

SUBSIDIARY COMPANIES

NTPC ELECTRIC SUPPLY COMPANY LIMITED

(A wholly owned subsidiary of NTPC)

DIRECTORS' REPORT

To The Members,

NTPC Electric Supply Company Limited

Your Directors have pleasure in presenting their First Annual Report on the working of the Company together with Audited Accounts for the period from 21st August 2002 to 31st March 2003.

FORMATION OF THE COMPANY

The Company was incorporated on 21st August 2002 as a wholly owned subsidiary Company of National Thermal Power Corporation Limited (NTPC) with an objective to make a foray in the business of distribution and supply of electrical energy as a sequel to reforms initiated in the Power Sector. The company is exploring various options to acquire electrical energy distribution in various electricity distribution circles in different States.

The Company initiated necessary steps to acquire management control of Kanpur Electric Supply Company (KESCO), a wholly owned subsidiary of Uttar Pradesh Power Corporation Limited (UPPCL), which is presently engaged in the supply and retail distribution of electricity in Kanpur. Dialogue is on with the concerned authorities in the Government of Uttar Pradesh for completion of required formalities for the take over of KESCO at the earliest. SBI CAPS was appointed as consultant for ascertaining the feasibility of taking over management control of KESCO. The Company is also pursuing for taking over the Gwalior city Distribution Circle. A proposal with financial model and other details has been submitted to Madhya Pradesh Government. The Company is also in the process of collecting data for other circles for evaluating the commercial and financial viability before taking up the matter with respective State Government and State Electricity Boards/Companies.

FINANCIAL REVIEW

The company has obtained Certificate for Commencement of Business on 26th September 2002. No commercial activity has been carried out during the financial period ending 31st March 2003. The Company has spent Rs.45993/- on various miscellaneous activities. There being no income, loss for the period was Rs.45993/-. The preliminary expenses for the period ending 31st March, 2003 was Rs. 7,59,100/- which was incurred by the holding company for incorporation of the Company and other related matters.

PARTICULARS OF EMPLOYEES

There being no employee in the Company with earning over the specified amount, the particulars prescribed under sec. 217(2A) of Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 are not required to be given in respect of any employee.

DIRECTORS

As per the Memorandum & Articles of Association of the Company registered with the Registrar of Companies, S/Shri Anil Kumar Dhar, GM (F&A), NTPC, Lanka Visweswar Rao, GM (APDRP) and Kamal Kishore Garg, GM (Commercial), NTPC were the first Directors of the Company. At the first meeting of the Board held on 28th August, 2002 first directors ceased to hold office and Shri C.P.Jain, Chairman & Managing Director, NTPC was appointed as the Chairman of the Company. Besides S/Shri P. Narasimharamulu, Director (Finance), NTPC, S.L. Kapur, Director (Technical), NTPC and Shyam Wadhwa, Executive Director (Commercial), NTPC were also inducted as directors on the Board of the Company. Shri K.K. Sinha Director (HR), NTPC and Shri R.D. Gupta, Director (Commercial), NTPC were inducted on the Board on March 15, 2003 and June 18, 2003 respectively. Shri Shyam Wadhwa resigned from the directorship of NESCL with effect from 12th August 2003 consequent upon his joining Power Finance Corporation as Director (Projects). The Board appreciates the valuable services rendered by Shri Shyam Wadhwa as director.

FIXED DEPOSITS

The company has not accepted any fixed deposit during the period ending 31st March 2003.

AUDITORS' REPORT AND C & AG REVIEW

The Comptroller and Auditor General of India (C & AG) has appointed M/s Kanwalia & Company, Chartered Accountants as Auditor of the Company for the financial year ending 2002-03. There are no adverse comments, observation or reservation in the auditors report on the accounts of the Company.

The C & AG has reviewed the Annual Accounts and the report of the Auditors on the accounts of the Company for the year ended 31st March, 2003 and as such has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the no comments Certificate is enclosed as Annexure-I.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Since no commercial activity is carried out by the Company, particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- in the preparation of annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies 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 as at 31st March, 2003 and of the loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities; and
- the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by Government of Uttar Pradesh, Government of Madhya Pradesh, National Thermal Power Corporation Ltd., the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

(C.P.JAIN)
CHAIRMAN

Place: New Delhi
Dated : 25th August 2003

Annexure-I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC ELECTRIC SUPPLY COMPANY LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH 2003

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the accounts of NTPC Electric Supply Company Limited, New Delhi, for the year ended 31st March 2003.

