



BOARD OF DIRECTORS

Shri J.N. Prasanna Kumar
Shri S. Machendranathan
Shri A.R. Ansari
Shri V. Sethuraman
Shri S. Kathiresan
Shri K. Govindaraju

CHIEF EXECUTIVE OFFICER

Shri S. Rajagopal

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.



CONTENTS

Directors' Report	3
C&AG's Comment	6
Compliance Certificate	7
Auditor's Report	11
Significant Accounting Policies	13
Balance Sheet	14
Profit & Loss Account	15
Schedules	16
Balance Sheet Abstract & Company's General Business Profile	20



**DIRECTORS' REPORT
FOR THE FINANCIAL YEAR 2007-2008**

To
The Members,
NLC Tamil Nadu Power Limited

Your Directors have great pleasure in presenting the second Annual Report of your Company together with the Audited Accounts for the 15 months period ended 31st March, 2008.

Project Profile

Your Company has proposed to set up a coal based power plant with a capacity of 1000 MW at Tuticorin, at an estimated cost of Rs.4909.54 crore. The project has been accorded with the "Mega Power" status which would entail the Company to avail certain concessional duties.

Ministry of Coal vide letter No.4301/154/2006/CPAM dated 12.05.2008 has conveyed the sanction for the Tuticorin Power project for implementation through this Joint Venture Company. As per the above sanction, Unit-1 is to be implemented within 46 months from the date of sanction and Unit-2 within 51 months from the date of sanction.

In order to expedite implementation of the project, pending sanction by the Government, NLC, the Promoter Company, has initiated tendering activities in respect of Main Plant Package and other major packages and the same are under processing.

Project Funding

As per the prevalent norms, the project is to be funded in the ratio of 30:70 of equity and debt. The equity portion will be jointly subscribed by the Promoters viz., NLC and TNEB in the ratio of 89% and 11% respectively. With regard to debt requirements for the project, your Company is in the process of tying up of the same with various financial institutions/ bankers.

Project Consultancy

The Project Consultancy Contract has been awarded to M/s MECON Ltd.

Land

Tuticorin Port Trust (TPT) has agreed to lease 133 hectare of land required for the project on long-term lease basis and an MoU has been signed with TPT and accordingly advance payment of Rs. 5.00 crore has been paid to TPT. Re-location of sheds and re-routing of underground pipelines of other Companies are in process. Purchase of required land for ash dyke is in process.

Coal Linkage

Coal linkage for the Project has been established with Mahanadhi Coalfields Limited (MCL), subsidiary Company of Coal India Limited and execution of Fuel Supply Agreement (FSA) with MCL for the supply of coal to the tune of 4.624 MTPA is in process.



Power Allocation & Evacuation

Central Electricity Authority has tentatively allocated the power from the project to the Southern States and Power evacuation scheme has been finalised. Power Grid Corporation of India Limited (PGCIL), who is the agency for erection of 400 KV evacuation system, is in the process of formulating the proposal for taking up the work.

Power Purchase Agreement (PPA)

PPA has been signed with Tamil Nadu Electricity Board, ESCOMs of Karnataka State, Puducherry Electricity Department and Kerala State Electricity Board, being the beneficiaries of the Project.

Financial Statement

During the year, the Authorised Share Capital of the Company was increased to Rs.20 crore from Rs.1.30 crore for the purpose of issue of further equity shares to the Promoter Companies, viz., NLC and TNEB, as per the approval accorded by Members at the Extra-ordinary General Meeting held on 30.10.2007. The above said additional further equity shares will be issued and allotted to the Promoter Companies shortly.

The key financial details as on 31st March, 2008 are as under :

	(Rs.in lakh)
Shareholders' Fund	130.00
Current Liabilities	719.18
Total	<u>849.18</u>
Preliminary Expenses	3.29
Pre-operative Expenses	811.67
Cash & Bank Balances	32.98
Other Current Assets	1.24
Total	<u>849.18</u>

Energy Conservation and Research & Development

Particulars under Sec. 217(1)(e) of Companies Act, 1956-Not applicable as the project is under implementation.

