23	0.60	(0.16)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S. R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Ravi Jhunjunwala
Chairman and Managing Director
DIN:-00060972

Tima Iyer Utne
Director
DIN:-06839949

per Atul Seksaria
Partner
Membership No. : 86370

O. P. Ajmera
CEO & CFO

Arvind Gupta
Company Secretary
M. No.: F7690

Place : Noida

Date : 1st September, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	For the year ended 31st March,2015	For the year ended 31st March,2014
	(₹ in Lacs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2,341.54	(241.20)
Adjustments for :		
Depreciation	1,091.27	1,985.00
Profit on sale of fixed assets	(7.66)	(2.26)
Interest expense	2,587.78	2,906.72
Provision for doubtful advances	144.13	-
Interest income	(102.73)	(31.15)
Surrender value of keyman insurance policy	(2.23)	(1.69)
Operating profit before working capital changes	6,052.10	4,615.42
Movement in working capital :		
(Increase)/decrease in trade receivables	(13.70)	24.82
(Increase)/decrease in loans and advances	13.01	(81.00)
(Increase)/decrease in other current assets	(0.05)	-
(Increase)/decrease in inventories	(10.80)	(21.40)
(Decrease)/increase in current liability	26.55	(1.70)
(Decrease)/increase in trade payable	18.86	113.82
(Decrease)/increase in provision	10.24	(4.38)
Cash generated from operations	6,096.21	4,645.58
Direct tax paid (net of refund)	412.60	99.87
Net cash from / (used in) operating activities (A)	5,683.61	4,545.71
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(24.10)	(4.65)
Proceeds from sale of fixed assets	8.69	13.02
Interest received	102.73	32.06
Fixed deposit placed	(4.30)	1.63
Net cash from / (used in) investing activities (B)	83.02	42.06
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(2,700.00)	(2,700.00)
Interest paid	(2,587.78)	(2,906.72)
Net cash from / (used in) financing activities (C)	(5,287.78)	(5,606.72)
Net Increase / (decrease) in cash and cash equivalents (A+B+C) 478.85	(1,018.95)	
Cash and cash equivalents at the beginning of the year	592.15	1,611.10
Cash and cash equivalents at the end of the year	1,071.00	592.15
Components of cash and cash equivalents		
Cash on hand	4.37	3.56
Deposits with original maturity of less than 3 months	800.00	369.40
With banks - on current account	266.63	219.19
Total cash & cash equivalents (Note no. 15)	1,071.00	592.15

The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 "Cash Flow Statement" of the Companies (Accounts) Rules, 2014

As per our report of even date

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

For S. R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Ravi Jhunjunwala
Chairman and Managing Director
DIN:-00060972

Tima Iyer Utne
Director
DIN:-06839949

per Atul Seksaria
Partner
Membership No. : 86370

O. P. Ajmera
CEO & CFO

Arvind Gupta
Company Secretary
M. No.: F7690

Place : Noida

Date : 1st September, 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Nature of Operations

Malana Power Company Limited (hereinafter referred to as 'the Company') is engaged in the generation of hydro electric power and development of hydro power projects. The Company has the necessary permission from the Government of Himachal Pradesh to own, operate & maintain the project and sell power for a period of forty years from the date of commercial operation i.e. July 5, 2001 with the option to avail a further extension for a maximum period of twenty years after renegotiation of terms and conditions.

2. Basis of preparation of Financial Statement

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy as explained below :

2.1 Change in accounting policy

Depreciation on fixed assets

Till the year ended March 31, 2014 Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

2.1.1 Useful lives/ depreciation rates

Till the year ended March 31, 2014 depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

2.1.2 Depreciation on assets costing less than ₹ 5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than ₹5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the company for the current year.

2.2 Summary of Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation less impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working

condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

(c) Depreciation / Amortization on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under Schedule II of the Companies Act 2013.. The Company has used the following rates to provide depreciation on its fixed assets.

Asset Description	Useful life (Years)
Buildings other than factory buildings	60
Plant and Machinery used in generation, transmission and distribution of power.	40
Civil Work	40
Factory Buildings	30
Plant and Machinery	15
Electrical Installations	10
Furniture and Fixtures	10
Roads	10
Vehicles	08
Computers and Data processing equipments	3-6
Office equipments	05
Software	03

In the previous year ended 31st March 2014, the depreciation was provided in accordance with the Schedule XIV of the Companies Act, 1956. From the current year, it has been replaced by Schedule II to the Companies Act, 2013 and the depreciation/ amortization has been provided accordingly. Due to this, depreciation for the year is lower and profit for the year is higher by ₹ 890.33 Lakhs.