(Revathi Bedi)
Principal Director of Commercial Audit and
ex-officio Member Audit Board-III
New Delhi

Place: New Delhi
Dated: 31st July 2003

NTPC ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2003

	Schedule Number	(Rupees) As at 31.03.2003
I SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Capital	1	809,100
		<u>809,100</u>
II APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Cash & Bank balances	2	32,111
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	3	41,284
Net current Assets		(9,173)
Deferred Tax Asset		16,500
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	4	772,280
Profit & Loss Account		29,493
		<u>809,100</u>
Accounting Policies & Notes on Accounts (Schedules 1 to 5 form an integral part of Annual Accounts)	5	

In terms of our report of even date For & on behalf of the Board of Directors
For Kanwalia & Co.
Chartered Accountants

(B.K.Kanwalia) **(Rachna Ahuja)** **(P.Narasimharamulu)** **(C.P.Jain)**
Partner Company Secretary Director Chairman

Place : New Delhi
Date : 18th June 2003

NTPC ELECTRIC SUPPLY COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2003

	(Rupees) For the year ended 31st March 2003
INCOME	
	NIL
EXPENDITURE	
Employee cost	30,484
Bank Charges	100
Printing & Stationery expenses	2,109
Misc. Expenses	2,500
Audit fees	10,800
Total	45,993
Less: Deferred Tax	16,500
Profit/(Loss) carried over to Balance Sheet	<u>(29,493)</u>

In terms of our report of even date For & on behalf of the Board of Directors
For Kanwalia & Co.
Chartered Accountants

(B.K.Kanwalia) **(Rachna Ahuja)** **(P.Narasimharamulu)** **(C.P.Jain)**
Partner Company Secretary Director Chairman

Place : New Delhi
Date : 18th June 2003

NTPC ELECTRIC SUPPLY COMPANY LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

	(Rupees) As at 31.03.2003
Schedule - 1	
Capital	
Authorised 1,00,00,000 Equity Shares of Rs.10/- each	100,000,000
Issued, Subscribed & Paid-up	
50,000 equity Shares of Rs.10/- each. (50,000 equity Shares of Rs.10/- each are held by the holding company, National Thermal Power Corporation Ltd. and its nominees)	500,000
Share Capital Deposit (By NTPC Ltd.)	309,100
	<u>809,100</u>
Schedule - 2	
Current Assets, Loans & advances	
Cash & Bank Balances	
Cash on hand	3,501
Balance with Scheduled Bank - Current Account	28,610
	<u>32,111</u>
Schedule - 3	
Current Liabilities & Provisions	
Current Liabilities	
Audit fees payable	10,800
Due to NTPC Ltd.	30,484
	<u>41,284</u>
Schedule - 4	
Miscellaneous Expenditure	
(To the extent not written off or adjusted)	
Preliminary Expenses	772,280
	<u>772,280</u>

Schedule - 5
A) Significant Accounting Policies
Preliminary expenses have been carried forward as the company is yet to commence commercial activities.

- B) Notes on Accounts**
- The Company was incorporated on 21st August 2002. Hence, the Balance Sheet and the Profit & loss Account for the first accounting period under report are from 21st August 2002 to 31st March 2003.
 - Being the first Balance Sheet of the Company, previous year figures are not indicated.
 - As the Company has not started its commercial activities, there is no income for the period under report.
 - A sum of Rs.3,09,100/- paid by NTPC Ltd. towards preliminary expenses has been shown as share capital deposit pending allotment of shares to NTPC Ltd.
 - The deferred tax asset of Rs. 16,500/- is on account of carried forward loss for the year.

