

## BOARD OF DIRECTORS

### Chairman

Shri S.Jayaraman

## DIRECTORS

Shri Hans Raj Verma

Shri J.N.Prasanna Kumar

Shri A.R.Ansari

Shri V.Sethuraman

Shri S. Kathiresan

Shri S. Arounassalame

Shri K. Perumal

## REGISTERED OFFICE

“Neyveli House”

No.135, Periyar EVR High Road

Kilpauk

Chennai 600 010

## AUDITORS

M/s.Ramachandran & Murali

Chartered Accountants

No.18 Vathiyar Thottam Main Road

Rangarajapuram

Chennai 600 024

Date of Incorporation :18.11.2005

Date of Commencement

of Business :25.01.2006

Accounting Period:18.11.2005 - 31.12.2006.

## CONTENTS

Directors' Report	3
C&AG Comment	10
Auditors' Report	15
Significant Accounting Policies	19
Balance Sheet	20
Profit & Loss Account	21
Schedules	22
Balance Sheet Abstract & Company's General Business Profile	25

**DIRECTORS' REPORT  
FOR THE FIRST FINANCIAL YEAR FOR THE PERIOD  
FROM THE DATE OF INCORPORATION  
VIZ., 18.11.2005 TO 31.12.2006**

To

The Members,

NLC Tamilnadu Power Limited.

Your Directors have great pleasure in presenting the first Annual Report of your Company together with the Audited Accounts for the period commencing from the date of incorporation, viz., 18<sup>th</sup> November, 2005 to 31<sup>st</sup> December, 2006.

**Formation of the Company**

Neyveli Lignite Corporation Limited (NLC) and Tamilnadu Electricity Board (TNEB) have entered into a Joint Venture Agreement for implementation of a coal based Power project at Tuticorin. Pursuant to the Joint Venture Agreement, your Company was incorporated on 18<sup>th</sup> November, 2005 and the Certificate of Commencement of Business was obtained from the Registrar of Companies, Tamil Nadu on 25<sup>th</sup> January, 2006.

**Project profile**

The Joint Venture Agreement entered into between NLC and TNEB envisages setting up of 1000 MW coal based thermal power plant at Tuticorin, in the State of Tamil Nadu, at an estimated cost of about Rs. 4500 Crores. Power from this Project is to be supplied to the State of Tamil Nadu and other Southern States, in the ratio, as may be finally approved by Ministry of Power. Govt. of India has accorded "Mega Power Status" for the project with some conditions which would benefit the Company in availing certain concessional taxes and duties. NLC is carrying out the pre-project related activities based on the Advance Action Proposal approval granted by the Ministry of Coal for incurring expenditure upto Rs. 18.01 crores.

## 1st Annual Report

With the approval of Standing Linkage Committee (Long Term) of Ministry of Coal, the Mahanadhi Coal Fields Ltd., a Subsidiary Company of Coal India Limited has issued the Letter of Assurance (LoA) to the Company, with a validity of 30 months, for supply of 4.624 mtpa. of "F Grade" coal from the Talcher Coalfields in the State of Orissa.

Memorandum of Understanding (MOU) has been signed with Tuticorin Port Trust (TPT) for leasing of land on long-term basis for the power plant, colony and construction of jetty at Tuticorin.

M/s. Development Consultants Private Limited (DCPL), Chennai was appointed to prepare the Feasibility Report (FR) for the Project. FR approved by the Board of Directors of the Company and also by NLC Board has been forwarded to Ministry of Coal, Govt. of India. The project cost including Interest During Construction (IDC) with Mega Power Project benefits works out to Rs.4654.43 crores (May 2006 price level). This includes a Foreign Exchange component of Rs.745.24 crores (equivalent to US \$ 165.06 millions at an exchange rate of 1 US \$=Rs.45.15).

The Tamil Nadu State Pollution Control Board has given the No Objection Certificate (NOC) for the Project and the NOC along with the recommendations of Tamil Nadu State Coastal Zone Management Authority and other Statutory Clearances have been submitted to Ministry of Environment and Forests for their Clearance.

