



NLC TAMILNADU POWER LIMITED

**7th Annual Report
2012 - 2013**

Vision

“To emerge as environmental friendly and socially responsible leading Power Company and strive for operational excellence in Power Generation.”

Mission

- i. To strive towards greater cost competitiveness and work towards continued financial strength;
- ii. To continually imbibe best practices from the best Indian and International Organisations engaged in Power Generation;
- iii. To play an active role in society and be sensitive to emerging environmental issues.

**CHAIRMAN**

Shri. B. Surender Mohan

DIRECTORS

Shri. R.Kandasamy

Shri. Rakesh Kumar

Shri. S. Rajagopal

Shri. T.Jeyaseelan

Shri. Manoj Kumar Sharma

Prof. P. Mannar Jawahar

Prof. T.Kumar

PRINCIPAL BANKERS

Bank of Baroda

Bank of India

Allahabad Bank

Syndicate Bank

Dena Bank

Punjab & Sind Bank

Indian Bank

Corporation Bank

Bank of Maharashtra

Oriental Bank of Commerce

State Bank of India

Canara Bank

Central Bank of India

CHIEF EXECUTIVE OFFICER

Shri. C. Ramachandran

COMPANY SECRETARY

Shri. R.Jayasarathy

REGISTERED OFFICE

'Neyveli House',
No.135, Periyar EVR High Road,
Kilpauk, Chennai - 600 010.

STATUTORY AUDITOR

R. Gopalakrishnan & Co.,
Chartered Accountants,
No.13 (Old No.7), Arcot Street,
T. Nagar, Chennai - 600 017.

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2012-2013

To

The Members,
NLC Tamil Nadu Power Limited

Your Directors have great pleasure in presenting the Seventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2013.

Project

Vide letter No.4301/154/2006/CPAM dated 12.05.2008, the Ministry of Coal has conveyed the GOI approval for implementation of coal based 2x500 MW Thermal Power Project at Tuticorin at an estimated cost of Rs.4909.54 crore. The time schedule for commissioning of the project for Unit-I is within 46 months and Unit-II is within 51 months from the date of sanction. Based on the present progress of the implementation of the Project, the anticipated schedule for commissioning of Unit-I is December 2013 and Unit-II is March 2014 as against the original schedule of commissioning of March, 2012 and August, 2012 respectively, Project works are being closely monitored to expedite commissioning of the units.

Land

V.O. Chidambaranar Port Trust (VOCPT) formerly Tuticorin Port Trust (TPT) has allotted their Land admeasuring 127.465 hectares for implementation of the above project and also for colony. In this regard Long term Lease Agreement for 30 years has been entered into between the Company and VOCPT. Government of Tamil Nadu has accorded administrative sanction on 23.12.2011 to acquire Land to the extent of 286.21 acres through private negotiation for ash dyke requirement for this Project. As the private land owners have raised objections, request was made to the District Collector to acquire the land under "Tamil Nadu Acquisition of land for Industrial Purpose Act, 1997 (Tamil Nadu Act, 10 of 1999).

Status of Project Implementation

The contract for Main Plant Package of Steam Generator, Turbo Generator and Electrostatic Precipitator, has been awarded to BHEL. Hydro test for Unit-I Boiler and Unit-II Boiler have been completed in September 2012 and November 2012 respectively. Civil construction, Structural fabrication and mechanical erection works are in progress. Coal handling package has been awarded to M/s L&T are under progress. Major works have been completed and certain mechanical erection works are in progress.

The works relating to other major packages viz., Ash Handling System, Circulating Water System, Desalination and Water Treatment Plant, Bi-flue Chimney, Natural Draft Cooling Tower, Switch Yard, Power Transformer, Fire Protection System and Shore un-loader are all under progress. In respect of coal washery and logistics Letter of Award (LOA) was issued to M/s. Sical Logistics Limited.

Construction of coal berth (North Cargo Berth-1) for the Company has been entrusted to VOCPT on deposit work basis. This berth will be put to dedicated use of the Company for handling the Coal requirement for the project. Construction of dedicated coal jetty for transportation of coal to the power

plant was completed and handed over to the Company on 04.10.2012. The Project Consultancy Contract has been entrusted with MECON Limited.

The cumulative expenditure incurred for the Project upto 31.03.2013 was Rs. 4128.29 crore. The overall physical progress of the project as on 31.03.2013 was at 70.60% as against the target of 99.23%.

Miscellaneous Works

The works in respect of general civil works for Hydrogen Generation Plant & Fire Station Buildings, Storm water pumping arrangement and inter plant communication, circulating water make up system and out fall system, Sea water RCC intake channel and out fall pipeline are in progress. Works such as construction of compound wall, approach roads, security office, administrative office, construction of guest house and residential buildings (Township) have been completed.

Coal Linkage

Coal linkage for this project has been provided from Mahanadi Coalfields Limited (MCL), the subsidiary Company of Coal India Limited. MCL has issued Letter of Assurance (LOA) to supply of 3.0 million ton of "F" grade coal per annum for this Project. Coal is proposed to be transported from Odisha by rail-cum-sea route through Paradip Port. With regard to balance requirement other sources for imported/indigenous coal are being explored. For entering into Fuel Supply Agreement (FSA) with MCL, one of the conditions prescribed by MCL is to obtain 'No Objection Certificate' from the Forest Department with regard to the land taken on lease from VOCPT for this Project. The Forest department had raised the issue of forest land involved in the Project and the forest department has been requested to declassify the 'Kaadu' (forest land) as 'port land' since the land has been in VOCPT's possession for more than 80 years. The Forest department declined to concede the request of VOCPT citing Hon'ble Supreme Court of India, Forest Bench judgment under Forest Conservation Act, 1980. Further, Hon'ble Supreme Court of India on 13.11.2000 in I.A.No.2 in W.P.(civil) 337/1995 has reiterated that no de-reservation of Forest/ Sanctuary/ National Park shall be effected till the disposal of the Writ.

At the meeting held on 26.03.2013, the Chief Secretary/ GoTN also requested VOCPT to approach the Hon'ble Supreme Court of India for obtaining clearance from the Forest Department. In view of the above, this issue is being closely followed with VOCPT, CMD/TANGEDCO and Government of TamilNadu at various levels. Based on the request made by the Company, Standing Linkage Committee for Coal (Long term/MOC) has recommended to extend the validity of LOA for a further period of one year (i.e. up to 23.09.2013).

