



BOARD OF DIRECTORS

CHAIRMAN

Shri. A.R.Ansari

DIRECTORS

Shri. R.Kandasamy

Shri. K.Sekar

Shri. J.Mahilselvan

Shri. P.Soma Shekar Reddy

Shri. K.Balasubramanian

CHIEF EXECUTIVE OFFICER

Shri. S.Rajagopal

COMPANY SECRETARY

Shri. R.Jayasarathy

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.

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DIRECTORS' REPORT FOR THE YEAR 2009-10

To
The Members,
NLC Tamilnadu Power Limited

Your Directors have great pleasure in presenting the fourth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2010.

Project

The Ministry of Coal vide letter No.4301/154/2006/CPAM dated 12.05.2008 has conveyed the sanction for implementation of coal based 2x500 MW power project at Tuticorin at a GOI sanctioned cost of Rs.4909.54 crore. Land admeasuring 133 hectares have been allocated for this project by Tuticorin Port Trust (TPT). Coal linkage for this project has been established with Mahanadi Coalfields Limited (MCL), the Subsidiary of Coal India Limited. As per the sanction of Government, Unit-I is to be implemented within 46 months from the date of sanction and Unit-II within 51 months from the date of sanction.

Status of Project Implementation

In respect of Main plant package of Steam Generator, Turbo Generator and Electrostatic Precipitator, the contract has been awarded to M/s. BHEL during the month of January 2009. M/s. BHEL has since commenced civil works for Boiler and ESP foundations and the supplies are also in progress. Other major contracts for this project viz., Coal Handling package, Circulating Water System package, Bi-flue Chimney package, Transformer package and Natural Draft Cooling Towers package have been awarded. Piling work for on shore and off shore conveyors in respect of Coal Handling package is under progress. In respect of other packages, award of work is under finalisation. The Project Consultancy contract has been awarded to M/s. MECON Ltd. As regards coal handling for the project it is proposed to have a dedicated coal berth for which the work has been entrusted to Tuticorin Port Trust and the work is under progress.

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 is being 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 had entered into a rupee term loan agreement with M/s. Rural Electrification Corporation Limited (REC) for Rs.3,437 crore and the borrowing as on 31.03.2010 was Rs 271.92 crore.

With a view to reduce the cost of debt, your Company has proposed to replace the REC loan partially with a Term Loan of Rs.2500 crore from Bank of Baroda and Bank of India consortium. The above consortium has offered to fund at a lower interest rate as compared to REC loan and



because of this there would be a substantial savings on interest outgo which ultimately would result in reduced power tariff for end consumers. The balance debt requirement has been proposed to be partially tied up through External Commercial Borrowings and through other forms of borrowing viz., issue of bonds etc.

Power Allocation & Evacuation

Central Electricity Authority has tentatively allocated the power from the Project to the Southern States and Power Purchase Agreement (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.

Power Grid Corporation of India Limited (PGCIL) is implementing 400 KV power evacuation systems for this project.

Financial Statement

During the year 2009-10, NLC and TNEB the Promoter Companies have been allotted further equity shares for an aggregate value of Rs. 200 crore. Further a sum of Rs. 155 crore has been received from NLC as on 31st March, 2010 towards share application money for allotment of further equity shares.

The key financial details as on 31.03.2010 are as under:

(Rs.in lakh)		
Share capital		30000.00
Share application money pending for allotment		15500.00
Secured loan		27192.07
Current liabilities		16696.32
Total		89388.39
Fixed Assets		44.99
Capital work in progress		54334.83
Advances		30131.27
Current Assets:		
Cash & Bank Balances	184.77	
Other Current Assets	4690.06	4874.83
Preliminary Expenses		2.47
Total		89388.39



Energy Conservation and Research & Development

Not applicable as the project is under implementation.

Audit Committee

The Audit Committee of the Company has been reconstituted and presently Shri K. Sekar, Director, is the Chairman of the Committee and Shri K. Balasubramanian and Shri R. Kandasamy, Directors are its members.

Statutory Audit

M/s. Ramachandran & Murali, Chartered Accountants, Chennai has been appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2009-10, under Section 619 (2) of the Companies Act, 1956. The Board of Directors of the Company have fixed Rs.40,000/- as the Statutory Audit Fees for the year 2009-10 in addition to reimbursement of out of pocket expenses at actual.