The Expert Committee of Ministry of Environment & Forests (MOE&F) has examined the project proposal and their recommendation is awaited. Power evacuation system has been finalized during the 22<sup>nd</sup> meeting of Standing Committee on power system planning in Southern region during Aug,2006 and the Power Grid Corporation of India Ltd., (PGCIL) has been requested to formulate the proposal and process the same for investment decision.

## **NLC Tamilnadu Power Limited**

The draft Public Investment Board (PIB) Memorandum has been submitted to the Ministry of Coal by NLC. The approval from the Government of India for this project is awaited. M/s. MECON Ltd., has been appointed as the Project Consultant for this Project. The first unit is expected to be commissioned within 48 months from the date of GOI sanction and the second unit within 53 months from GOI sanction.

### **Power Purchase Agreement (PPA)**

PPA has already been signed with Tamil Nadu Electricity Board, who will be the major beneficiary of the Project and with regard to other SEBs, the process is in advanced stage.

### **Project Funding**

As per the prevalent norms, the project is to be funded in the ratio of 70:30 of debt and equity. The Equity portion will be jointly subscribed by the Promoters viz., NLC and TNEB and the ultimate share holding pattern will be NLC 89% and TNEB 11%.

UTI Bank Ltd has been engaged to prepare the Due Diligence report and to suggest various alternative funding options for the Company and the final report is expected shortly. State Bank of India and UTI Bank Ltd., have given in-principle consent for funding this project. These comfort letters will be of immense help in getting GOI approval for the project.

### **Financial Statement**

The Company was incorporated with a paid-up share capital of 1,00,000 equity shares of Rs.10/- each and subsequently NLC and TNEB have subscribed each further 6,00,000 equity shares of Rs.10/- each for cash at par.

## 1st Annual Report

The key financial details as on 31<sup>st</sup> December 2006 are as under:

	(Rs.in lakhs)
Share Holders' Fund	130.00
Current Liabilities	2.48
	-----
	132.48
	-----
Preliminary Expenses	3.70
Pre-operative Expenses	51.20
Cash and Bank Balances (inclusive of Bank Deposits Rs.75 lakhs)	75.92
Other Current Assets	1.66
	-----
	132.48
	-----

### **Energy Conservation and Research & Development**

The particulars required under Sec.217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 - Not applicable as the project is under formulation and promotion.

### **Statutory Audit**

M/s Ramachandran & Murali, Chartered Accountants, Chennai were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG), for the first accounting period, under Section 619 (2) of the Companies Act, 1956. C& AG's comments are furnished in the Annexure-1.

### **Secretarial Compliance Certificate**

As required under Section 383A of the Companies Act, 1956 a certificate from a Secretary in whole-time practice with regard to compliance of the provisions of the Act, is furnished in Annexure-2.

**Directors' Responsibility Statement as per Section 217(2aa) of the Companies Act, 1956:**

The Board of Directors declares:-

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts on a going concern basis.

**Board of Directors**

Sarvashri S.Jayaraman, Hans Raj Verma, J.N.Prasanna Kumar, A.R.Ansari, V.Sethuraman, V.N. Mathiyalagan, V.Naganathan and N.Nagarajan being the Subscribers to the Memorandum of Association of the Company were deemed to be the First Directors of the Company at the time of incorporation. Sarvashri V.N. Mathiyalagan, V.Naganathan and N.Nagarajan subsequently relinquished their office

## 1st Annual Report

of Directorship. The Board places on record its appreciation for the valuable guidance provided by Sarvashri V.N.Mathiyalagan, V.Naganathan and N.Nagarajan, during their tenure as Directors of the Company. During the year Sarvashri S. Arounassalame, S. Kathiresan and K. Perumal have been appointed as Additional Directors and all the Directors including the Additional Directors were appointed at the Extra-ordinary General Meeting held on 23<sup>rd</sup> March, 2007. Sarvashri V.Sethuraman and J.N. Prasanna Kumar, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

### **Particulars of Employees**

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 – Nil.