(d) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(e) Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life of 3 to 5 years.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

Gains or losses arising from recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Leases

Where the Company is the lessee

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(h) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(i) Inventories

Inventories comprising of components and stores and spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Electricity

Revenue from sale of electricity is recognised on the basis of billable electricity (over and above free supply to Himachal Pradesh's State Government) scheduled to be transmitted to the customers, which approximates the actual electricity transmitted.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Voluntary emission rights (VER)

Revenue is recognized as and when the VER's are certified and ultimate collections are made for the same.

(k) Foreign currency translation

Foreign currency transactions and balances

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(l) Retirement and other employee benefits

(i) Retirement benefits in the form of Provident Fund and superannuation scheme are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

(ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term

employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

- (iv) The Company presents its gratuity and leave as current and non-current based on the actuarial valuation.
- (v) Actuarial gains / losses are immediately taken to statement of profit and loss in the period in which they incur and are not deferred.

(m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(p) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(q) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3. SHARE CAPITAL

PARTICULARS	As at	As at
	31st March 2015 (₹ in Lacs)	31st March 2014 (₹ in Lacs)
Authorized		
160,000,000 (previous year 160,000,000) equity shares of ₹ 10 each	16,000.00	16,000.00
Issued, Subscribed and fully paid-up shares		
147,525,731 (previous year 147,525,731) equity shares of ₹ 10 each fully paid	14,752.57	14,752.57

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

PARTICULARS	As at 31st March 2015		As at 31st March 2014	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Shares outstanding at the beginning of the year	147,525,731	14,752.57	147,525,731	14,752.57
Shares outstanding at the end of the year	147,525,731	14,752.57	147,525,731	14,752.57

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

PARTICULARS	As at 31 March 2015		As at 31 March 2014	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Bhilwara Energy Limited, the holding company	75,238,123	7,523.80	75,238,123	7,523.80

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid up	As at 31 March 2015		As at 31 March 2014	
	No. of shares	% Holding	No. of shares	% Holding
Name of the Share Holders				
Bhilwara Energy Limited	75,238,123	51.00%	75,238,123	51.00%
Statkraft Holding Singapore Pte Limited (earlier known as SN Power Holding Singapore Pte Limited)	72,287,608	49.00%	72,287,608	49.00%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

4. RESERVES & SURPLUS

PARTICULARS	As at	As at
	31 March 2015 (₹ in Lacs)	31 March 2014 (₹ in Lacs)
Securities premium account	32,545.67	32,545.67
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	47,446.72	47,688.66
Add: profit/(loss) for the year	884.83	(241.94)
Net surplus in the statement of profit and loss	48,331.55	47,446.72
Total reserves and surplus	80,877.22	79,992.39

5. LONG TERM BORROWINGS

PARTICULARS	(₹ in Lacs)			
	Long Term		Current Position	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Term loans				
From banks (secured)	18,900.00	21,600.00	2,700.00	2,700.00
TOTAL	18,900.00	21,600.00	2,700.00	2,700.00
The above amount includes				
Secured Borrowings	18,900.00	21,600.00	2,700.00	2,700.00
Amount disclosed under the head "other current liabilities"	-	-	(2,700.00)	(2,700.00)
	18,900.00	21,600.00	-	-

The Company has taken Indian Rupee term loans from Banks amounting to ₹ 21,600 lacs (previous year ₹ 24,300 lacs) carrying interest at base rate plus 1.25% (currently @ 11.50% per annum) secured against first mortgage and charge on the movable and immovable assets both present and future on pari passu basis. These loans are repayable in 40 structured monthly installments ranging from ₹ 540 lacs to ₹ 1,080 lacs commencing from June 1, 2013.

6. DEFERRED TAX LIABILITIES

PARTICULARS	As at	As at
	31 March 2015 (₹ in Lacs)	31 March 2014 (₹ in Lacs)
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	3,125.64	2,190.99
Others	7.14	6.09
Deferred tax liabilities	3,132.78	2,197.08

7. PROVISIONS

PARTICULARS	(₹ in Lacs)			
	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Provision for gratuity (refer note 33)	-	-	25.04	23.75
Provision for leave benefits	71.77	58.43	6.20	3.05
Provision for continuity linked bonus	-	7.64	-	-
TOTAL	71.77	66.07	31.24	26.80
Other Provision				
Provision for income tax (net of advance tax of Rs. 2,425.57 lakhs)	-	-	136.83	26.43
	-	-	136.83	26.43
TOTAL	71.77	66.07	168.07	53.23

8. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Trade payables (Refer note 29 for details of dues to Micro and small enterprises)	187.04	168.18
Other current liabilities		
Current maturities of long term borrowings	2,700.00	2,700.00
Sundry deposits	27.70	13.16
Statutory dues payable	47.86	35.85
TOTAL	2,775.56	2,749.01

9. TANGIBLE AND INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 01, 2014	Additions	Deletions/ Adjustments	As at March 31, 2015	As at April 01, 2014	Additions	Deletions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets										
Civil Work	18,427.27	-	-	18,427.27	11,048.26	236.75	-	11,285.01	7,142.26	7,379.01
Freehold Building and Roads	3,258.51	-	-	3,258.51	1,009.34	683.45	-	1,692.79	1,565.72	2,249.17
Computers	52.63	-	-	52.63	45.29	2.63	-	47.92	4.71	7.34
Electric Installations	151.87	-	-	151.87	133.87	3.26	-	137.13	14.74	18.00
Freehold Land	205.83	7.53	-	213.36	-	-	-	-	213.36	205.83
Furniture and Fixtures	46.65	0.52	-	47.17	36.53	2.31	-	38.84	8.33	10.12
Office Equipments	49.50	0.63	0.96	49.17	31.77	8.48	0.91	39.34	9.83	17.73
Plant & Machinery	9,378.85	1.22	0.21	9,379.86	5,916.02	124.82	0.20	6,040.64	3,339.22	3,462.83
Transmission Line	1,996.71	-	-	1,996.71	1,333.37	20.66	-	1,354.03	642.68	663.34
Vehicles	99.03	14.20	4.29	108.94	77.24	5.85	3.32	79.77	29.17	21.79
Total	33,666.85	24.10	5.46	33,685.49	19,631.69	1,088.21	4.43	20,715.47	12,970.02	14,035.16
Intangible Assets										
Software	59.29	-	-	59.29	55.27	3.06	-	58.33	0.96	4.02
Total	59.29	-	-	59.29	55.27	3.06	-	58.33	0.96	4.02
Grand Total	33,726.14	24.10	5.46	33,744.78	19,686.96	1,091.27	4.43	20,773.80	12,970.98	14,039.18

Notes :

- Freehold building and roads includes cost of road ₹ 1,228.38 lacs (Previous year 1,228.38 lacs) constructed on forest land diverted for the project under irrevocable right to use.
- Transmission Lines includes ₹ 41.81 lacs (Previous year ₹ 41.81 lacs) towards cost of land and compensation paid to Forest Department for construction of Transmission towers under irrevocable right to use.

10. NON CURRENT INVESTMENTS

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiary		
492,955,640 (Previous year 492,955,640) equity shares of ₹ 10 each fully paid of AD Hydro Power Limited (pledged with security trustee on behalf of lenders of AD Hydro Power Limited)	49,295.56	49,295.56
TOTAL	49,295.56	49,295.56

11. LOANS AND ADVANCES

(₹ in Lacs)

(Unsecured, considered good unless otherwise stated)	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advances				
Advance for Bara Banghal project [including ₹ 681.88 lacs (Previous year ₹ 681.88 lacs) towards consultancy and other expenses on the project] (Unsecured, considered doubtful) (Refer note 31)	6,801.89	6,801.89	-	-
Less : Provision against upfront premium/other expenditure for Bara Banghal Project	(3,741.84)	(3,597.71)	-	-
Advance tax (net of provision of ₹ 4,736.77 Lacs)	142.19	140.20	-	-
Loans to employees	6.58	20.98	11.32	5.53
Security deposits	30.05	30.40	-	-
Advances recoverable in cash and kind	-	-	59.50	63.55
Loans & advance to subsidiary company (Refer note 32)	46,380.00	46,380.00	-	-
TOTAL	49,618.87	49,775.76	70.82	69.08

12. OTHER NON CURRENT ASSETS

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
(Unsecured, considered good unless stated otherwise)		
Interest accrued on loan given to subsidiary company (Refer note 32)	7,461.13	7,461.13
Surrender value of keyman insurance policy	21.01	18.78
TOTAL	7,482.14	7,479.91

13. INVENTORIES

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
(valued at lower of cost and net realisable value)		
Stores and spares [including material lying with third parties ₹ Nil (previous year ₹ 0.01 lacs)]	248.34	237.54
TOTAL	248.34	237.54

14. TRADE RECEIVABLES (CURRENT)

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	73.82	60.12
TOTAL	73.82	60.12