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 construction expenditure incurred 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.J.N.Prasannakumar and V.Sethuraman relinquished the office of Directorship held by them on 30.09.2009 and 31.03.2010 respectively on superannuating from NLC. Shri S.Rammohan, Director nominated by NLC had relinquished from the Board of the Company with effect from 01.06.2010 on relinquishment from the Board of NLC on completion of three year tenure as per the terms of appointment issued by GOI. The Board places on record its appreciation for the valuable guidance provided by Sarvashri J.N.Prasannakumar, V.Sethuraman and S.Rammohan during their tenure as Directors of the Company. Shri R.Kandasamy, Director (P&P) of NLC and Shri K.Sekar Director (Finance) of NLC were inducted into the Board as Additional Directors w.e.f. 24.09.2009 and 01.10.2009 respectively. Shri K.Balasubramanian, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself 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 & 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 support extended by the Government of Tamil Nadu. The co-operation and support 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 : 06.07.2010

A. R. ANSARI
CHAIRMAN



Annexure

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 year ended 31st March, 2010.

The preparation of financial statements of NLC Tamilnadu Power Limited, Chennai for the year ended 31st March, 2010 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 4th May, 2010.

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 year ended 31st March, 2010. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to enquiries 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.

Place : Chennai
Date : 11.06.2010

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



RAMACHANDRAN & MURALI,
Chartered Accountants
3-B, Shiyams Anugraha,
18, Vathiyar Thottam Main Road,
Rangarajapuram, Chennai - 600 024.

AUDITORS' REPORT
NLC TAMILNADU POWER LIMITED

1. We have audited the attached Balance Sheet of **NLC TAMILNADU POWER LIMITED**, as at 31st March, 2010, the Profit and Loss Account for the year ended 31st March, 2010 and the Cash Flow Statement for the year ended on that date 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 (Auditors' 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 ;



- (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) In terms of Government of India, Ministry of Finance, Department of Company Affairs Notification No. GSR 829 (E) dated 21st October, 2003, Government Companies are exempt from the applicability of provisions of Section 274 (1) (g) 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, 2010;
- (b) In the case of the Profit and Loss Account, of the excess of expenditure (construction) for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for M/s. RAMACHANDRAN & MURALI

Chartered Accountants
Firm Regn. No. 002867S

C.S.GOVINDARAM

PARTNER
M.No. 201902

Place : Chennai
Date : 04.05.2010



ANNEXURE TO AUDITORS' REPORT

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

- (i) (a) The Company has proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year, the Company has not disposed off any part of the plant and machinery.
- (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) The Company has adequate internal control system commensurate with the size and nature of its business for purchase of fixed assets.
- (v) (a) The Company has not granted / taken any loan from Companies, firms and other parties listed under Section 301 of the Companies Act, 1956.
 - (b) There are no transactions of purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs.5,00,000 or more.
- (vi) 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.
- (vii) The Company has an Internal Audit System commensurate with its size and nature of its business.
- (viii) In our opinion, the system of maintenance of cost records is not applicable to the Company at present.
- (ix) The Company does not have any liabilities of statutory dues.



- (x) In our opinion, the Company does not have accumulated losses as on 31.03.2010. The Company has not incurred cash losses during the financial year covered by our audit. The Company is in the phase of construction.
- (xi) The Company is not in default in repayment of dues to Bank/Financial Institutions.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiv) 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 (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the Company has availed term loans during the year covered by the audit and the same is applied for the purpose for which it was raised.
- (xvii) The Company has not used any fund raised on short term basis on long term investment.
- (xviii) 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 .
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the Company had not issued any debentures.
- (xx) The Company has not raised any money through public issue of shares.
- (xxi) 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
Firm Regn.No.002867S

C.S.GOVINDARAM

PARTNER
M.No.201902

Place : Chennai
Date : 04.05.2010

SIGNIFICANT ACCOUNTING POLICIES

I. Fixed Assets

Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, duties, freight and installation.

II. Depreciation

i. Depreciation on Fixed Assets is provided under straight line method as indicated below:-

Description of Assests Covered	Basis
Furniture & Equipment used in Guest House	At technically assessed rates
Other Assests	At the rates prescribed in Schedule XIV of the Companies Act, 1956

ii. In the year of commissioning of assets, depreciation is calculated on pro-rata basis, based on the number of months for which asset has been put in to use.

III. Intangible Assets

Computer Application Softwares acquired for an amount of less than Rs.10 lakh are Capitalised as intangible assests and amortised over a period of 5 years.