### **Acknowledgement**

The Board of Directors of your Company places on record their sincere appreciation for the continued support and guidance extended by the Neyveli Lignite Corporation Limited, Tamil Nadu Electricity Board, Tuticorin Port Trust, Ministry of Coal, Ministry of Power, Ministry of Environment & Forests, Central and State Pollution Control Boards, Central Electricity Authority, Ministry of Industry, Ministry of Labour and Planning Commission and other Departments of Government of



## NLC Tamilnadu Power Limited

India and the State Government of Tamil Nadu.

The Board of Directors of your Company are also pleased to acknowledge with gratitude the co-operation and continued assistance extended by the Government of Tamil Nadu. The assistance and co-operation by the Comptroller and Auditor General of India and the Statutory Auditors need special mention and the Directors acknowledge the same.

for and on behalf of the Board of Directors

**PLACE : Neyveli**  
**DATE : 02.05.2007**

**S. JAYARAMAN**  
**CHAIRMAN**

**ANNEXURE-1**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NLC TAMILNADU POWER LIMITED, CHENNAI FOR THE PERIOD FROM 18.11.2005 TO 31.12.2006.**

The preparation of financial statements of NLC Tamilnadu Power Limited, Chennai for the period from 18.11.2005 to 31.12.2006 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 23.03.2007.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of NLC Tamilnadu Power Limited, Chennai, for the period from 18.11.2005 to 31.12.2006. The supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619 (4) of the Companies Act, 1956.

**For and on behalf of the  
Comptroller and Auditor General of India  
(H. PRADEEP RAO)  
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT**

**Place: Chennai**

**Date: 25.04.2007**

**R.Balasubramaniam**  
**Company Secretary**  
**In Whole-time Practice**  
**C.P.No.1340**  
**Phone 26 26 9826**

**ANNEXURE-2**  
**J Block, 2<sup>nd</sup> Street**  
**Door No.27-A2**  
**Anna Nagar East**  
**Chennai 600 102**  
**19<sup>th</sup> February 2007**

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Company No.TN – 58050  
Authorised Capital : Five crores only    Paid up capital: Rs.1,30,00,000

To

The Members  
NLC TAMILNADU POWER LIMITED  
No.135,Periyar EVR High Road  
Kilpauk, Chennai-600 010.

**COMPLIANCE CERTIFICATE**

I have examined the registers, records, books and papers of M/s NLC TAMILNADU POWER LIMITED as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the period from 18<sup>th</sup> November 2005 (Date of Incorporation) to 31<sup>st</sup> December 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company and its officers, I certify that in respect of the aforesaid financial year:-

1. The company has kept and maintained all registers as stated in Annexure `A` to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure `B` to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company, comments are not required.
4. The Board of Directors duly met Five times respectively on 30.11.2005, 28.03.2006, 26.05.2006, 19.09.2006 and 15.12.2006 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## 1st Annual Report

5. There was no necessity for the company to close its Register of Members, or Debenture holders during the financial year.
6. No Annual General Meeting was held since the Date of Incorporation was 18.11.2005 and the First Annual General Meeting should be held on or before 17.05.2007.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its Directors or persons or firms or companies referred in the Section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. (i) The Company has delivered the Share Certificates on allotment of securities and on lodgment thereof for transfer in accordance with the provisions of the Act.  
(ii) The Company has not deposited any amount in a separate Bank account as no dividend was declared during the financial year.  
(iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.  
(iv) No amount lying in the books of accounts in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.  
(v) Being the first year, the question of complying with the provisions of Section 217 of the Act does not arise during the financial year.
14. The Board of Directors of the company is duly constituted and the appointment of additional directors, have been duly made.
15. The Company has not appointed Managing Director during the financial year.

## NLC Tamilnadu Power Limited

16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and /or such Authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has issued 12 lakhs equity shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited /accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31<sup>st</sup> December 2006.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under scrutiny.

## 1st Annual Report

31. There was no prosecution initiated against or show cause notice received by the Company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has no employee during the financial year and as such Section 418 of the Act is not applicable to the Company.