In terms of our report of even date For & on behalf of the Board of Directors
For Kanwalia & Co.
Chartered Accountants

(B.K.Kanwalia) **(Rachna Ahuja)** **(P.Narasimharamulu)** **(C.P.Jain)**
Partner Company Secretary Director Chairman

Place : New Delhi
Date : 18th June 2003

**BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE:**

1. Registration Detail

Registration No. U 4 0 1 0 8 D L 2 0 0 2 G O I 1 1 6 6 3 5 State Code : 0 5 5

Balance Sheet Date Date Month Year
3 1 0 3 2 0 0 3

2. Capital Raised during the year
(Amounts in Rs. Thousand)

Public Issue	Right issue
<u>N I L</u>	<u>N I L</u>
Bonus Issue	Private Placement*
<u>N I L</u>	<u>8 0 9</u>

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<u>8 0 9</u>	<u>8 0 9</u>
Source of Funds	
Paid up Capital*	Reserve & Surplus
<u>8 0 9</u>	<u>N I L</u>
Secured Loans	Unsecured Loans
<u>N I L</u>	<u>N I L</u>

Application of Funds

Net Fixed Assets	Investments
<u>N I L</u>	<u>N I L</u>
Net Current assets	Deferred Tax Asset
<u>(-)9</u>	<u>1 7</u>
Misc. Expenditure	Accumulated Losses
<u>7 7 2</u>	<u>2 9</u>

4. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<u>N I L</u>	<u>4 6</u>
Loss Before Tax	Loss After Tax
<u>(-)4 6</u>	<u>(-)2 9</u>
Earning Per Share in Rs.	Dividend
<u>N I L</u>	<u>N I L</u>

5. Generic name of three principal products/services of Company

Item Code No.	(As per monetary terms)
(ITC Code)	<u>N A</u>
Product Description	<u>N A</u>

* Including Share capital Deposit of Rs. 3,09,100/-.

For Kanwalia & Co.
Chartered Accountants

For & on behalf of the Board of Directors

(B.K.Kanwalia) Partner	(Rachna Ahuja) Company Secretary	(P.Narasimharamulu) Director	(C.P.Jain) Chairman
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Place : New Delhi
Dated : June 18, 2003

NTPC ELECTRIC SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT

	(Rupees)
	For the period ended 31st March 2003
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit/(loss) before tax and extraordinary items	(45,993)
<u>Adjustment for</u>	
Trade payables & other liabilities	41,284
Deferred Tax	<u>16,500</u>
Net cash from operating activities - A	57,784
	<u>11,791</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	
Net cash used in Investing Activities - B	-
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of equity shares	<u>809,100</u>
Net cash flow from Financing Activities - C	809,100
D. OTHERS	
Intangibles - D	(788,780)
Net increase/Decrease in cash & cash equivalents (A+B+C+D)	32,111
Cash & cash equivalents (opening balance)	0
Cash & cash equivalents (closing balance)	32,111

For & on behalf of the Board of Directors

(Rachna Ahuja) Company Secretary	(P.Narasimharamulu) Director	(C.P.Jain) Chairman
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AUDITORS' REPORT

The Members,
M/s. NTPC Electric Supply Company Ltd.
New Delhi.

We have audited the attached Balance Sheet of **M/s. NTPC Electric Supply Company Ltd.** (wholly owned subsidiary of NTPC) as at 31st March 2003 and also the Profit and Loss Account of the Company 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.

We conducted our audit in accordance with 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditor's Report) order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- iv) In our opinion, the Balance sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors and taken on record by the Board of Directors in the meeting held on 18th June 2003, we report that none of the directors is disqualified as on 31st March 2003 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with Accounting Policies and Notes thereon 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:
 - i. In the case of Balance Sheet of the state of Affairs of the Company as at 31st March 2003. AND
 - ii. In the case of the Profit and Loss Account of the Loss for the year ended on that date.

For KANWALIA & COMPANY
Chartered Accountants

B.K. KANWALIA
(Partner)

Place : New Delhi
Dated : 18th June 2003

ANNEXURE TO THE AUDITORS' REPORT

NTPC VIDYUT VYAPAR NIGAM LTD.