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 financial year 2007-08, under Section 619 (2) of the Companies Act, 1956. The Board of Directors of the Company have fixed Rs.20,000/- as the Statutory Audit fees in addition to reimbursement of actual out of pocket expenses.

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 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.

Secretarial Compliance Certificate

The Secretarial Compliance Certificate obtained pursuant to Section 383A of the Companies Act, 1956 and rule 3(2) of the Companies (Compliance Certificate) Rules, 2001 are annexed forming part of Directors' Report.

Board of Directors

During the year Sarvashri Hans Raj Verma, K.Perumal and S.Arounassalame, Directors relinquished their office. Shri N.Sasikumar who was inducted into the Board as an Additional Director on 21.07.2007 relinquished his office on 27.03.2008. The Board places on record its appreciation for the valuable guidance provided by Sarvashri Hans Raj Verma, K.Perumal, S.Arounassalame and N.Sasikumar, during their tenure as Directors of the Company.

Shri K.Govindaraju and Shri S. Machendranathan were inducted into the Board as Additional Directors in the Board Meeting held on 30.10.2007 and 27.03.2008 respectively.

Sarvashri J.N.Prasanna Kumar and **V.Sethuraman**, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible they 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 place 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 & Forest, Central Electricity Authority, Ministry of Industry, Ministry of Labour and Planning Commission.

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, the Statutory Auditors and Central and State Pollution Control Boards need special mention and the Directors acknowledge the same.

for and on behalf of the Board of Directors

PLACE : Chennai
DATE : 26.05.2008

S. JAYARAMAN
CHAIRMAN

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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, FOR THE PERIOD FROM 01.01.2007 TO 31.03.2008

The preparation of financial statements of NLC Tamilnadu Power Limited, Chennai for the period from 01.01.2007 to 31.03.2008 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 26.05.2008.

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 01.01.2007 to 31.03.2008. This 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

LATA MALLIKARJUNA

Principal Director of Commercial Audit
and Ex. Officio Member Audit Board, Chennai

Place : Chennai
Date : 02.07.2008

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

J Block, 2nd Street
Door No.27-A2
Anna Nagar East
Chennai 600 102
8th May 2008

Company No.U40102TN2005PTC058050
Authorised Capital : Rupees Twenty crores only
Paid up capital: Rs.1,30,00,000

To
The Members,
NLC Tamil Nadu 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 1st January, 2007 to 31st March, 2008. 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 is a public limited Company, and hence restrictions on the (i) maximum number of Members (ii) invitation to public to subscribe for shares or debentures and (iii) invitation/ acceptance of any deposits from persons other than its Members, Directors or their relatives are not applicable.
4. The Board of Directors duly met five times respectively on 23.03.2007, 08.05.2007, 21.07.2007, 30.10.2007 and 27.03.2008 and 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.
5. There was no necessity for the Company to close its Register of Members, or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended 31.12.2006, was held on 08.05.2007 after giving due notice to the members of the Company as prescribed under the Act and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.



7. Two Extra-ordinary General Meetings were held during the financial year on 24.03.2007 and 30.10.2007 after giving due notice to the members of the Company as prescribed under the Act and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
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 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 application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors and Additional Directors, have been duly made.
15. The Company is not required to appoint Managing Director since the paid-up capital of the Company is within the ceiling prescribed under the Act.
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 not issued equity shares during the financial year.
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 31st March, 2008.
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 altered the provisions of the Memorandum of Association of the Company after obtaining approval of members at the Extra-ordinary General Meeting held on 30.10.2007 with respect to Authorised Share Capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has altered its Articles of Association after obtaining approval of Members at the Extra-ordinary General Meeting held on 30.10.2007 and the amendments to the Articles of Association have been duly registered with the Registrar of Companies.
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 employees during the financial year and as such Section 418 of the Act is not applicable to the Company.