Environmental Clearance for the project

The Ministry of Environment and Forest (MoE&F) has issued Environmental clearance on 13.06.2007, with a validity of 5 years. Subsequently an extension of further period of 5 years up to 12.06.2017 was granted by stipulating additional conditions. One of the stipulations in the Environmental clearance issued by MoEF is to obtain clearance under Wildlife (Protection) Act, 1972 and the same is being followed up. In the meeting of the Standing Committee of the



National Board for wild life (NBWL), New Delhi, held on 20.03.2013 the proposal for the above was not considered since the recommendation of the state wild life Board was not available. Since no such Board is in existence at present in Tamil Nadu, the CMD/TANGEDCO has taken up the issue with Additional Chief Secretary to Govt.of TamilNadu, Environment and Forest Department, for constitution of the state wild life Board. The CMD/TANGEDCO has also requested the Environment and Forest Department to move MoE&F/GOI to notify the proposal submitted by the Chief Wild Warden, TamiNadu for the revised boundaries of the eco sensitive zone of the Gulf of Mannar National Marine Park in the official gazette to enable the Company to get wild life /Coastal Regulation Zone (CRZ) clearance for the project. Expert Appraisal Committee (EAC) on Infrastructure and Miscellaneous Projects & CRZ clearance has recommended for issuance of clearance for the project under Coastal Regulation Zone Notification, 1991 and the final clearance is awaited.

Project Funding

As per the prevalent norms, the project is to be funded with equity and debt in the ratio of 30:70 respectively. As on 31st March, 2013 the total paid-up equity share capital of Rs.1200 crore has been subscribed by the Promoters viz. NLC Limited and TANGEDCO.in the ratio of 89:11. Towards the project requirement, further share capital of Rs.100 crore has been offered to the Promoters as Rights share in the ratio of Equity shares held by them. Against the above rights issue, as on 31.03.2013, Rs. 42 crore has been received from the NLC. With regard to the debt requirement of Rs.3437 crore, the Company had already tied.up a rupee term loan agreement with consortium of bankers led by Bank of Baroda for Rs.2500 crore and for the balance requirement of Rs.937 crore, the Company has entered into another rupee term loan agreement with consortium of bankers led by Bank of India. As on 31.03.2013, the aggregate rupee term loan availed by the Company was Rs.2890 crore.

Revised cost Estimate

As per Government of India's guidelines on mandatory review , when funds to the extent of 50% of the approved cost are released, the Project authorities and the Administrative Ministries are required to have a mandatory review of the cost estimates of the Project for upward revision. Since the total expenditure incurred for the Project exceeded 50% of the sanctioned cost, mandatory review of the Project was taken up as per Government of India's guidelines by updating the Project cost to September,2012 price level. The anticipated cost (September 2012 base) works out to Rs.6540.93 crore with commissioning schedule of Unit-I by December,2013 and Unit-II by March,2014 respectively. The increase in the cost of the Project is mainly due to cost over run as well as time over run in the Project. The Board has approved the revised cost estimate for the Project and the same has been submitted to the Government for its approval.

Power Allocation & Evacuation

Central Electricity Authority has fixed the allocation of power from the Project to the beneficiaries viz., TANGEDCO, ESCOMs of Karnataka State, Puducherry Electricity Department, Kerala State Electricity Board, DISCOMS of Andhra Pradesh. Based on this, Power Purchase Agreement (PPA) has been signed with all beneficiaries. Power Grid Corporation of India Limited-(PGCIL) is implementing 400 KV power evacuation systems for this project and their works have been completed.

Financial Statement

The key financial details as on 31.03.2013 are as under:

(Rs in Lakh)

	2012-13	2011-12
I EQUITY AND LIABILITIES		
Share Capital	120000.00	50000.00
Reserves and Surplus	(4.12)	(4.12)
Share Application money pending for Allotment	4200.00	34150.00
Long Term Borrowings	276500.00	193889.79
Other Long Term Liabilities	38309.71	25185.37
Other Current Liabilities	34453.67	23900.71
Total	473459.26	327121.75
II ASSETS		
Fixed Assets	6341.06	6472.25
Capital Work-in-progress	457624.07	301707.74
Loan Term Loans & Advance	8735.75	17233.70
Current Assets:-		
i.Cash and Bank Balances	344.99	1203.34
ii.Short Term Loans and Advances	413.39	504.72
Total	473459.26	327121.75

Energy Conservation and Research & Development
Energy Conservation

The distribution of capacitor banks in construction power supply saved the consumption of electricity to the tune of Rs.1.03 crore.

Research & Development

Not applicable as the project is under implementation.

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.

Corporate Social Responsibility (CSR)

During the year, as a Corporate Social Responsibility measures, the Company has initiated a part of green belt development programme to comply with environmental requirement and planted saplings. The Company is taking measures to maintain a safe working environment through implementation of safety procedure.



Management Discussion & Analysis Report and Report on Corporate Governance

Management Discussion & Analysis Report is furnished in Annexure-1. The report on Corporate Governance together with the Auditor's Certificate on the compliance of Corporate Governance conditions stipulated as per DPE Guidelines on Corporate Governance is furnished in Annexure – 2 & 3 respectively.

Auditors

Statutory Audit

M/s R.Goplakrishnan & Co., Chartered Accountants, Chennai have been appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2012-13, under Section 619 (2) of the Companies Act, 1956. The Board of Directors of the Company have fixed Rs.70,000/- plus service tax as the Statutory Audit fees for the year 2012-13 in addition to reimbursement of out of pocket expenses at actual.

C&AG Comments

C&AG Comments on the accounts for the year ended 31st March, 2013 are furnished in Annexure - 4.

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

The Board of Directors declares:-

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the Directors had prepared the annual accounts on a going concern basis.

Board of Directors

Sarvashri.M.B.N.Rao, J. Mahilselvan and P. Soma Shekar Reddy have relinquished their office of Directors of the Company with effect from 27.02.2013, 01.03.2013 and 03.04.2013 respectively. Shri.S.Rajagopal, Director(Power)/NLC representing NLC and Shri. Manoj Kumar Sharma, Director/MOC representing Ministry of Coal, have been inducted into the Board as Additional Directors with effect from 01.03.2013 and 03.04.2013 respectively.

The Board places on record its appreciation for the valuable guidance provided by Sarvashri M.B.N Rao, J. Mahilselvan and P. Soma Shekar Reddy during their tenure as Directors on the Board of the Company.

Shri T. Jeyaseelan and Prof. P. Mannar Jawahar, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.



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, TNEB Limited, TANGEDCO, VO Chidambaranar Port Trust, Ministry of Coal, Ministry of Power, Ministry of Environment & Forest, Ministry of Surface Transport, Ministry of Shipping and Transport, Ministry of Industry, Ministry of Labour, Planning Commission, Central Electricity Authority, Central Electricity Regulatory Commission and Consortium of Bankers.