**Place: CHENNAI**

**NAME :R.BALASUBRAMANIAM**

**Date :19<sup>th</sup> February 2007**

**C. P. No. : 1340**

### **Annexure A**

Registers as maintained by the Company:

1. Minutes Books u/s 193
2. Register of Members u/s 150
3. Register of Directors u/s 303
4. Register of Directors' Shareholdings u/s307
5. Register of Contracts u/s 301
6. Register of Directors' Attendance
7. Register of Transfers

### **Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended 31<sup>st</sup> December 2006:

1. All documents required to incorporate a new company viz., Memorandum and Articles of Association of the company, Form 32, Form 29, Form 18 and Form 1.
2. Form No.20 and Statement in lieu of prospectus to obtain the Commencement of Business filed on 17-01-2006.
3. Statutory Report Form 22 filed on 29-05-2006.
4. Form 2 u/s 75 filed on 19-04-2006.
5. Form 32 u/s 303 filed on 18-10-2006.

**Place: CHENNAI**

**NAME :R.BALASUBRAMANIAM**

**Date :19<sup>th</sup> February 2007**

**C. P. No. : 1340**

**NLC Tamilnadu Power Limited**

**M/s Ramachandran & Murali  
Chartered Accountants**

**3-B Shiyam's Anugraha  
18 Vathiyar Thottam Main Road  
Rangarajapuram  
Chennai 600 024**

**AUDITOR'S REPORT**

**NLC TAMILNADU POWER LIMITED**

1. We have audited the attached Balance Sheet of **NLC TAMILNADU POWER LIMITED**, as at 31<sup>st</sup> December, 2006, the Profit and Loss Account for the period from 18<sup>th</sup> November, 2005 to 31<sup>st</sup> December, 2006 annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The balance sheet & profit and loss account dealt with by this report are in agreement with the books;

## 1st Annual Report

- iv. In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act,1956.
- v. On the basis of written representations received from the directors, as on 31<sup>st</sup> December 2006, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> December, 2006 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act,1956.
- vi. In our opinion and to the best of our information & according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> December 2006;
  - b. In the case of the Profit and Loss Account, of the Profit for the period 18<sup>th</sup> November 2005 to 31<sup>st</sup> December 2006.

**PLACE:CHENNAI**  
**DATE :23-03-2007**

**for M/S RAMACHANDRAN & MURALI**  
**CHARTERED ACCOUNTANTS**  
**(R.MURALIDHARAN)**  
**M.No:26705**  
**PARTNER**



**ANNEXURE TO AUDITOR'S REPORT**

Referred to in paragraph 3 of our report of even date,

- (i) The Company does not have any fixed assets.
- (ii) The Company does not have any inventories.
- (iii) The Company has not granted loans to companies covered in the Register maintained under section 301 of the companies Act, 1956 . The Company has not borrowed money from the Parties listed under Sec 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of Section 58A and Section 58 AA of the Companies Act and the Companies (Acceptance of Deposit) Rules 1975 is not applicable to the company at present.
- (v) In our opinion, the system of Internal Audit is not applicable to the company at present.
- (vi) In our opinion, the system of maintenance of cost records is not applicable to the company at present .
- (vii) In our opinion, the Company does not have accumulated losses as on 31.12.2006. The company has not incurred cash losses during the financial year covered by our audit.
- (viii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (ix) In our opinion, the company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (x) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xi) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.

## 1st Annual Report

- (xii) In our opinion, the company has not availed any term loans during the period covered by the audit.
- (xiii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xiv) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xv) The Company has not raised any public issue of shares.
- (xvi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**PLACE:CHENNAI**  
**DATE :23-03-2007**

**for M/S RAMACHANDRAN & MURALI**  
**CHARTERED ACCOUNTANTS**  
**(R.MURALIDHARAN)**  
**M.No:26705**  
**PARTNER**

**SIGNIFICANT ACCOUNTING POLICIES**

**I. Revenue Recognition**

Revenue recognition is in accordance with Accounting Standard - 9.

**II. Preliminary Expenses**

Preliminary Expenses comprising company incorporation expenses are charged off over a period of 10 years.