Place : CHENNAI
Date : 8th May 2008

R.BALASUBRAMANIAM
C. P. No. : 1340

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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/s 307
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 31st March, 2008 :

1. Form 32 filed u/s 303 for :
 - (i) appointment of Sarvashri.S.Jayaraman, Hans Raj Varma, J.N.Prasanna Kumar, A.R.Ansari, V.Sethuraman, S.Kathiresan, K.Perumal and S.Arounassalame as Directors at the EGM held on 24.03.2007 filed on 03.04.2007.
 - (ii) appointment of Shri.N.Sasikumar as an Additional Director and relinquishment of Shri.K.Perumal, Director at the Board Meeting held on 21.07.2007 filed on 17.08.2007.
 - (iii) appointment of Shri.K.Govindaraju as an Additional Director and relinquishment of Shri.S.Arounassalame at the Board Meeting held on 30.10.2007 filed on 17.11.2007.
 - (iv) appointment of Shri.S.Machendranathan as an Additional Director and relinquishment of Sarvashri. Hans Raj Verma and N.Sasikumar, Directors at the Board Meeting held on 27.03.2008 filed on 04.04.2008.
2. Form 20B under Section 159 - Annual Return filed on 05.07.2007.
3. Form 23 AC under Section 220 – Balance Sheet & 23 ACA – Profit and Loss Account filed on 21.05.2007.
4. Form 66 under Section 383A - Compliance Certificate filed on 21.05.2007.
5. Form 23 filed for Special Resolution passed at the Extra-ordinary General Meeting held on 30.10.2007 and filed on 17.11.2007.
 - (i) under Section 94 & 16 - for increasing the Authorised Share Capital of the Company from Rs.5 crores to Rs.20 crores and relevant amendment to Clause V of the Memorandum of Association of the Company.
 - (ii) under Section 31 - Amendment to Article 5 of the Articles of Association of the Company consequent to increase in the Authorised Share Capital from Rs.5 crores to Rs.20 crores.
6. Form 5 under Section 97 - for increase in the Share Capital of the Company filed on 19.01.2007.

Place : CHENNAI
Date : 08.05.2008

R.BALASUBRAMANIAM
C. P. No. : 1340



Ramachandran & Murali
Chartered Accountants

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

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of NLC Tamil Nadu Power Limited, as at 31st March, 2008, the Profit and Loss Account for the period from 1st January, 2007 to 31st March, 2008 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 mis-statement. 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 and 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 and profit and loss account dealt with by this report are in agreement with the books;
 - (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 representation received from the Directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 and 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 31st March, 2008;
 - (b) In the case of the Profit and Loss Account, of the Profit for the period from 1st January 2007 to 31st March 2008.

for M/s Ramachandran & Murali
Chartered Accountants

R.MURALIDHARAN
Partner
M.No. 26705

PLACE : Chennai
DATE : 26.05.2008



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 Section 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 58AA 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 31.03.2008. 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 benefits 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.
- (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 has 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.

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

R.MURALIDHARAN,
Partner
M.No. 26705

PLACE : Chennai
DATE : 26.05.2008



SIGNIFICANT ACCOUNTING POLICIES

1. Revenue Recognition

Revenue Recognition is in accordance with Accounting Standard-9.

2. Preliminary Expenses

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

3. 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.

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**NLC TAMIL NADU POWER LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2008****(Rupees)**

	Schedule	As at 31 st March 2008	As at 31 st Dec. 2006
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	13000000	13000000
TOTAL		13000000	13000000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Cash and Bank Balance	2	3297643	7592257
Other Current Assets	3	124864	165518
		3422507	7757775
Less : Current Liabilities & Provision			
Current Liabilities	4	71918472	248406
Net Current Assets		(-) 68495965	7509369
MISCELLANEOUS EXPENDITURE & LOSSES			
(To the extent not written off)			
Preliminary expenses	5	329272	370431
Pre-operative Expenses	6	81166693	5120200
TOTAL		13000000	13000000