The Board of Directors of your Company is pleased to acknowledge with gratitude, the co-operation and continued support extended by the Government of TamilNadu, District Administration and the Statutory Authorities concerned. The co-operation and support by the Comptroller and Auditor General of India, the Statutory Auditors, Internal Auditor 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 : Neyveli
DATE : 06.08.2013**

**B.SURENDER MOHAN
CHAIRMAN**



Management Discussion and Analysis Report

Industry Structure and Development

Power

Electricity is an essential need for all facets of life. Since Independence, though there has been growth of power sector in India, still the demand for Power has been outstripping the growth of its availability. As electricity is one of the key factors for the economic growth, the National Electricity Policy is aiming to improve the availability of electric power to the consumers without any hindrance to them so as to improve the socio-economic development of the Country. As on 31.03.2013, the Installed Generation capacity of Coal based Thermal Power Stations in the Country was 130220.89 MW, which is 58.3% of the total Installed capacity of 223343.60 MW. In order to improve the availability of power, the Government has been taking necessary steps by way of providing certain concessional measures and reforms to the power sector so as to accelerate the power generation.

Demand

In our Country, during the year 2012-13 the power availability was 908574 MU as against the requirement of 995500 MU with the deficit of 8.7% and in the peak hours the deficit was 9% at the power supply deficit of 12159 MW. As per 17th Electric Power Survey of India, the electrical energy demand for 2016-17 is expected to be at least 1392 Tera Watt Hours with a peak demand of 218 GW and demand for 2021-22 is expected to be at least 1915 Tera Watt Hours with a peak demand of 298 GW. If current average transmission and distribution losses remain same, India needs to add about 135 GW of power generation capacity before the year 2017, to satisfy the projected demand. The consumption of power is anticipated to be increased in manifold due to rapid industrialization, growth in population, increasing economic activity, infrastructure development etc.

Production

The aggregate all-India installed capacity of electric power generating stations as on 31.03.2013 was 223343.60 MW as against 199627.03 MW as on 31.03.2012. The electricity generation from all sources increased from 876 BU in 2011-12 to 911 BU in the year 2012-13 with a growth rate of around 4%.

Strength

- The Company has defined Vision, Mission and Values.
- The Promoter Companies viz. Neyveli Lignite Corporation Ltd., (NLC) and Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO) have best exposure and expertise in implementation of power projects.
- Experienced Management team with skilled manpower.
- Good financial support.
- High Demand for electric power.
- Commitment to meet the requirements of various beneficiaries.

Weakness

- Dependent on external supplier for supply of Coal.
- Delay in execution of the project by the contractors.
- Delay in obtaining statutory clearances such as Forest & Environment clearances for entering into Fuel Supply Agreement.

Opportunities

- Growing demand for power consumption and availability of power supply in the Country.
- To supply electric power to meet the requirement of rural & urban locations continues to be the main goal of the Government.
- Advanced latest high efficiency technology for power sector ensuring lesser consumption of fuel and lesser emission levels.
- Establishment of power Exchanges and Regional Power Grid for ensuing better distribution of power from one region to another region.
- Various concessions/reliefs to the power sector industries initiated by the Government of India, leads to accelerate the power generation in order to achieve the envisaged economic growth rate.

Threats

- Limited domestic manufacturers of power equipments and their delay in completion of the work.
- Dependence on foreign countries due to limited domestic manufacture of power equipment.
- Volatility of Coal price and also its inadequate availability.
- Stringent norms being set by the Regulators.

Segment-Wise Performance

Company is not a multi-segmented Company.

Outlook**Power****Coal based Thermal Power Project**

Your Company is presently implementing 2x500 MW coal based Thermal Power Project at Tuticorin in Tamilnadu. Capacity addition or establishment of new Power projects will be considered after completion of implementation of the present project and at appropriate time.

Risks and Concerns

- Delay in obtaining the Forest & Environment clearance would make further delay in entering into Fuel Supply Agreement (FSA).
- Delay in implementation of the project, consequent to delay in supply and erection by the contractors on account of excessive orders in their hand.
- Delay in acquisition of required land from the Private parties may affect the further progress of the project.



- Stringent environmental protection norms lead to relatively higher input cost of power plant equipment for new projects, which in turn enhances the cost of power generation.
- Escalating cost of new power plants due to increase in demand for power sector equipments/ due to cost and time over run.
- Stringent operational norms prescribed by the Regulatory Authorities for the purpose of fixing the tariff. Any adverse changes on the tariff policy would have a material impact on the profitability of the Company.

Internal control systems and their adequacy

The Internal Audit is conducted by an external firm of Chartered Accountants covering all the areas of operations and the report is periodically reviewed by the Audit Committee. The Company has adequate internal control systems and procedures commensurate with its size and nature of business. Audit Committee monitors the financial reporting process through review of periodical financial statements.

Audit Committee also periodically interacts with Internal and Statutory Auditors to assess the adequacy of internal control systems. Further, the accounts of the Company are subject to C&AG audit in addition to the propriety audit conducted by them.

Power Tariff

Central Electricity Regulatory Commission (CERC) constituted under the Electricity Regulatory Commission Act, 1998, determines the Power tariff for generating Companies owned or controlled by Central Government and generators selling power to more than one State.

Discussion on Financial Performance

Covered in the Main Report

Material developments in Human Resources, Industrial Relations front, including number of people employed

Human Resource

Human Resource is considered as the valued resource for the success of the organisation and hence utmost priority is given for the development of Human Resource by conducting in-house training. The total manpower deployed in the Company as on 31.03.2013 was 132.

Industrial Relation

Industrial relations scenario was generally cordial and peaceful during the year 2012-13.



REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements**Company's philosophy on Code of Corporate Governance**

Transparency, accountability and integrity are the main ingredients of good Corporate Governance. Your Company as a corporate citizen adheres to the standards of good corporate governance in letter and spirit.

Board of Directors

The Board of Directors of your Company is headed by a Non-executive Chairman. The composition of Board of Directors of the Company as approved by the Government of India is as under:-

i. Directors representing NLC in ex-officio capacity	4
ii. Director representing Ministry of Coal	1
iii. Director representing TNEB (TANGEDCO)	1
iv. Independent Directors	3
a. Independent Director from NLC Board	1
b. Other Independent Directors	2
Total	9

Consequent to the resignation of one Independent Director (appointed by NLC Board) w.e.f. 27.02.2013, the composition of Board of Directors of the Company as on 31.03.2013 was not in conformity with the composition as approved by the Government of India.