**III. Pre-operative Expenses**

Pre-operative expenditure includes expenditure on feasibility study, Statutory clearances etc., to be added to the capital cost of the projects as and when implemented.

**1st Annual Report**

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER, 2006.**

	Schedule	As at 31.12. 2006 Rs.
<b>SOURCES OF FUNDS:</b>		
<b>Shareholders' Funds</b>		
Share Capital	1	13000000
<b>TOTAL</b>		<b>13000000</b>
 <b>APPLICATION OF FUNDS:</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Cash and Bank Balances	2	7592257
Other Current Assets	3	<u>165518</u>
		7757775
<b>Less: Current Liabilities &amp; Provisions</b>		
Current Liabilities	4	<u>248406</u>
<b>Net Current Assets</b>		7509369
<b>Miscellaneous Expenditure &amp; Losses (To the extent not written off)</b>		
Preliminary Expenses	5	370431
Pre operative expenses	6	5120200
<b>TOTAL</b>		<b>13000000</b>

The Schedules referred to above and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

**for and on behalf of the Board**

**J.N. Prasanna Kumar**  
Director  
Place: Chennai

**S.Jayaraman**  
Chairman  
Date: 23.03.2007

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

**for M/s Ramachandran & Murali**  
Chartered Accountants.  
(R.Muralidharan)  
Partner  
Place: Chennai

Date: 23.03.2007

**NLC Tamilnadu Power Limited**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
FROM 18<sup>TH</sup> NOVEMBER 2005 TO 31<sup>ST</sup> DECEMBER 2006**

	Schedule	For the period ended 31.12.2006  Rs.
<b>INCOME:</b>		
Other Income:		
Interest on Deposits (Includes TDS Rs.26,974)		258749
	(A)	<b>258749</b>
<b>EXPENSES:</b>		
Administrative Expenses	7	96376
	(B)	<b>96376</b>
Surplus (A - B)		<b>162373</b>
Less: Preliminary expenses written off		<u>41159</u>
Balance carried to Pre-operative expenses		<b>121214</b>
Notes on Accounts	8	
Cash Flow Statement	9	

The Schedules referred to above and the significant Accounting Policies annexed form an integral part of the Profit and Loss Account.

**for and on behalf of the Board**

**J.N. Prasanna Kumar**  
Director  
Place: Chennai

**S.Jayaraman**  
Chairman  
Date: 23.03.2007

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

**for M/s Ramachandran & Murali**  
Chartered Accountants.  
(R.Muralidharan)  
Partner  
Place: Chennai

Date: 23.03.2007

## 1st Annual Report

	As at 31.12. 2006 Rs.
<b>SHARE CAPITAL</b>	<b>SCHEDULE-1</b>
<b>Authorised</b>	
5000000 Equity Shares of Rs.10 each	50000000
<b>Issued, Subscribed and Paid Up</b>	
1300000 Equity shares of Rs.10 each fully paid	<u>13000000</u>
	<b><u>13000000</u></b>
 <b>CASH AND BANK BALANCES</b>	 <b>SCHEDULE-2</b>
With Scheduled Bank	
In Current Account	92207
In short-term Deposit	7500000
Cash on hand	<u>50</u>
	<b><u>7592257</u></b>
 <b>OTHER CURRENT ASSETS</b>	 <b>SCHEDULE – 3</b>
Interest accrued on Deposits but not due	138544
Tax Deduction at Source	<u>26974</u>
	<b><u>165518</u></b>
 <b>CURRENT LIABILITIES</b>	 <b>SCHEDULE-4</b>
NLC - NIOT Balance payable	168360
EMD refundable	68822
Audit fees payable	<u>11224</u>
	<b><u>248406</u></b>
 <b>PRELIMINARY EXPENSES</b>	 <b>SCHEDULE-5</b>
Company Incorporation expenses	411590
Less: Written off	<u>41159</u>
	<b><u>370431</u></b>