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 : 26.05.2008

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

for M/s. **RAMACHANDRAN & MURALI**

Chartered Accountants

R. MURALIDHARAN
Partner

M.No. 26705

Place : Chennai

Date : 26.05.2008



SHARE CAPITAL (Rupees)
SCHEDULE-1

	As at 31 st March 2008	As at 31 st Dec. 2006
Authorised		
200,00,000 Equity Shares of Rs. 10/- each	200000000	50000000
Issued, Subscribed and Paid - up	<u> </u>	<u> </u>
13,00,000 Equity Shares of Rs. 10/- each fully paid	130000000	130000000

CASH AND BANK BALANCES **SCHEDULE-2**

With Scheduled Bank in Current Account	3294771	92207
With Scheduled Bank in Short - Term Deposit	---	7500000
Cash on hand	2872	50
	<u> </u>	<u> </u>
	3297643	7592257

OTHER CURRENT ASSETS **SCHEDULE-3**

Interest accrued on Deposits but not due	---	138544
Tax Deduction at Source	124864	26974
	<u> </u>	<u> </u>
	124864	165518

CURRENT LIABILITIES **SCHEDULE-4**

NLC balance payable	71827178	168360
EMD refundable	68822	68822
Audit fee payable	22472	11224
	<u> </u>	<u> </u>
	71918472	248406

PRELIMINARY EXPENSES **SCHEDULE-5**

Company Incorporation Expenses	411590	411590
Less : Written - off in 1 st Annual Accounts	41159	41159
Written - off in 2 nd Annual Accounts	<u>41159</u>	<u> </u>
	82318	---
	<u> </u>	<u> </u>
	329272	370431



PRE-OPERATIVE EXPENSES	(Rupees)	
	As at 31st March 2008	As at 31st Dec. 2006
Soil Investigation	1969304	754608
EIA-EMP Report	286200	271890
Application/Certification/Fees/Expenses	760880	222
Public Hearing Fees	70000	70000
Security Fees - CRZ	2000000	2000000
Feasibility Report	588242	543242
Mathematical Model Study	617120	617120
Field Survey Expenses	647612	647612
NIOT - Survey	336720	336720
Professional fees	15153	---
IIT-Consultancy (Civil works)	112240	---
UTI-Banks-DDR	668185	---
M/s. MECON-Project Consultancy Services	3334733	---
M/s. SERC-Chennai-Wind fall study	2330347	---
Tuticorin Port Trust	5000000	---
M/s. Central Warehousing Corporation	2000000	---
M/s. IOC Chennai	1000000	---
M/s. TML, M/s. VTM	6569000	---
	<u>82305736</u>	<u>5241414</u>
Less : Profit & Loss A/C 2005-06	121214	121214
	<u>82184522</u>	<u>5120200</u>
Less : Profit & Loss A/C 2007-08	1017829	---
	<u>81166693</u>	<u>5120200</u>

ADMINISTRATIVE EXPENSES	SCHEDULE-7	
	For the period from 01.01.2007 to 31.03.2008	For the period from 18.11.2005 to 31.12.2006
Bank Charges	2763	2245
Legal Expenses	---	10000
Printing & Stationery	4128	16964
ROC Filing Fees	---	2278
Travelling Expenses	242463	31854
Miscellaneous Expenses	51060	21811
Audit Fees	22472	11224
	<u>322886</u>	<u>96376</u>



NOTES ON ACCOUNTS

SCHEDULE-8

1. Previous year figures refer to a period of 13 Months and 12 days and Current year figures represent a period of 15 months.
2. The Company has entered into Agreement with various Parties who were occupants of the project site at Tuticorin Port Trust. The Company has finalised the compensation for relocating them and the status of the unfulfilled obligations are as under which are not due.