The particulars of Board of Directors as on 31st March, 2013 and other details are furnished as under:

Sl. No.	Name (Sarvashri)	Other Directorships held as on 31.03.2013	Other Committee* Membership held as on 31.03.2013	
			As Member	As Chairman
Directors representing NLC				
1	B. Surender Mohan	2	-	-
2	R. Kandasamy	3	1	-
3	Rakesh Kumar	2	1	-
4	S. Rajagopal	1	-	-
Director representing TANGEDCO				
5	T. Jeyaseelan	6	-	-
Director representing Ministry of Coal				
6	P.SomaShekar Reddy	1	-	-
Independent Directors				
7	Prof.P. Mannar Jawahar	-	-	-
8	Prof. T. Kumar	1	-	-

*Audit Committee and Shareholders' Grievance Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions, subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative and financial powers by the Board of Directors. Any proposal beyond the



powers of CEO and particularly major decisions involving high value capital expenditure, annual plans, award of major contracts, mobilisation of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to all human resource matters are decided only at the Meetings of the Board/ Sub-committee of the Board as the case be applicable.

Date of Board Meetings and Directors' Attendance

During the financial year 2012-2013 seven meetings of the Board of Directors were held on the following dates:-

8th May 2012, 13th June 2012, 21st July 2012, 21st August 2012, 21st September 2012, 17th November 2012 and 11th February 2013.

Generally, at least one Board Meeting is held in every three months and minimum four such meetings are held every year and the time gap between two board meetings did not exceed three months.

The details of attendance of Directors at the Board Meetings held during the financial year 2012-13 were as under:-

Name (Sarvashri)	No. of Meetings attended out of 7 held	Remarks
A.R. Ansari	2	Relinquished w.e.f 01.07.2012
B. Surender Mohan	5	Inducted w.e.f 01.07.2012
R. Kandasamy	7	
J. Mahilselvan	7	Relinquished w.e.f 01.03.2013
Rakesh Kumar	6	Inducted w.e.f 23.05.2012
T. Jeyaseelan	4	
P. Soma Shekar Reddy	4	
M.B.N. Rao	5	Relinquished w.e.f 27.02.2013
Prof. P. Mannar Jawahar	5	
Prof .T. Kumar	3	

General Meeting Attendance

Shri B. Surender Mohan, Chairman, Sarvashri R. Kandasamy, Rakesh Kumar T. Jeyaseelan, J. Mahilselvan and M.B.N.Rao, Directors, attended the last Annual General Meeting held on 14th September, 2012.

Board Committees

The following Sub-committees have been constituted by the Board of Directors.

Sub-Committee of Board of Directors

The Sub-Committee of Board of Directors accords approval for pre-qualification requirements (PQR) and technical specification in respect of various packages/purchases/works undertaken by the Company for implementation of the Project. Further it also to accord approval for short-listing of tenders, qualification of bidders on PQR & techno-commercial conditions, placement of orders and entering into consultancy contracts as per the delegation granted by the Board. Presently the Committee comprises Shri B. Surender Mohan, as its Chairman and Sarvashri R. Kandasamy, Rakesh Kumar, S.Rajagopal and T. Jeyaseelan Directors as its Members.

**Audit Committee**

Shri.M.B.N.Rao, Chairman of the Audit Committee has resigned from the Board w.e.f 27.02.2013. As on 31st March, 2013 this Committee comprises Shri R. Kandasamy, Prof P. MannarJawahar and Prof T. Kumar, Directors as its Members. The terms and reference of the Audit Committee conform to the requirements of Section 292 A of the Companies Act, 1956 and DPE Guidelines.

The details of attendance of members for the Audit Committee Meetings held during the year 2012-2013 are as under:

Name (Sarvashri)	No. of Meetings attended out of 4 held	Remarks
Chairman of the Committee		
M.B.N. Rao	3	Relinquished w.e.f 27.02.2013
Members		
R. Kandasamy	4	
Prof. P.Mannar Jawahar	4	
Prof. T.Kumar	2	

Note : Company Secretary is the Secretary to the Audit Committee.

Remuneration Committee

Since the project is under construction stage, the Remuneration Committee will be constituted after commissioning of the Project.

Remuneration to Directors

No Remuneration/Sitting Fee is being paid to any Part-time Official Directors. Except sitting fees of Rs.5,000/- for attending each Board/Committee Meeting, no other remuneration is being paid to the Independent Directors.

Code of Conduct

As required under the Guidelines on Corporate Governance for Central Public Sector Enterprises, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard a declaration signed by the Chief Executive Officer (CEO) is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2013".

General Body Meetings

The following are the details of General Body Meetings of the Company held in the last three years:-

Year	Date and Time	Venue
AGM 2009-2010	02.09.2010 – 14-00 hours	'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai-600 010.
AGM 2010-2011	12.09.2011 – 17-00 hours	-do-
AGM 2011-2012	14.09.2012 – 16-00 hours	-do-



Special Resolution

No Special Resolution under Section 31 of the Companies Act, 1956 was passed in the previous three Annual General Meetings.

Disclosures

The Company, during the year, has not entered into any transactions of material nature with the Directors of the Company that may have potential conflict with the interest of the Company at large. No penalties, strictures have been imposed on the Company by any Statutory Authorities on any matters relating to any guidelines issued by the Government during the last three years.

With regard to the details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase, it is stated that presently the Company is being under construction phase, the entire expenditure incurred during the construction period is being transferred to the capital Works-in-Progress and capitalised on commissioning of the respective assets. On completion of the project and after commissioning of the unit, the aforesaid expenditure would come under the ambit of revenue and for the purpose of comparison as stated above.

Means of Communication

Financial statement is being reviewed by the Board represented by both the Promoters. No communication was made through newspaper/website.

General Shareholder information

AGM: Date, Day, time and Venue : 6th September, 2013, Friday, 16-00 Hours
'Neyveli House', No.135, Periyar EVR High Road,
Kilpauk, Chennai - 600 010.

Project Location

Coal based Thermal Power Project (2x500 MW) is under construction phase, which is situated at Harbour Estate, Tuticorin, Tamil Nadu.

Audit Qualification

It is always the Company's endeavour to present unqualified financial statement.

Training of Board Members

The Directors on the Board are fully aware of the business module of the Company. During the year 2012-13, four of the existing Directors attended the Training programme on "Timeless Leadership".

Whistle Blower Policy

Your Company being the Subsidiary Company of NLC Limited, the activities of the Company come within the ambit of Vigilance Branch, headed by Chief Vigilance Officer/NLC. The Vigilance Branch is functioning under the overall guidance of the Central Vigilance Commission.