15. CASH AND BANK BALANCES

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Cash and cash equivalents		
Balances with banks in:		
Current accounts	266.63	219.19
Deposits with original maturity for less than 3 months	800.00	369.40
Cash on hand	4.37	3.56
Total of cash and cash equivalent	1,071.00	592.15
Other bank balances		
Margin money deposit (held as security)	30.18	25.88
Deposits with original maturity for more than 3 months but less than 12 months	2.00	2.00
Total of other bank balance	32.18	27.88
TOTAL	1,103.18	620.03

Fixed Deposits of ₹ 2.00 Lakhs (previous year ₹ 2.00 Lakhs) pledged with Himachal Pradesh Government Sales Tax Department

16. OTHER CURRENT ASSETS

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Interest accrued on banks deposits	1.30	1.35
TOTAL	1.30	1.35

17. REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Revenue from operations		
Sale of power	8,928.42	7,003.52
Revenue from operations (gross)	8,928.42	7,003.52
Less : Discount on prompt payments	94.16	75.23
Less : Handling charges	73.70	72.39
Less : Unscheduled interchange charges	69.42	160.86
Less : Professional charges	14.02	15.76
Revenue from operations (Net)	8,677.12	6,679.28

18. OTHER INCOME

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Interest on bank deposits	102.68	31.15
Sale of voluntary emission reductions (VER)	16.31	95.07
Excess provision/ credit balances written back	-	0.28
Surrender value of keyman insurance policy	2.23	1.69
Profit on fixed assets sold/discarded	7.66	2.26
Miscellaneous income	10.80	5.58
TOTAL	139.68	136.03

19. EMPLOYEE BENEFITS EXPENSES

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Salaries, wages and bonus	583.84	447.91
Director's remuneration	130.53	124.42
Contribution to provident and other funds	36.60	28.55
Gratuity expenses	25.04	26.75
Workmen and staff welfare expenses	32.45	37.63
TOTAL	808.46	665.26

20. OTHER EXPENSES

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Rent	39.20	32.01
Power and fuel	48.20	44.79
Repair and maintenance		
Buildings	5.86	11.28
Plant and machinery	324.92	336.18
Others	19.95	13.74
Rates and taxes	2.08	2.73
Insurance	144.79	156.97
Payment to auditor	17.78	13.06
Communication costs	20.25	21.94
Printing and stationery	5.73	5.66
Traveling and conveyance	68.43	70.96
Membership fees and subscriptions	11.97	16.73
Legal and professional fees	120.25	54.81
Provision for doubtful advances (Refer note 31)	144.13	-
Social welfare expenses	58.95	12.71
CSR expenses (Refer note 38)	5.15	-
Miscellaneous expenses	170.91	92.71
TOTAL	1,208.55	886.28
Payment to Auditor		
As auditor:		
Audit fee	11.40	6.74
Fees for consolidation	1.14	-
Fees for international reporting	4.56	3.37
In other capacity		
Fees for other services	-	2.25
Out of pocket expenses	0.68	0.70
TOTAL	17.78	13.06

21. DEPRECIATION AND AMORTISATION EXPENSES

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Depreciation on tangible assets	1,088.21	1,982.95
Amortization of Intangible assets	3.06	2.05
TOTAL	1,091.27	1,985.00

22. FINANCE COST

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Interest and other finance costs		
on term loans from banks and financial institutions	2,587.78	2,889.90
on Income Tax	-	16.82
Other bank charges	94.02	95.46
TOTAL	2,681.80	3,002.18

23. EARNING / (LOSS) PER SHARE (EPS)

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit/loss after tax as per statement of profit and loss	884.83	(241.94)
Weighted average number of equity shares in calculating basic and diluted EPS	1,475.26	1,475.26
Basic and diluted earnings per share in Rupees (face value of ₹ 10)	0.60	(0.16)

24. Segment Reporting

The Company's activities during the year involved generation of the hydro power (Refer Note 1). Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Accounting Standard 17 'Segment Reporting' issued by the Companies (Accounts) Rules, 2014 and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

25. The Company is eligible for tax holiday under Section 80-IA of the Income Tax Act, 1961. The Company is liable to pay Income-Tax for the period under the provisions of Section 115JB of the Income-Tax Act, 1961.