(Rs. in lakhs)

Name of the Company	Compensation as per Agreement	Paid	Balance
Tamilnadu Warehousing Corp. Ltd.	234.42	20.00	214.42
Indian Oil Corp. Ltd.	421.15	100.00	321.15
Thiyagarajar Mills Ltd.	31.83	31.83	-
Virudhunagar Textiles Mills Ltd.	33.86	33.86	-

3. The Company has entered into MoU with Tuticorin Port Trust (TPT) for allotment of 133 hectares of Port land. TPT has provisionally allotted on long term lease on upfront premium basis vide Ir. dated 14.08.2007. The Company has to pay a sum of Rs.4849.71 lakhs towards the "upfront premium" and after adjustment of advance of Rs.500 lakhs already paid, the balance amount of Rs.4349.71 lakhs has to be paid to TPT.
4. The Company has entered into an Agreement with M/s.MECON, RANCHI for rendering Project Consultancy Services and the value of the contract is Rs.1049.24 lakhs and Euro 339000. An amount of Rs. 33.35 lakhs being progressive claim has been paid as on 31.03.2008 and the balance has to be paid in various stages as per contract conditions.
5. Particulars of remuneration paid to employees in excess of Rs. 2.00 lakhs per month or Rs.24.00 lakhs per annum during the year.
For the whole period - NONE
For part of the period - NONE

- ❖ ❖ ❖ -



**CASH FLOW STATEMENT FOR THE PERIOD
FROM 1ST JANUARY 2007 TO 31ST MARCH 2008**

(Rupees)
SCHEDULE-9

		For the period from 01.01.2007 to 31.03.2008	For the period from 18.11.2005 to 31.12.2006
A. Cash flow from Operative Activities			
Net profit before Tax		1017829	121214
Less : Adjustment for Interest Income		297688	258749
Add : Preliminary Expenses written off		41159	41159
Operative profit before working capital adjustment		761300	(-) 96376
Adjustment for other current liability		71670066	248406
Net cash from operating activities	(a)	72431366	152030
B. Cash flow from Investing Activities			
Preliminary/Pre-operative expenses		(77064322)	(5653004)
Interest received		338342	93231
Net cash used in Investing Activities	(b)	(-) 76725980	(-)5559773
C. Cash flow from financing activities			
Share Capital Received		---	13000000
Net Cash used/received in financing activities(c)		---	13000000
Net Increase/Decrease in Cash & Cash Equivalent	(a+b+c)	(-)4294614	7592257
Cash & Cash Equivalent on 31.12.2006		7592257	7592257
Cash & Cash Equivalent on 31.03.2008		3297643	---

Figures in bracket indicate cash outflow.



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.

U	4	0	1	0	2	T	N	2	0	0	5	P	L	C	0	5	8	0	5	0
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 State Code

-	1	8
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Balance-sheet Date

3	1	0	3	2	0	0	8
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II. Capital raised during the year (Amount Rs. in thousands)

Public Issue	- - - - -	Rights Issue	- - - - -
Bonus Issue	- - - - -	Private Placement (Shares Issue to Promoters)	- - - - -

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in thousands)

Total Liabilities	1	3	0	0	0	Total Assets	1	3	0	0	0	
Source of Funds												
Paid up Capital	1	3	0	0	0	Reserves & Surplus	-	-	-	-		
Secured loans	-	-	-	-	-	Un Secured Loans	-	-	-	-		
Deferred Tax Liability	-	-	-	-	-							

Application of Funds

Net Fixed Assets	-	-	-	-	-	Investments	-	-	-	-	
Net Current Assets	(-)	6	8	4	9	Misc. Expenditure	8	1	4	9	
Accumulated Losses	-	-	-	-	-						

IV. Performance of Company (Amount Rs. in thousands)

Turnover	-	-	-	-	-	Total Expenditure	3	2	3
(+) profit/(-)Loss Before Tax	1	0	1	8	-	(+) profit/(-) Loss After Tax	1	0	1
Earning per share in Rs.	-	-	-	-	-	Dividend @ %	-	-	-

V. Generic Names of three principal Products/Services of Company (as per monetary terms)*

Item Code No. (ITC Code)	-
Product Description	-

* The Company is yet to start operation.