R. GOPALAKRISHNAN & CO.,
Chartered Accountants
No.13 (Old No.7), Arcot Street, T. Nagar, Chennai-600 017.

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
NLC Tamil Nadu Power Limited

1. We have examined the compliance of conditions of Corporate Governance by NLC Tamilnadu Power Limited for the year ended 31st March, 2013 as stipulated in the Guidelines of Corporate Governance notified by Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. Ministry of Coal (MOC) vide Lr.No: 4301/454/2006/CPAM dt.12.05.2008 have conveyed approval for the Composition of Board of Directors of the Company. During the year (2012-13), up to 26.02.2013 the composition of Board of Directors of the Company was as approved by the Ministry of Coal, Government of India. Consequent to the resignation of one Independent Director (appointed by NLC Board), the composition of Board of Directors of the Company as on 31.03.2013 was not in conformity with the composition as approved by the GOI.
4. Clause 3.1.4. of the DPE Guidelines stipulates that at least 1/3rd of the Board Members should be Independent Directors. Upto 26.02.2013 there was three Independent Directors on the Board of Directors of the Company. Consequent to the resignation of one Independent Director (appointed by NLC Board), the composition of Board of Directors of the Company as on 31.03.2013 was not in conformity with DPE guidelines to that extent.
5. Subject to our observation in Para (3) and (4) above, in our opinion and to the best of information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines of Corporate Governance notified by the DPE.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For R. Gopalakrishnan & Co.,
Chartered Accountants
Firm Regn. No. 000972S

Place : Chennai
Date : 10.05.2013

G. Ananthan
Partner
M.No. 021916

**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 2013.**

The preparation of financial statements of **NLC Tamilnadu Power Limited, Chennai** for year ended 31st March, 2013 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 10.05.2013.

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 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor 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 Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India.

(M.V. RAJESWARI)

Place : Chennai
Dated : June 19, 2013

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI



R. GOPALAKRISHNAN & CO.,

Chartered Accountants

No.13 (Old No.7), Arcot Street, T. Nagar, Chennai-600 017.

AUDITOR'S REPORT

We have audited the attached Balance Sheet of **M/s NLC TAMILNADU POWER LIMITED**, as at 31st March, 2013, the Profit and Loss Account for the year ended 31st March, 2013 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.

1. 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-statements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) 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;
 - (b) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of such books;
 - (c) The Balance Sheet & Profit and Loss account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - (e) 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;



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies and other notes thereon give the information required by Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
- (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (ii) In the case of the Profit and Loss Account, there is no profit / loss for the year ended on that date due to transfer of revenue expenses / income during the construction period to Capital Work-in-Progress ; and
 - (iii) In case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For R. Gopalakrishnan & Co.,
Chartered Accountants
Firm Regn. No. 000972S

Place : Chennai
Date : 10.05.2013

G. Ananthan
Partner
M.No. 021916



R. GOPALAKRISHNAN & CO.,

Chartered Accountants

No.13 (Old No.7), Arcot Street, T. Nagar, Chennai-600 017.

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE
M/s NLC TAMILNADU POWER LIMITED**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records in ORACLE FIXED ASSET MODULE showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year.
 - c. In our opinion, the Company has not disposed of substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
 - d. None of the fixed assets have been revalued during the year.
2. In respect of its inventories:

The Company does not have any inventories.
3. 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.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of audit, we have not observed any major weakness in the internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - 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 aggregating during the year to Rs. 5,00,000/- (Rupees Five lakh only) or more in respect of any party.
6. 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, 1956 and the Companies (Acceptance of Deposit) Rules 1975 is not applicable to the Company at present.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the Company under section 209 (1) (d) of the Companies Act, 1956 in respect of Thermal Power Station Units. The company is yet to commence its commercial operation and we are of the opinion that reporting under this clause is not applicable for the year under audit.

9. In respect of statutory dues:
- According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income Tax, works contract tax and other statutory dues.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund and works contract tax were outstanding as at 31st March, 2013, for a period of more than six months from the date they became payable.
 - According to the records of the Company, there are no dues of works contract tax, income tax, customs tax/wealth-tax, excise duty/cess which have not been deposited on account of any dispute.
10. The Company as on 31.03.2013 has an accumulated loss to the extent of Rs.4.12 lakh attributable to pre-incorporation expenses. The Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution or banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore the clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has raised term loans during the year and the same were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
18. During the year the Company has not made any preferential allotment of shares.
19. The Company has not issued any kind of Debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially mis-stated.

For R. Gopalakrishnan & Co.,
Chartered Accountants
Firm Regn. No. 000972S

Place : Chennai
Date : 10.05.2013

G. Ananthan
Partner
M.No. 021916

SIGNIFICANT ACCOUNTING POLICIES

I. Basis of Accounting

The financial statements are prepared on accrual basis accounting under historical cost convention, in accordance with generally accepted accounting principles, accounting standards, the relevant provisions of the Companies Act, 1956 and Electricity Act, 2003 to the extent applicable.

II. Fixed Assets

Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/ acquisition and necessary adjustment in the year of final settlement.

III. Depreciation

1. Depreciation is provided for under straight-line method as indicated below:

Description of Assets Covered	Basis
i) Assets of Thermal Power Stations, excluding vehicles other than Ash Tippers.	The Company follows the provisions of the Electricity Act, 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
ii) Residential Buildings - II & III Class.	At the rates prescribed by Bureau of Public Enterprises.
iii) Buildings: Non-residential Buildings Roads Plant & Machinery: Workshop machinery and Civil construction machinery. Furniture and Equipment	At technically assessed rates.
iv) Other Assets	At the rates prescribed in Schedule XIV of the Companies Act, 1956.

Rates under (ii) and (iii) above are followed so long as they are higher than the rates covered under basis (iv).

2. Fixed assets relating to Research and Development are depreciated in a like manner as any other fixed asset of the Company.
3. In the year of commissioning /retirement of assets, depreciation is calculated on pro-rata basis, based on the number of months for which asset has been put to use.

4. Assets costing up to Rs. 5000/- are fully depreciated in the year in which they are put to use.

5. Machinery Spares

Initial spares purchased along with fixed assets are capitalised and depreciated along with the asset. Insurance spares purchased subsequent to the commissioning of the fixed assets costing Rs. 50 lakh and above which can be used only in connection with an item of Fixed Asset and whose usage are expected to be irregular are fully depreciated over the residual useful life of the Fixed Assets and if the spare is utilised, the carrying cost is fully charged as depreciation in the year of utilisation.