IV. Revenue Recognition

Revenue recognition is in accordance with Accounting Standard 9.

V. Foreign Currency Transaction

Transactions in Foreign Exchange are accounted for at the exchange rates prevailing on the date of transaction.

VI. Preliminary Expenses

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

VII. Capital Work-in-Progress

The expenditure relating to Feasibility Study, Statutory Clearances and other enabling works of the project were treated as Pre-operative Expenditure in the previous year. As these expenditures are in the nature of enabling works this has been considered as Capital Work-in-Progress.

VIII. Borrowing Cost

Borrowing Cost (net of interest earned on temporary investments) specifically attributable to the project fixed assets will be capitalised along with the cost of such assets.



BALANCE SHEET AS AT 31st MARCH, 2010

(Rs.in lakh)

	Schedule	As at 31 st March 2010	As at 31 st March 2009
SOURCE OF FUNDS			
Shareholders' Fund			
Share Capital	1	30000.00	10000.00
Share Application money pending for Allotment		15500.00	0.00
Loan Funds			
Secured Loan	2	27192.07	15265.00
TOTAL		<u>72692.07</u>	<u>25265.00</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	51.14	8.63
Less: Provisions for Depreciation		6.15	0.29
Net Block		44.99	8.34
Capital Work-in-Progress		54334.83	7152.25
Advance for Capital Items		30131.27	15709.69
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balance	4	184.77	2999.02
Loans and Advances	5	4690.06	1.25
		4874.83	3000.27
Less : Current Liabilities & Provisions			
Current Liabilities	6	16696.32	608.43
Net Current Assets		(11821.49)	2391.84
Misellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary expenses	7	2.47	2.88
		<u>72692.07</u>	<u>25265.00</u>

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

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

K. SEKAR
DIRECTOR

A.R. ANSARI
CHAIRMAN

Place : Chennai

Date : 04.05.2010

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

For M/s.RAMACHANDRAN & MURALI

Chartered Accountants
Firm Regn.No.002867S

C.S. GOVINDARAM
Partner

M.No.201902

Place : Chennai

Date : 04.05.2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs.in lakh)

	Schedule	For the year ended 31 st March 2010	For the year ended 31 st March 2009
INCOME			
Other Income			
Interest on Deposit (includes TDS of Rs. 6.92 lakh)		43.81	0.00
Interest on Others		1.31	0.00
Recovered - Rent		8.18	0.00
Others		3.71	5.65
TOTAL		57.01	5.65
EXPENSES			
Employees' Remuneration and Benefits	8	226.15	9.16
Interest - REC Loan		2715.65	0.00
Depreciation		6.15	0.29
Other Expenses	9	550.76	9.17
TOTAL		3498.71	18.62
Surplus/(Deficit)		(3441.70)	(12.97)
Preliminary expenses written off		0.41	0.41
Transferred to Capital Work-in-Progress Accounts		(3442.11)	(13.38)

The Schedules referred to above, notes on accounts and the Significant Accounting Policies annexed form an integral part of the Profit and Loss Account.

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

K. SEKAR
DIRECTOR

A.R. ANSARI
CHAIRMAN

Place : Chennai

Date : 04.05.2010

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

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

Chartered Accountants
Firm Regn.No.002867S

C.S. GOVINDARAM
Partner

M.No. 201902

Place : Chennai

Date : 04.05.2010



SHARE CAPITAL

(Rs.in lakh)
SCHEDULE-1

	As at 31.03.2010	As at 31.03.2009
a. Authorised		
1800000000 Equity Share of Rs.10/- each	<u>180000.00</u>	<u>180000.00</u>
b. Issued, Subscribed and Paid-up		
300000000 Equity Share of Rs.10/- each fully paid-up	<u>30000.00</u>	<u>10000.00</u>
c. Share Application money pending for Allotment	<u>15500.00</u>	<u>0.00</u>
	<u>45500.00</u>	<u>10000.00</u>

SECURED LOAN

SCHEDULE-2

	As at 31.03.2010	As at 31.03.2009
Rural Electrification Corporation Ltd. - Term Loan	<u>27192.07</u>	<u>15265.00</u>

The Term Loan of Rs. 343700 lakhs is secured by pari-passu charge on project fixed assets financed.