(A wholly owned subsidiary of NTPC)

DIRECTORS' REPORT

1. There is no Fixed Assets.
2. Not Applicable.
3. There is no stock.
4. Not Applicable.
5. Not Applicable.
6. Not Applicable.
7. No loans have been taken from companies, firms or other parties listed in the registers maintained under section 301 and from the companies under the same management.
8. No loans have been granted to companies, firms or other parties listed in the registers maintained under Section 301 and to the companies under the same management.
9. Not Applicable.
10. Not Applicable.
11. Not Applicable.
12. Not Applicable.
13. The company has not accepted any deposits from the public.
14. Not Applicable.
15. Not Applicable.
16. Not Applicable.
17. Not Applicable.
18. Not Applicable.
19. According to information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account.
20. The company is not a sick industrial company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For **KANWALIA & COMPANY**
Chartered Accountants

B.K. KANWALIA
(Partner)

Place : New Delhi
Dated : 18th June 2003

To the Members,

NTPC Vidyut Vyapar Nigam Ltd.

Your Directors have pleasure in presenting their First Annual Report on the working of the Company together with Audited Accounts for the period from 1st Nov. 2002 to 31st March 2003.

FORMATION OF THE COMPANY

Reform process in power sector envisages trading of power as an important tool for efficiency improvement in the sector.

The Electricity Act, 2003 recognises trading in power as a distinct business activity. Progressive strengthening of the regional and inter-regional transmission grids has opened the possibility of utilizing localized short and medium term surpluses in other parts of the respective regions and also in other regions. Implementation of availability-based tariff in various regions of the country has provided the framework for trading of surplus power both through scheduled and unscheduled transactions. Also, in the event of regulation, generators are allowed to sell the regulated power to other paying customers, which provides ample opportunities in power trading.

National Thermal Power Corporation Limited (NTPC) formed this Company as its wholly-owned subsidiary to seize the vast potential of power trading in the country. NTPC, with stations across the country, is the largest power generator nationally. Trading of power by its subsidiary shall pave the way for optimisation of its capacity utilization thereby reducing the overall cost of power-a beginning of an era of power on demand at affordable cost. In this direction, the Company visualizes to evolve itself as a facilitator for developing a flexible power market. The Board has set the following Vision and Mission for itself:

VISION

To be a catalyst in development of wholesale power market in India enabling trading of surplus power.

MISSION:

- Provide good value to potential sellers and develop commercial arrangements for their surplus power.
- Provide viable alternatives to buyers for meeting their demands.
- Enable NTPC to maintain optimal generation level through mutually beneficial trading transactions.
- Plan and establish a Power Exchange at National Level using state-of-the-art technology.

BUSINESS ACTIVITIES

The Company was incorporated on 1st November 2002 and received the Certificate for Commencement of Business Activities from the Registrar of Companies on 26th Nov 2002. Thereafter, necessary intimation in this regard was sent to the Central Electricity Regulatory Commission (CERC) on 7th January 2003.

The Company commenced its trading operation with the supply of surplus power from Eastern Region station of NTPC to Meghalaya Electricity Board and Assam State Electricity Board. During the period under review the Company sold 12.566 million units (40 MW) of electricity to the Meghalaya and 8.533 million units (50 MW) of electricity to Assam. Thus, during the first few months of commencing trading operations, the Company was able to sell 21.099 million units of electricity.

The Company is also in business negotiations with Tamil Nadu Electricity Board to act as facilitator for selling of 180 MW of surplus power from Eastern Region stations of NTPC pooled with 180 MW of power from NTPC- Kayamkulam.

The Company is also looking forward to trade power in the following areas:

- a. Surplus allocation of different SEBs from NTPC stations.
- b. Unscheduled and unrequisioned power of NTPC stations on 'as and when available basis'.
- c. Regulated power arising out of regulation by NTPC to various beneficiaries who default in payment.

The Company has also started business discussions with the State Electricity Boards of Chattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, West Bengal, Govt. of Sikkim, Delhi Transco, Govt. of Orissa and Haryana Vidyut Power Nigam for purchase and sale of power.

SYSTEMS DEVELOPMENT

The company is working on preparation of Standard Power Purchase Agreement and Memorandum of Understanding. Other initiatives include development of systems and procedures including scheme of empowerment, organisation structure, financial accounting systems and procedures, website development, trading initiative through both domestic and international consultants.