IV. Intangible Assets

a) Computer Software

Application Software acquired for an amount more than Rs. 10 lakh are capitalised as intangible assets and amortised over a period of 5 years.

b) Research & Development (Internally generated projects)

i) Expenditure incurred during the phase of research is charged to revenue.

ii) Expenditure incurred during the phase of development is capitalised with respect to each project and amortised over its useful life.

V. Inventory Valuation

i) At the lower of cost and net realisable value.

ii) Goods-in-Transit including goods received but pending inspection/acceptance are valued at cost.

iii) Waste products, used belts reconditioned, Stores & Spares discarded for disposal and canteen stores are taken at Nil value.

VI. Prepaid expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs. 1 crore in each case.

VII. Investments

Long Term Investments are carried at cost. Provision is made for diminution if any, other than temporary, in the value of such investments.

VIII. Accounting for Grants

i) Government and other grants received relating to depreciable fixed assets are taken to capital grants and treated as 'Deferred income' and recognised in the Profit and Loss Account by allocating to income over the period in which the depreciation is charged.

ii) Grants relating to non-depreciable assets are credited to income over a period in which the cost of meeting the obligations attached to the grants is charged to income.

iii) Revenue grants to the extent utilised are accounted in Profit and Loss Account.

IX. Prior Period and Extra-ordinary Items

Prior Period and Extra-ordinary items are accounted in accordance with Accounting Standard-5. Transactions arising out of errors or omissions exceeding Rs.1 crore in each case considered as material are accounted under Prior Period Transactions. Extra-ordinary items of value exceeding Rs.1crore in each case are considered as material and accounted for under Extra-ordinary items. Prior Period/Extra-ordinary items are not considered for stock valuation purposes.

X. Significant events occurring after the Balance Sheet date

Treatment of contingencies and significant events are in accordance with Accounting Standard-4. For this purpose, event having an effect of Rs.1crore and above in value is considered as significant.

XI. Foreign Exchange Transactions

Exchange rate variations in foreign exchange transactions are accounted as per Accounting Standard-11 of Companies (Accounting Standards) Rules, 2006 and an option has been exercised to capitalise the exchange difference.

XII. Borrowing Cost

Borrowing cost (net of interest earned on temporary investments) specially attributable to the qualifying fixed assets are capitalised along with the cost of such assets and in general weighted average interest cost is capitalised to the qualifying assets. Other borrowing cost are recognised as expenses in the period in which they are incurred.

XIII. Construction Projects**1. Capitalisation and Depreciation Provision**

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. Provisional take over date of the Turbo-generator pursuant to seventy two hours full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalised and the power sale revenue earned during that period is abated to the capital cost of the project.

2. Net pre-commissioning income/expenditure are adjusted directly in the cost of related assets.

BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs.in lakh)

Sl. No.	Particulars	Note No.	As at 31 st March 2013	As at 31 st March 2012
I	EQUITY AND LIABILITIES			
	1. Shareholders' Fund			
	(a) Share Capital	1	120000.00	50000.00
	(b) Reserves and Surplus	2	(4.12)	(4.12)
	2. Share Application money pending for allotment	3	4200.00	34150.00
	3. Non-Current Liabilities			
	(a) Long Term Borrowings	4	276500.00	193889.79
	(b) Other Long Term Liabilities	5	38309.71	25185.37
	4. Current Liabilities			
	Other Current Liabilities	6	34453.67	23900.71
	TOTAL		473459.26	327121.75
II	ASSETS			
	1. Non - Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	7	6341.06	6472.25
	(ii) Intangible Assets	8	0.00	0.00
	(iii) Capital Work-in-Progress	9	457624.07	301707.74
	(b) Long Term Loans & Advances	10	8735.75	17233.70
	2. Current Assets			
	(a) Cash and cash Equivalents	11	344.99	1203.34
	(b) Short Term Loans and Advances	12	413.39	504.72
	TOTAL		473459.26	327121.75

The Notes referred to above 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

RAKESH KUMAR
DIRECTOR

B.SURENDER MOHAN
CHAIRMAN

Place : Chennai

Date : 10.05.2013

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

For R.Gopalakrishnan & Co.,
Chartered Accountants
Firm Regn.No.000972 S

G.Ananthan
Partner
M.No.021916

Place : Chennai
Date : 10.05.2013

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013 (Rs.in lakh)**

Sl. No.	Particulars	Note No.	For the year ended 31 st March 2013	For the year ended 31 st March 2012
I	OTHER INCOME	1	0.00	0.00
II	TOTAL REVENUE		0.00	0.00
III	EXPENSES			
	Employees' Benefit Expenses	2	0.00	0.00
	Finance Cost	3	0.00	0.00
	Depreciation and Amortisation Expenses	4	0.00	0.00
	Other Expenses	5	0.00	0.00
IV	TOTAL EXPENSES		0.00	0.00
V	PROFIT/(LOSS) FOR THE PERIOD		0.00	0.00
VI	PRIOR PERIOD ADJUSTMENTS	6	0.00	0.00
VII	PROFIT/(LOSS) AFTER PRIOR PERIOD ADJUSTMENTS		0.00	0.00

The Notes 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

R. JAYASARATHY
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR

B.SURENDER MOHAN
CHAIRMAN

Place : Chennai

Date : 10.05.2013

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

For R.Gopalakrishnan & Co.,

Chartered Accountants
Firm Regn.No.000972 S

G.Ananthan
Partner
M.No.021916

Place : Chennai
Date : 10.05.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Rs.in lakh)

Particulars	For the year ended 31 st March 2013	For the year ended 31 st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES	0.00	0.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(131.39)	(1408.05)
Advance for Capital items	8497.95	10224.34
Capital Work-in-Progress	(122706.05)	(122936.74)
Increase / Decrease in CWIP due to FE fluctuation	(45.40)	(96.35)
Interest Received	256.17	9.72
Net Cash used in investing activities	(114128.72)	(114207.08)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loan	82610.21	82889.79
Non-Current Liabilities - Other Long Term Liabilities	13124.34	12383.59
Issue of Shares	35850.00	0.00
Share Application money pending for allotment	4200.00	34150.00
Interest Paid	(22514.18)	(14103.96)
Net Cash received in financing activities	113270.37	115319.42
Net Cash increase/decrease in Cash and Cash Activities	(858.35)	1112.34
Cash and cash equivalents as at the beginning of the year	1203.34	91.00
Cash and cash equivalents as at the end of the year	344.99	1203.34

Note:- () indicates cash outflow

For and on behalf of the Board

R. JAYASARATHY
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR

B.SURENDER MOHAN
CHAIRMAN

Place : Chennai

Date : 10.05.2013

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

For R.Gopalakrishnan & Co.,
Chartered Accountants
Firm Regn.No.000972 S

G.Ananthan
Partner
M.No.021916

Place : Chennai
Date : 10.05.2013



NOTES TO BALANCE SHEET

1. SHARE CAPITAL

(Rs. in lakh)

Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Authorised 1800000000 Equity Share of Rs. 10/- each	180000.00	180000.00
(b) Issued, Subscribed and Paid-up 1200000000 Equity Share of Rs. 10/- each fully paid up	120000.00	50000.00
Details of Shares Outstanding at the beginning and end of 2012-13		
(a) Number of Shares at the beginning of 2012-13	445000000	
(i) Neyveli Lignite Corporation Ltd.,	55000000	500000000
(ii) TANGEDCO		
(b) Number of Shares Allotted during of 2012-13	623000000	
(i) Neyveli Lignite Corporation Ltd.,	77000000	700000000
(ii) TANGEDCO		
(c) Number of Shares at the end of 2012-13	1068000000	
(i) Neyveli Lignite Corporation Ltd.,	132000000	1200000000
(ii) TANGEDCO		

2. RESERVES AND SURPLUS

(Rs. in lakh)

Particulars	As at 31 st March 2013	As at 31 st March 2012
Surplus	(4.12)	(4.12)
The negative balance under 'Reserves and Surplus' represents 'Pre-Incorporation expenses'.		

3. SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

Particulars	As at 31 st March 2013	As at 31 st March 2012
Share Application money pending for Allotment	4200.00	34150.00
Share Application money pending for Allotment is the amount received during March 2013 from NLC Ltd., as against the 'Right Issue'.		

4. LONG TERM BORROWINGS

Particulars	As at 31 st March 2013	As at 31 st March 2012
Secured Long Term Borrowings		
Term Loans from Banks		
(i) Bank of Baroda Consortium of Banks	237500.00	193889.79
(ii) Bank of India Consortium of Banks	39000.00	0.00
Total	276500.00	193889.79

a) The Term Loans is secured by pari-passu charge on project fixed assets financed.



NOTES TO BALANCE SHEET

b) Repayment of Loan:

- (i) Bank of Baroda Consortium loan:- in twenty (20) equal half yearly consecutive instalments starting from November 2013.
- (ii) Bank of India Consortium loan:- in twenty (20) equal half yearly consecutive instalments starting from August 2015.

5. OTHER LONG TERM LIABILITIES

(Rs. in lakh)

Particulars	As at 31 st March 2013	As at 31 st March 2012
Others-Liability towards Retention Money	38309.71	25185.37

6. OTHER CURRENT LIABILITIES

Particulars	As at 31 st March 2013	As at 31 st March 2012
Current Maturities of Logn Term Debt (Bank of Baroda)	12500.00	0.00
Sundry Creditors and Accrued Expenses	1130.47	746.96
Liabilities for Capital works	15768.08	21322.70
Other Liabilities	5055.12	1829.95
Interest Accrued	0.00	1.10
Total	34453.67	23900.71

7.FIXED ASSETS - TANGIBLE ASSETS

Description	Gross Cost				Depreciation				Net Value		
	As at 31.03.2012	Additions/ Transfers	Deletions/ Transfer/ Adjit	As at 31.03.2013	As at 31.03.2012	Withdrawals Transfer/ Adjit	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
Lease Hold Land	5028.93	0.00	0.00	5028.93	782.28	0.00	167.63	949.91	4079.02	4246.65	
Buildings	1045.79	691.89	0.00	1737.68	19.29	0.00	64.70	83.99	1653.69	1026.50	
Electrical Installations	370.60	0.00	0.00	370.60	34.24	0.00	19.57	53.81	316.79	336.36	
Water Supply	60.91	5.29	0.00	66.20	5.25	0.00	3.08	8.33	57.87	55.66	
Plant & Machinery	644.36	0.00	616.86	25.50	20.49	10.89	0.37	9.97	15.53	623.87	
Furniture & Equipment	191.17	50.79	0.00	241.96	11.63	0.00	15.37	27.00	214.96	179.54	
Vehicles	4.97	0.00	0.00	4.97	1.30	0.00	0.47	1.77	3.20	3.67	
Assets costing Rs. 5000 and below	6.22	2.28	0.00	8.50	6.22	0.00	2.28	8.50	0.00	0.00	
Total	7352.95	750.25	616.86	7484.34	880.70	10.89	273.47	1143.28	6341.06	6472.25	
Previous Year	5953.67	1399.28	0.00	7352.95	626.21	0.00	254.49	880.70	6472.25		

8.FIXED ASSETS - INTANGIBLE ASSETS

Description	Gross Cost				Depreciation				Net Value		
	As at 31.03.2012	Additions/ Transfers	Deletions/ Transfer/ Adjit	As at 31.03.2013	As at 31.03.2012	Withdrawals Transfer/ Adjit	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
Computer Software	8.77	0.00	0.00	8.77	8.77	0.00	0.00	8.77	0.00	0.00	



NOTES TO BALANCE SHEET

9. CAPITAL WORK IN PROGRESS - CWIP

Particulars	As at 31 st March 2013	As at 31 st March 2012
Revenue Expenditure transferred to CWIP	55753.96	29183.89
Capital Work in Progress : Value of Supply, erection etc.,	401870.11	272523.85
Total	<u>457624.07</u>	<u>301707.74</u>
CWIP includes Value of Supply, Erection etc., of following major Package Contracts		
a Main Plant - TA 1	285988.34	195010.23
b Coal Handling System - TA 2	49369.61	41438.57
c Ash Handling System - TA 3	3581.42	1623.21
d Circulating Water System - TA 4	5392.85	2581.60
e RO/DM and Effluent Plant - TA 5	14738.04	4535.70
f RCC Chimney - TA 6	4930.84	3080.84
g Natural Draught Cooling Tower - TA 7	8561.46	4768.69
h Switch Yard - TA 8	6398.99	6167.99
i Power Transformers - TA 9	10471.19	3550.36
j Roads	1681.40	1152.44
k Enabling Works	2838.61	2828.62
l North Cargo Berth	4427.17	4388.46
m Area illumination	198.41	143.45
n Consultancy	828.56	523.23
o Others	2463.22	730.47
Total	<u>401870.11</u>	<u>272523.86</u>
(i) Capital Work-in-Progress includes Capital Goods in transit	836.25	3201.08
(ii) Value of Material in Capital Work in Progress as on 31.03.2013		
a) Value of Material Supplied	244333.51	
b) Value of Material erected out of Material Supplied	106885.32	
c) Value of Material yet to be erected	137448.19	