FIXED ASSETS

SCHEDULE-3

Description	Gross Cost				Depreciation			Net Value		
	As at 31.03.2009	Additions	Deletions	As at 31.03.2010	As at 31.03.2009	Withdrawals	For the Year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Plant & Machinery	3.70	12.27	0.00	15.98	0.29	0.00	1.74	2.02	13.96	3.41
Furniture & Equipment	4.93	22.53	0.00	27.46	0.00	0.00	1.05	1.05	26.41	4.93
Vehicles	0.00	4.97	0.00	4.97	0.00	0.00	0.35	0.35	4.62	0.00
Assets costing Rs.5000 and below	0.00	2.73	0.00	2.73	0.00	0.00	2.73	2.73	0.00	0.00
Total	8.63	42.50	0.00	51.14	0.29	0.00	5.87	6.15	44.99	8.34

CASH AND BANK BALANCES

SCHEDULE-4

	As at 31.03.2010	As at 31.03.2009
Cash, Cheques and Demand Drafts on hand With Scheduled Bank in Current Accounts	<u>0.00</u>	<u>0.07</u>
Canara Bank, Kilpauk, Chennai - Escrow A/C	<u>0.05</u>	<u>0.00</u>
Canara Bank, Kilpauk, Chennai	<u>0.14</u>	<u>2993.64</u>
Canara Bank, Tuticorin	<u>12.56</u>	<u>4.74</u>
Canara Bank, Neyveli	<u>1.26</u>	<u>0.57</u>
State Bank of India, Tuticorin	<u>170.76</u>	<u>0.00</u>
	<u>184.77</u>	<u>2999.02</u>



(Rs in lakh)

LOANS AND ADVANCES**SCHEDULE-5**

	As at 31.03.2010	As at 31.03.2009
Advances recoverable in cash or in kind or for value to be received		
Unsecured		
Considered Good	4682.17	0.00
Tax deducted at source	7.89	1.25
	<u>4690.06</u>	<u>1.25</u>

CURRENT LIABILITIES & PROVISIONS**SCHEDULE-6**

	As at 31.03.2010	As at 31.03.2009
Sundry creditors and accrued expenses	189.45	253.83
Liabilities for capital works	16190.43	0.00
Other liabilities	308.17	354.60
Interest accrued but not due (REC loan)	8.27	0.00
	<u>16696.32</u>	<u>608.43</u>

PRELIMINARY EXPENSES**SCHEDULE-7**

	As at 31.03.2010	As at 31.03.2009
(To the extent not written off or adjusted)		
Preliminary project expenditure	2.88	3.29
Less: Written off	0.41	0.41
	<u>2.47</u>	<u>2.88</u>

EMPLOYEES' REMUNERATION AND BENEFITS**SCHEDULE-8**

	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Salaries, Wages and incentives	203.90	9.16
Contribution to provident and other funds	21.45	0.00
Welfare expenses	0.80	0.00
	<u>226.15</u>	<u>9.16</u>



(Rs. in lakh)

OTHER EXPENSES

SCHEDULE- 9

	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Petrol & diesel	0.65	0.00
Rent	2.91	0.00
Rent for lease hold land (TPT)	431.09	0.00
Licence fee	0.10	0.00
Repairs & maintenance	14.75	0.00
Travelling expenses	24.31	1.48
Payment to auditors		
Audit fees	0.44	0.22
Audit certification fees	0.11	0.06
Out of pocket expenses	0.04	0.00
Miscellaneous expenses	76.36	7.41
	<u>550.76</u>	<u>9.17</u>

NOTES ON ACCOUNTS

SCHEDULE-10

Sl. No.	Subject in brief	For the year ended 31 st March 2010
1	Estimated value of contracts remaining to be executed on capital accounts not provided for	360292.05
2.	Capital works-in-progress includes capital goods in transit	4814.50
3.	Borrowing cost kept under capital work-in-progress	3101.82
4.	The details of foreign exchange payment made during the year (Euro 66000 and US \$ 622149)	348.15

Figures of the previous year have been re-grouped wherever necessary.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in lakh)