POWER EXCHANGE AT NATIONAL LEVEL

To facilitate on-line trading of surplus power to its members at market driven competitive price a concept paper is being developed and consultants with both domestic and international expertise are being approached.

CONTROL ROOM & REGIONAL CONTROL CENTRES

Your Company established its Control Room at Scope Complex and the same is being connected to get real time data from Regional Control Centre, stations of NTPC and Regional Load Despatch Centres. At present data is being received through internet.

FINANCIAL PERFORMANCE

During the financial year 2002-2003, the company has sold power for an amount of Rs. 3,94,10,489/-. The loss during the year after considering the cost of electricity, preliminary expenses written off during the year and provision of Deferred Tax Asset was Rs. 1,31,785/-.

PARTICULARS OF EMPLOYEES

During the period under review the Company had no employees of the category which falls under section 271(2A) of the Companies Act, 1956 read with the Companies (Particulars) of Employees Rules, 1975. Hence, no information in this regard is required to be appended to this report.

DIRECTORS

S/Shri C. P. Jain, Chairman & Managing Director, NTPC, B. N. Ojha, Director (Operations), NTPC, P. Narasimharamulu, Director (Finance), NTPC and Shyam Wadhera, Executive Director (Comml.), NTPC are the first Directors of the Company. Shri C. P. Jain was appointed as the Chairman of the Board. Shri K. K. Sinha, Director (HR), NTPC was inducted on the Board on March 15, 2003 and Shri R. D. Gupta was appointed as Director on 18th June, 2003.

AUDITORS REPORT & C & A G REVIEW

The Comptroller and Auditor General of India (C&AG) has appointed M/s Tiwari & Associates, Chartered Accountants as Auditor of the Company for the financial year ending 2002-03. There are no adverse comment, observation or reservation in the auditors report on the accounts of the Company.

The C&AG has decided not to review the report of the Auditors on the accounts of the Company for the year ended 31st March, 2003 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the Non Review Certificate is enclosed as Annexure-I.

FIXED DEPOSITS

The company has not accepted any fixed deposit during the period ending 31st March 2003.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Your Company does not own any manufacturing facility. Hence, particulars in respect of conservation of energy, technology absorption are not applicable. During the period under review the Company had no earning or outgo in foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the companies Act, 1956 your Directors confirm that:

- i) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies 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 as at 31st March, 2003 and of the loss of the company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT:

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by National Thermal Power Corporation Ltd., the Central Electricity Regulatory Commission, the valued customers of the Company, various State Electricity Boards, the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 25th August 2003

(C. P. Jain)
CHAIRMAN

Annexure-I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC VIDYUT VYAPAR NIGAM LIMITED, NEW DELHI FOR THE YEAR ENDED 31st MARCH 2003

The Comptroller and Auditor General of India has decided not to review the report of the Auditors on the accounts of NTPC Vidyut Vypar Nigam Limited, New Delhi, for the year ended 31st March 2003 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956.

(Revathi Bedi)
Principal Director of Commercial Audit and
ex-officio Member Audit Board-III
New Delhi

Place : New Delhi
Dated : July 28, 2003

NTPC VIDYUT VYAPAR NIGAM LTD.
BALANCE SHEET AS AT 31ST MARCH, 2003

SCHEDULE		(Amount in Rs.) As at 31.03.2003
I. SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS	1	
Capital		500000
Share Application Deposit Account		323100
TOTAL		823100
II. APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS AND ADVANCES CURRENT ASSETS	2	
Sundry Debtors		866168
Cash and Bank Balances		9220252
LESS: CURRENT LIABILITIES & PROVISIONS	3	17881870
Current Liabilities		17882763
Net Current Assets		(893)
Deferred Tax Asset		73728
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	4	
Profit & Loss Account		131785
TOTAL		823100
Significant Accounting Policies and Notes forming part of Accounts (Schedules 1 to 6 form integral part of Annual Accounts)	6	
As per our Report of even date For Tiwari & Associates Chartered Accountants		
(P. V. Tiwari) Partner	(P.Narasimharamulu) Director	(C.P.Jain) Chairman

Place : New Delhi
Dated : 9th July 2003

NTPC VIDYUT VYAPAR NIGAM LTD.
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2003