**NLC Tamilnadu Power Limited**

	<b>As at 31.12. 2006 Rs.</b>
<b>PRE-OPERATIVE EXPENSES</b>	<b>SCHEDULE-6</b>
Soil Investigation	754608
EIA/EMP Report	271890
Application Form fees	222
Public hearing fees	70000
Scrutiny fees - CRZ	2000000
Feasibility Report	543242
Mathematical Model study	617120
Field survey expenses	647612
NIOT - Survey	336720
	5241414
Less: Profit and Loss Account	<u>121214</u>
	<b><u>5120200</u></b>
	<b>for the period ended 31.12.2006 Rs.</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>SCHEDULE-7</b>
Bank charges	2245
Legal expenses	10000
Printing & Stationery	16964
ROC Filing fees	2278
Travelling expenses	31854
Miscellaneous expenses	21811
Audit fees	<u>11224</u>
	<b><u>96376</u></b>
<b>NOTES ON ACCOUNTS</b>	<b>SCHEDULE 8</b>
1. No Previous year figures have been given as this is the first accounting period.	

## SCHEDULE-9

**CASH FLOW STATEMENT FOR THE PERIOD  
FROM 18<sup>TH</sup> NOVEMBER 2005 TO 31<sup>ST</sup> DECEMBER 2006**

	<b>Rs.</b>
<b>A. Cash flow from Operating activities</b>	
Net Profit before tax	121,214
Less: Adjustment for Interest Income	258,749
Add: Preliminary expenses written-off	41,159
Operating Profit before Working Capital Adjustment	(96,376)
Adjustment for other Current Liability	248,406
<b>Net Cash from operating activities (a)</b>	<b>152,030</b>
<b>B. Cash flow from Investing Activities</b>	
Preliminary Expenses	(5,653,004)
Interest Received	93,231
<b>Net Cash used in Investing Activities (b)</b>	<b>(5,559,773)</b>
<b>C. Cash flow from Financing Activities</b>	
Share Capital received	13,000,000
<b>Net Cash used/received in financing Activities (c)</b>	<b>13,000,000</b>
<b>Net increase/Decrease in Cash &amp; Cash Equivalent (a+b+c)</b>	<b>7,592,257</b>
<b>Cash &amp; Cash Equivalent on 18.11.2005</b>	<b>---</b>
<b>Cash &amp; Cash Equivalent on 31.12.2006</b>	<b>7,592,257</b>

figures in bracket indicate cash outflow



## NLC Tamilnadu Power Limited

Part III of Schedule VI inserted by G.S.R. No. 388(E)(F No. 3/24/94CLY) dated 15.05.1995

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details:

Registration No. U40102TN2005PLC058050

State Code : 18

**Balance-sheet Date :** 31 12 2006  
Date Month Year

#### II. Capital Raised during the year (Amount in Rs. Thousands)\*:

Public Issue

Rights Issue

-

-

Bonus Issue

Private Placement (Shares issue to Promoters)

-

12000

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) :

Total Liabilities

13000

Total Assets

13000

#### Source of Funds:

Paid-up Capital

130000

Reserves & Surplus

Nil

Secured Loans

Nil

Unsecured Loans

Nil

Deferred tax liability

Nil

#### Application of Funds:

Net Fixed Assets

Nil

Investments

Nil

Net Current Assets

7509

Misc. Expenditure

5491

Accumulated Losses

Nil

#### IV. Performance of company (Amount in Rs. Thousands) :

Turnover

Nil

Total Expenditure

137

(+)Profit/(-)Loss Before Tax

121

(+)Profit/(-)Loss after Tax

121

Earning per share in Rs.

Nil

Dividend @ %

Nil

#### V. Generic Names of three Principal Products/Services of Company: (as per monetary terms)\*\* :

Item Code No. (ITC Code) : -

Product Description : -

\* Excluding shares subscribed by the Subscribers to the Memorandum of Association.

\*\*The company is yet to start operation.

# 1<sup>st</sup> ANNUAL REPORT

## 2005-2006



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**NLC TAMILNADU POWER LIMITED**

Regd. office: 'Neyveli House', 135, Periyar EVR High Road, Chennai - 600 010.  
Corp. Office: Block -1, Neyveli-607 801. Tamil Nadu

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