10. LONG TERM LOANS & ADVANCES

Particulars	As at 31 st March 2013	As at 31 st March 2012
Long Term Loans & Advances to Package Contractors	8735.75	17233.70
a Main Plant - TA 1	5299.39	12480.07
b Coal Handling System - TA 2	0.00	857.42
c Ash Handling System - TA 3	121.97	291.19
d Circulating Water System - TA 4	250.95	504.68
e RO/DM and Effluent Plant - TA 5	254.42	1165.08
f RCC Chimney - TA 6	187.79	328.66
g Natural Draught Cooling Tower - TA 7	488.37	785.97
h Switch Yard - TA 8	17.31	56.46
i Power Transformers - TA 9	6.68	574.72
j Others	2108.87	189.45
Total	<u>8735.75</u>	<u>17233.70</u>
Others (Other than TA Packages)	25.05	
1 Roads & Culverts	1258.25	
2 CWS/Pump House/Piping	95.70	
3 General Civil Work	65.89	
4 Residential Building & Non Residential Building	608.00	
5 Shore Unloader	55.98	
6 Other Works	2108.87	
Total	<u>2108.87</u>	



NOTES TO BALANCE SHEET

11. CASH AND CASH EQUIVALENTS

(Rs.in lakh)

Particulars	As at 31 st March 2013	As at 31 st March 2012
With Scheduled Bank in Current Accounts:		
Canara Bank, Kilpauk, Chennai	0.33	1000.33
Canara Bank, Tuticorin	201.43	0.00
Bank of Baroda, Tuticorin	0.04	124.46
State Bank of India, Tuticorin	143.19	78.55
Total	344.99	1203.34

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March 2013	As at 31 st March 2012
Advances recoverable in cash or in kind or for value to be received		
Unsecured		
Considered Good	406.38	497.75
Tax Deducted at Source	7.01	6.97
Total	413.39	504.72
13. Contingent Liability exists in respect of		
a) Service tax on Lease Hold Land for the construction of Power Project	400.37	400.37
b) Bank Guarantee for Commitment Guarantee	2232.00	1860.00
14. Estimated Value of Contracts remaining to be executed on capital accounts not provided for	115117.93	225688.46
15. The Project Cost has been revised from Rs. 4909.54 crore to Rs. 6540.93 crore and awaiting GOI's approval. Due to this the additional equity to be contributed by NLC and TANGEDCO is Rs.435.58 crore and Rs.53.84 crore respectively and additional debt to be raised is Rs.1141.97 crore.		
16. The effect of foreign exchange fluctuation during the year is as under: Increase in Capital Work-in-Progress on account of Exchange rate difference due to exercise of option in terms of para 46 of AS 11 of Companies (Accounting Standards) Rules, 2006	139.43	94.02
17. The payment in Foreign Currency during the year towards Capital Goods - Value of imports on CIF	664.73	1768.29
18. As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:-		
i) List of Related Parties :- (a) Key Management Personnel:		
Shri. A.R. Ansari Chairman	Directors	
Shri. B.Surender Mohan Chairman	Shri. T. Jeyaseelan	Shri. J. Mahilselvan
	Shri. P. Soma Shekar Reddy	Shri. Rakesh kumar
	Shri. R. Kandasamy	Shri. S. Rajagopal
ii) Transactions during the year with related parties : Remuneration to Directors listed in (i) (a) above is NIL		
19. Figures of the previous year have been re-grouped wherever necessary.		



NOTES TO PROFIT AND LOSS ACCOUNT

1. OTHER INCOME

(Rs. in lakh)

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Interest on Others	256.17	9.72
Rent Recovered	32.70	6.78
Liquidity Damages Recovered	2.66	0.84
Tender Forms Sales	1.36	4.46
Others	0.37	0.51
	<u>293.26</u>	<u>22.31</u>
Less: Transferred to Capital Work-in-Progress Accounts	293.26	22.31
	<u>0.00</u>	<u>0.00</u>

2. EMPLOYEES' BENEFIT EXPENSES

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Salaries, Wages and Incentives	1892.74	1152.65
Contribution to Provident and Other Funds	471.82	286.04
Gratuity	58.15	36.34
Welfare Expenses	23.57	13.20
	<u>2446.28</u>	<u>1488.23</u>
Less: Transferred to Capital Work-in-Progress Accounts	2446.28	1488.23
	<u>0.00</u>	<u>0.00</u>

3. FINANCE COST

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Interest on Term Loan	22514.18	14105.07
	<u>22514.18</u>	<u>14105.07</u>
Less: Transferred to Capital Work-in-Progress Accounts	22514.18	14105.07
	<u>0.00</u>	<u>0.00</u>

Borrowing Cost Capitalised during the year 2012-13 and 2011-12 is Rs.22514.18 lakh and Rs.14105.07 lakh respectively.

4. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Depreciation and Amortisation Expenses	262.57	263.26
	<u>262.57</u>	<u>263.26</u>
Less: Transferred to Capital Work-in-Progress Accounts	262.57	263.26
	<u>0.00</u>	<u>0.00</u>



NOTES TO PROFIT AND LOSS ACCOUNT

5. OTHER EXPENSES

(Rs. in lakh)

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Petrol & Diesel	10.11	8.17
Rent	1.56	2.66
Licence Fee	2.24	6.60
Repairs & Maintenance	137.12	57.14
Travelling Expenses	76.02	73.50
Payment to Auditors:		
Audit Fees	0.79	0.79
Audit Certification Fees	0.07	0.06
Out of Pocket Expenses	0.43	0.16
Power Charges	884.84	567.62
Water Charges	82.01	109.15
Bank Charges - (including arrangement of Loan)	303.95	9.78
Miscellaneous Expenses	141.17	105.13
	<u>1640.31</u>	<u>940.76</u>
Less : Transferred to Capital Work-in-Progress Accounts	1640.31	940.76
	0.00	0.00

6. PRIOR PERIOD ADJUSTMENTS

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Rent	0.00	(273.12)
	0.00	<u>(273.12)</u>
Less: Transferred to Capital Work-in-Progress Accounts	0.00	<u>(273.12)</u>
	0.00	0.00

7. PAYMENT IN FOREIGN CURRENCY

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Professional Fees	15.98	76.85

8. REMUNERATION TO DIRECTORS

Particulars	For the Year ended 31 st March 2013	For the year ended 31 st March 2012
Salaries and Contribution to Provident and other Funds	0.00	0.00
Sitting fees to Independent Directors	1.19	0.95

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



NLC TAMILNADU POWER LIMITED

Registered Office : 'Neyveli House', No.135, Periyar EVR High Road,
Kilpauk, Chennai - 600 010.