26. Contingent Liabilities not provided for

- (a) Guarantee given for loans availed by AD Hydro Power Limited, subsidiary Company, amounting ₹ 8,000.00 lakhs (Previous year ₹ 8,000.00 lakhs).
- (b) The Company has given default corporate guarantee for loan availed by AD Hydro Power Limited, subsidiary company, from IL&FS Infrastructure Debt Fund (IDF) in respect of debenture issued amounting to ₹ 13,098.24 lakhs (previous year ₹ 7,556.68 lakhs).
- (c) In respect of assessment year 2008-09, the Assessing Officer had disallowed certain proportion of the expenses as expenses incurred towards the exempt income under Section 14A and other expenses under the Income Tax Act, 1961 and raised a demand of ₹ 15.85 lakhs. In response to appeal filed by the Company, part relief has been granted by the Commissioner of Income Tax (Appeals). Income tax department and the Company have preferred further appeal before the ITAT, New Delhi, which is pending for hearing.
- (d) In respect of assessment year 2009-10, the Assessing Officer had disallowed certain proportion of the expenses as expenses incurred towards the exempt income under Section 14A, deduction under Section 80IA and other expenses under the Income Tax Act, 1961 and raised a demand of ₹ 34.07 lakhs. In response to appeal filed by the Company, part relief has been granted by the Commissioner of Income Tax (Appeals). Income tax department and the Company have preferred further appeal before the ITAT, New Delhi, which is pending for hearing.
- (e) In respect of assessment year 2011-12, the Assessing Officer had disallowed certain proportion of the expenses as expenses incurred towards the exempt income under Section 14A, deduction under Section 80IA and other expenses under the Income Tax Act, 1961 and raised a demand of ₹ 68.75 lakhs. In response to appeal filed by the Company, part relief has been granted by the Commissioner of Income Tax (Appeals). Income Tax Department and the company have preferred further appeal before the ITAT, Delhi which is pending for hearing.
- (f) Penalty Order under section 271(1c) for assessment year 2008-09 amounting to ₹ 18.74 lakhs for which the company has filed an appeal with CIT (appeals), which is pending for hearing.
- (g) Wheeling charges claimed by Himachal Pradesh State Electricity Board not acknowledge as debt amounting to ₹ 650.36 lakhs to wheel or transfer energy from Bajaura sub station to 400 kV substation of Powergrid Corporation of India (Powergrid) limited at Nalagarh (i.e. interstate point)
- (h) During the financial year 2014-15, Government of Himachal Pradesh has taken a decision to charges lease amount for the diverted forest land retrospectively vide demand order dated August 27, 2014 against 61 hectares of duly diverted forest land, towards the lease money for the period from July 19, 1999 to July 18, 2014, for a sum of ₹ 1,385.41 lakhs. Further, it directed company to pay lease money of ₹ 1677.50 lakhs per annum from July 19, 2014 which is subject to an increase of 5% of total lease amount after every 5 years. Based on the above the total lease rent demand as on March 31, 2015 works out to be ₹ 2,534.96 lakhs.

The company has filed a writ petition before Hon'ble High Court of Himachal Pradesh which has granted stay on demand. Pending decision of the High Court, no additional provision has been deemed necessary in the financial statements in this regard

Based on expert inputs, management believes that these demand and any possible demand for other assessment years to be raised by Income Tax Authorities on similar grounds, is unlikely to crystallize and there is a fair chance of decision in its favor.

- (i) The Company is subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, for the lands and right to use lands acquired by it and recovery suits filed by various parties. These cases are pending with various courts. After considering the circumstances and legal advice received, management believes that these cases will not adversely impact its financial statements.

27. Capital and other commitments

Capital Commitment

- a) Estimated amount of contracts remaining to be executed on capital account (upfront fee) and not provided for (net of advances) ₹ 6,120.00 lakhs (Previous Year ₹ 6,120.00 lakhs) for Bara Banghal HEP Project in Himachal Pradesh.

Other Commitment

- b) Malana Power Company Limited has entered into agreement with Himachal Pradesh State Electricity Board (HPSEB) to wheel or transfer energy from Bajaura sub station to 400 kV substation of Powergrid Corporation of India (Powergrid) limited at Nalagarh (i.e. interstate point). The company has agreed to pay wheeling charges. This, being firm commitment, is recognized as an expense, on receipt of monthly bills from HPSEB under the head 'Wheeling Charges' in the statement of profit and loss.
- c) At March 31, 2015, the Company has committed for non-disposal of its investment in subsidiary AD Hydro Power Limited to the its lenders (similar commitment was there in the previous year also).