	For the year ended 31 st March 2010	For the year ended 31 st March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(3441.70)	(13.38)
Adjustments for :		
Add : Depreciation	6.15	0.29
Preliminary expenses written off	0.41	0.41
Less : Interest income	45.12	0.00
Operating Profit before working capital changes	(3480.26)	(12.68)
Adjustments for working capital		
Loans and advances	(4688.81)	0.00
Current liabilities	16087.89	(110.75)
Net Cash from operating activities	7918.82	(123.43)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(42.51)	(8.63)
Preliminary / pre-operative expenses	0.00	(6327.20)
Advance for capital items	(14421.58)	(15709.69)
Capital work-in-progress	(43741.17)	0.00
Interest received	45.12	0.00
Net cash used in investing activities	(58160.14)	(22045.52)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan	11927.07	15265.00
Issue of shares	20000.00	9870.00
Share application money pending for allotment	15500.00	0.00
Net cash used/received in financing activities	47427.07	25135.00
Net cash increase/decrease in cash and cash activities	(2814.25)	2966.05
Cash and cash equivalents as at the beginning of the year	2999.02	32.97
Cash and cash equivalents as at the end of the year	184.77	2999.02

Note:- (-) indicates cash outflow

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY
Place : Chennai

K. SEKAR
DIRECTOR

A.R. ANSARI
CHAIRMAN
Date : 04.05.2010

This is the Cash Flow Statement referred to in our report of even date.

For M/s.RAMACHANDRAN & MURALI

Chartered Accountants
Firm Regn.No.002867S

C.S. GOVINDARAM
Partner
M.No.201902

Place : Chennai
Date : 04.05.2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No

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 State Code

-	1	8
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 Balance Sheet Date

3	1	0	3	2	0	1	0
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Date Month Year

II. Capital raised during the year (Amount Rs. in thousands):

Public Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	Rights Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	2	0	0	0	0	0	0	0
-	-	-	-	-	-	-	-												
2	0	0	0	0	0	0	0												
Bonus Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	Share Application Money Pending for Allotment	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	1	5	5	0	0	0	0	0
-	-	-	-	-	-	-	-												
1	5	5	0	0	0	0	0												
		Private Placement	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-								
-	-	-	-	-	-	-	-												

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

Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>2</td><td>6</td><td>9</td><td>2</td><td>0</td><td>7</td></tr></table>	7	2	6	9	2	0	7	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>2</td><td>6</td><td>9</td><td>2</td><td>0</td><td>7</td></tr></table>	7	2	6	9	2	0	7
7	2	6	9	2	0	7											
7	2	6	9	2	0	7											

Sources of Funds:

Paid-up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	3	0	0	0	0	0	0	0	Reserves and Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
3	0	0	0	0	0	0	0												
-	-	-	-	-	-	-	-												
Share Application Money Pending for Allotment	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	1	5	5	0	0	0	0	0	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
1	5	5	0	0	0	0	0												
-	-	-	-	-	-	-	-												
Secured Loan	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>7</td><td>1</td><td>9</td><td>2</td><td>0</td><td>7</td></tr></table>	2	7	1	9	2	0	7											
2	7	1	9	2	0	7													
Deferred tax liability	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-										
-	-	-	-	-	-	-	-												

Application of Funds :

Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>4</td><td>9</td><td>9</td></tr></table>	4	4	9	9	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
4	4	9	9												
-	-	-	-	-	-	-	-								
Capital Work-in-progress	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>4</td><td>3</td><td>3</td><td>4</td><td>8</td><td>3</td></tr></table>	5	4	3	3	4	8	3	Misc. Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>4</td><td>7</td></tr></table>	2	4	7		
5	4	3	3	4	8	3									
2	4	7													
Advance for Capital items	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>0</td><td>1</td><td>3</td><td>1</td><td>2</td><td>7</td></tr></table>	3	0	1	3	1	2	7							
3	0	1	3	1	2	7									
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>(-)</td><td>1</td><td>1</td><td>8</td><td>2</td><td>1</td><td>4</td><td>9</td></tr></table>	(-)	1	1	8	2	1	4	9						
(-)	1	1	8	2	1	4	9								
Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-						
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IV. Performance of Company (Amount Rs. in thousands):

Turnover	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	Total Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>4</td><td>9</td><td>8</td><td>7</td><td>1</td></tr></table>	3	4	9	8	7	1
-	-	-	-	-	-	-	-										
3	4	9	8	7	1												
(+) Profit / (-) Loss Before Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> *	-	-	-	-	-	-	-	-	(+) Profit / (-) Loss After Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-			
-	-	-	-	-	-	-	-										
-	-	-															
Earning per share in Rs.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	Dividend @ %	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-			
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V. Generic Names of three principal products/services of Company : (as per monetary terms):*

Item Code No. (ITC Code)

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 Product Description

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* The Company is yet to start operation. Being construction stage, all transaction have been transferred to Capital work-in-progress.