28. Related Party Disclosures**(a) Names of related parties**

Holding Company	Bhilwara Energy Limited
Subsidiary Company	AD Hydro Power Limited
Enterprises having significant influence over the Company	Statkraft Holding Singapore PTE Limited from July 2014. (Formerly SN Power Holding Singapore Pte Ltd. Singapore)
Fellow Subsidiary Companies	Indo Canadian Consultancy Services Limited,
Key Management Personnel	Mr. Ravi Jhunjhunwala, Chairman & Managing Director
Relatives of key management personnel	Mrs. Rita Jhunjhunwala (wife of the Chairman & Managing Director)
	Mr. Riju Jhunjhunwala (son of the Chairman & Managing Director)
	Mr. Rishabh Jhunjhunwala (son of the Chairman & Managing Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	HEG Limited, RSWM Limited

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

CEO and CFO	Mr. O.P Ajmera
Company Secretary	Mr. Arvind Gupta

(b) Transaction with related parties

Nature of Transaction	(₹ in Lacs)										
	Holding Company/ Enterprises having significant influence over the Company		Subsidiary/ Fellow subsidiary Company		Key Management Personnel *		Relative of Key Management Personnel		Enterprise over which key management personnel /relative having significant influence		
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	
Transactions during the year											
Rent											
Mrs. Rita Jhunjhunwala	-	-	-	-	-	-	17.43	16.72	-	-	
Mr. Rishabh Jhunjhunwala	-	-	-	-	-	-	16.92	16.23	-	-	
Mr. Riju Jhunjhunwala	-	-	-	-	-	-	16.92	16.23	-	-	
RSWM Limited	-	-	-	-	-	-	-	-	35.32	31.97	
Consultancy service charges paid to Indo Canadian Consultancy Services Limited	-	-	56.97	91.82	-	-	-	-	-	-	
Remuneration paid to Mr. Ravi Jhunjhunwala,	-	-	-	-	130.53	124.42	-	-	-	-	
Remuneration paid to Mr. O.P.Ajmera	-	-	-	-	121.60	112.90	-	-	-	-	
Remuneration paid to Mr. Arvind Gupta	-	-	-	-	7.12	-	-	-	-	-	
Reimbursement of expenses paid to HEG Limited	-	-	-	-	-	-	-	-	5.14	6.03	
Reimbursement of expenses paid to RSWM Limited	-	-	-	-	-	-	-	-	19.11	17.64	
Reimbursement of expenses paid to Bhilwara Energy Limited	2.39	2.68	-	-	-	-	-	-	-	-	
Reimbursement of expenses recovered from Bhilwara Energy Limited	74.32	55.05	-	-	-	-	-	-	-	-	
Reimbursement of expenses paid to Indo Canadian Consultancy Services Limited	-	-	0.05	0.03	-	-	-	-	-	-	
Reimbursement of expenses paid to AD Hydro Power Limited	-	-	14.88	16.66	-	-	-	-	-	-	
Purchase of Inventory from AD Hydro Power Limited	-	-	-	2.40	-	-	-	-	-	-	
Reimbursement of expenses recovered from AD Hydro Power Limited	-	-	6.49	6.21	-	-	-	-	-	-	
Sale of Land to AD Hydro Power Limited	-	-	-	12.00	-	-	-	-	-	-	
Unsecured Loan repaid by AD Hydro Power Limited	-	-	-	1,488.85	-	-	-	-	-	-	
Unsecured Loan given to AD Hydro Power Limited	-	-	-	1,487.12	-	-	-	-	-	-	

(₹ in Lacs)

Nature of Transaction	Holding Company/ Enterprises having significant influence over the Company		Subsidiary/ Fellow subsidiary Company		Key Management Personnel *		Relative of Key Management Personnel		Enterprise over which key management personnel /relative having significant influence	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Balances outstanding as at the year end										
Balances Receivable:										
Investment in AD Hydro Power Limited	-	-	49,295.56	49,295.56	-	-	-	-	-	-
Unsecured Loan recoverable from AD Hydro Power Limited	-	-	46,380.00	46,380.00	-	-	-	-	-	-
Interest amount recoverable on Unsecured Loan	-	-	7,461.13	7,461.13	-	-	-	-	-	-
Balances Payable:										
Guarantees given by the Company on behalf of AD Hydro Power Limited	-	-	8,000.00**	8,000.00**	-	-	-	-	-	-

* Remuneration paid does not include provision made for compensated absences and gratuity as the same are determined for the Company as a whole.

** The Company has also given default corporate guarantee for loan availed by AD Hydro Power Limited, subsidiary company, from IL&FS Infrastructure Debt Fund (IDF) in respect of debenture issued amounting to ₹ 13,098.25 lakhs (previous year ₹7,556.68 lakhs).

29. The Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. As per the information available with the Company and relied upon by the auditors, none of the creditors fall under the definition of 'supplier' as per the Section 2(n) of the Act. In view of the above, the prescribed disclosures under Section 22 of the Act are not required to be made.

30. Leases

In case of assets taken on Operating Lease:

Office premises and vehicle sare obtained on cancellable operating leases. All these leases have a lease term varying between 3 to 5 years. There are no restrictions imposed by lease arrangements. There are no subleases.

PARTICULARS	For the year ended	For the year ended
	31 March 2015	31 March 2014
	(₹ in Lacs)	(₹ in Lacs)
Lease payments for the year	35.32	31.97

31. (a) In 2010-11, the Company had given an upfront premium of ₹ 6,120.00 lakhs for 200 MW Bara Banghal HEP (BBHEP) project in state of Himachal Pradesh. Further, the Company had incurred expenses in the nature of consultant fees and other expenses of ₹ 681.89 lakhs in relation to this project. Approx. 21.46 hectares of land for the said project falls under the Dhauladhar Wildlife Sanctuary, where no construction is permitted. The Company had filed an implement application with the Supreme Court of India for giving direction to the Wildlife Authority for processing and granting the technical clearance for the said project.

Also, the Company has applied for de-notification of area falling under Dhauladhar Wildlife Sanctuary, considering the lengthy process involved and uncertainty of such de-notification, the Company had submitted an application for development of the first phase being of 92 MW to be implemented outside the wild life area. The Government has accorded the approval vide letter dated August 3, 2012 and accordingly, the Company has signed a Supplementary Pre-Implementation Agreement (SPIA) dated December 3, 2012 with the Government of Himachal Pradesh. As per the provision of the SPIA, Detailed Project Report (DPR) was to be submitted by February 03, 2014 for which time extension for a period of one year upto February 03, 2015 was requested in December 2013. Further, extension of two years i.e. upto February 03, 2017 has been requested in January 2015. Accordingly, the Company is hopeful for waiver of extension fee of ₹ 120 Lakhs per annum (i.e. ₹ 360 Lakhs for 3 years). Currently, the Company is in process of carrying out Detailed Project Report and assessing viability for the project after which Implementation Agreement will be signed.

Pending the decision on application by the Supreme Court of India for grant of clearance to the project and in view of uncertainties related to such approvals and significant delays in respect of the project as stated above and in accordance with the terms of the Hydro Policy of the State, the Company, in the year 2010-11, had created a provision of 50% of the upfront premium of ₹ 3,060.00 lakhs and expenses incurred of ₹ 537.76 lakhs. Further, expenses incurred of ₹ 144.13 Lakhs in earlier years have been provided during the current year. Accordingly, total provision of ₹ 3,741.89 lakhs in respect of this project has been made. However, no further adjustments have been made for balance premium of ₹ 3,060 Lakhs in the financial statements in this regard.

- (b) In respect to Bara Banghal Project mentioned above, HPSEB has raised a demand of ₹ 661.05 lakhs incurred by HPSEB on surveys and investigations pertaining to the project (alongwith compounded interest of 10% per annum) which, in the opinion of the management, is due and payable only once the project is assessed as viable and Implementation Agreement is signed. Thus, no provision has been made in the financial statements as of now.

32. The Company has given loan to its subsidiary, AD Hydro Power Limited of which ₹ 53,841.13 lakhs (including interest till September 16, 2010) is outstanding at year end. After, September 16, 2010, no interest has been charged to subsidiary company, in view of waiver of interest by the company, till the time subsidiary company's operations become profitable. Due to continued accumulated losses of subsidiary company, no interest has been charged for the year.

33. Gratuity (AS 15- Revised)

The Company has a defined benefit gratuity plan. Gratuity (being administered by a Trust) is computed as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited with a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet:

Net employee benefits expense (recognised in Employee Cost):

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Current Service Cost	10.18	8.53
Interest cost on benefit obligation	9.52	7.42
Expected return on plan assets	(7.06)	(7.72)
Net actuarial (gain)/ loss recognised in the year	12.39	18.52
Net benefit expense	25.04	26.75
Actual return on plan assets	(16.15)	(7.63)

Details of Provision for Gratuity:

PARTICULARS	As at 31 March 2015 (₹ in Lacs)	As at 31 March 2014 (₹ in Lacs)
Defined benefit obligation	147.28	112.01
Fair value of plan assets	122.24	88.26
Surplus / (Deficit)	(25.04)	(23.75)
Less: Unrecognised past service cost	-	-
Net asset / (liability) recognized in Balance Sheet	(25.04)	(23.75)

Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Opening defined benefit obligation	112.01	92.72
Interest cost	9.52	7.42
Current service cost	10.19	8.53
Benefits paid	(5.92)	(15.09)
Actuarial (gains)/ losses on obligation	21.48	18.43
Closing defined benefit obligation	147.28	112.01

Changes in the fair value of plan assets are as follows:

PARTICULARS	For the year ended 31 March 2015 (₹ in Lacs)	For the year ended 31 March 2014 (₹ in Lacs)
Opening fair value of plan assets	88.26	81.26
Expected return	7.06	7.72
Contributions by employer	23.75	14.46
Benefits paid	(5.92)	(15.09)
Actuarial gains / (losses)	9.09	0.09
Closing fair value of plan assets	122.24	88.26

The defined benefit obligation amounting to ₹ 137.23 lakhs is funded by assets amounting to ₹ 122.24 lakhs and the Company expects to contribute ₹ 18.09 lakhs during the next year.



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

PARTICULARS	For the year ended	For the year ended
	31 March 2015	31 March 2014
	(%)	(%)
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

PARTICULARS	For the year ended	For the year ended
	31 March 2015	31 March 2014
	(%)	(%)
Discount Rate	7.75	8.50
Expected rate of return on assets	8.00	9.50
Future Salary Increase	6.00	6.00
Withdrawal rate	1 to 3	1 to 3

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

Particulars	For the	For the	For the	For the	For the
	year ended	year ended	year ended	year ended	year ended
	31st March	31st March	31st March	31st March	31st March
	2015	2014	2013	2012	2011
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Defined benefit obligation	147.28	112.01	92.72	73.94	54.00
Plan assets	122.24	88.26	81.26	57.02	45.13
Surplus / (deficit)	(25.04)	(23.75)	(11.46)	(16.92)	(8.87)
Experience adjustments on plan liabilities	(11.67)	(18.31)	(5.53)	(10.31)	(3.47)
Experience adjustments on plan assets	(7.77)	(0.09)	2.75	(0.23)	(0.20)

Defined Contribution Plan

PARTICULARS	For the year ended	For the year ended
	31 March 2015	31 March 2014
	(₹ in Lacs)	(₹ in Lacs)
Contribution to Provident Fund	23.88	20.75
Contribution to Superannuation Fund	4.00	3.25
Total	27.88	24.00

Policy on Superannuation

On December 19, 2011, the Company has revised its superannuation benefit policy with effect from April 1, 2009, whereby the annual contribution in respect of each member payable by the employer shall be 15% subject to maximum of ₹ 1.00 lakh per annum. However, as the annual CTC of many employees contains component of superannuation in excess of ₹ 1.00 lakhs, superannuation amount in excess of ₹ 1.00 lakh in CTC is being paid to the employee subject to tax deducted at source.

34. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

PARTICULARS	31 March 2015	31 March 2014
	(₹ in Lacs)	(₹ in Lacs)
Foreign Currency Loan	NIL	NIL

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35. Imported and indigenous stores and spare parts consumed (included under respective heads of statement of profit & loss) :

PARTICULARS	Percentage of total consumption		Value (₹ in Lacs)	
	2014-15	2013-14	2014-15	2013-14
Stores & Spares				
Imported	-	-	-	-
Indigenously obtained	100	100	142.09	73.92
Total	100	100	142.09	73.92

36. Earnings in foreign currency (accrual basis)

PARTICULARS	2014-15 (₹ in Lacs)	2013-14 (₹ in Lacs)
Others (Sale of Voluntary Emission Rights)	16.31	95.07

37. Expenditure in foreign currency, net of TDS (accrual basis)

PARTICULARS	2014-15 (₹ in Lacs)	2013-14 (₹ in Lacs)
Traveling and Conveyance	1.41	10.50
Repair and maintenance – Others	12.12	4.30

38. Corporate social responsibility

- (a) Gross amount required to be spent by the Company during the year – ₹ 31.50 Lakhs
 (b) Amount spent during the year on :

Particulars	In Cash	Yet to be paid in cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than (i) above	5.15	-	5.15

39. Previous year's figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date

For S. R. Batliboi & Co. LLP
 ICAI Firm Registration Number: 301003E
 Chartered Accountants

per Atul Seksaria
 Partner
 Membership No. : 86370

Place : Noida
 Date : 1st September, 2015

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

Ravi Jhunjunwala
 Chairman and Managing Director
 DIN:-00060972

O. P. Ajmera
 CEO & CFO

Tima Iyer Utne
 Director
 DIN:-06839949

Arvind Gupta
 Company Secretary
 M. No.: F7690