SCHEDULE		(Rupees) As at 31.03.2003
INCOME		
Electricity Sales		39410489
Facilitation Charges		1054998
		40465487
EXPENDITURE		
Electricity Purchase		39410489
Rebate on sale of Power		975526
Other Expenses	5	130365
		40516380
Loss before Amortization		50893
Amortization		
Preliminary Expenses		154620
Loss after Amortization		205513
Less: Deferred Tax Asset		73728
Loss Carried over to Balance Sheet		131785
Significant Accounting Policies and Notes forming part of Accounts	6	
As per our Report of even date For Tiwari & Associates Chartered Accountants		
(P. V. Tiwari) Partner	(P.Narasimharamulu) Director	(C.P.Jain) Chairman

Place : New Delhi
Dated : 9th July 2003

NTPC VIDYUT VYAPAR NIGAM LTD.
SCHEDULES – FORMING PART OF ACCOUNTS

	(Amount in Rs.)	
	As at	
	31 ST March 2003	
Schedule - 1		
SHARE CAPITAL		
Authorized		
1,00,00,000 equity shares of Rs.10/- each	<u>100000000</u>	
Issued, subscribed & Paid-up		
50,000 equity shares of Rs.10/- each	<u>500000</u>	
(50,000 equity shares of Rs. 10/- each are held by the holding company, National Thermal Power Corporation Ltd., and its nominees)		
Schedule - 2		
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets		
Sundry Debtors		
(Unsecured, considered good)		
Due for less than six months	8661618	
Cash & Bank Balances		
Cash on hand	1000	
Balance with Scheduled Bank – on Current Account	9219252	9220252
		<u>17881870</u>
Schedule - 3		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	2438917	
NTPC Ltd.(Holding Company)	15429806	
Other Liabilities	14040	<u>17882763</u>
	17882763	
Schedule - 4		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	773100	
Less: charged off to P&L Account	154620	618480
		<u>618480</u>
Schedule - 5		
OTHER EXPENSES		
Consultant fee and charges	61142	
Bank Charges	48140	
Printing & Stationery	5043	
Rates & Taxes	2000	
Audit fees	10800	
Tax Audit fees	3240	130365
		<u>130365</u>

Schedule - 6

A) SIGNIFICANT ACCOUNTING POLICIES

- Basis of Preparation of Financial Statements**
The Company maintains its accounts on accrual basis following the historical cost convention.
- Turnover**
Revenue from sale of power is accounted for based on rates agreed with the customers and as per the latest revision of Regional Energy Accounting issued by EREB.
- Pre-incorporation Expenses**
Expenditure relating to incorporation of the company is amortised over a period of five years.

B) NOTES FORMING PART OF ACCOUNTS

- The company was incorporated on 1st November, 2002, hence the Profit and Loss Account for the first accounting period under report is from 1st November, 2002 to 31st March, 2003.
- Being the first balance sheet of the company previous year figures are not applicable.
- A sum of Rs.323100/- paid by NTPC Ltd., Holding Company, towards preliminary expenses has been shown as Share Application Deposit Account pending allotment of shares to NTPC Ltd.
- Claims against the company not acknowledged as Debts Rs. Nil.
- There are no contingent liabilities.
- In compliance of Accounting Standards – 22 on “Accounting for taxes on Income” issued by the Institute of Chartered Accountants of India which is mandatory with effect from 1st April, 2002 provision for deferred tax asset for the year ended 31st March, 2003 has been made as under :

	Deferred tax	Deferred tax
	Assets	Liabilities
Carried Forward Losses	73,728	NIL
Net Deferred Tax Asset	73,728	NIL
Charged to Profit & Loss Account		

7) Quantitative information in respect of purchase and sale of power.
For the period ended 31-3-2003

	Qty. in KWHs	Amt. (in Rs.)
Purchase	21099951	39410489
Sale	21099951	39410489

- The outstanding balances as at 31st March, 2003 in respect of Sundry Debtors and Sundry Creditor are subject to confirmation and reconciliation.
- In the opinion of the Board, Current Assets are approximately of the value stated, if realised in the ordinary course of the business.

As per our Report of even date
For **Tiwari & Associates**
Chartered Accountants

For and on behalf of Board of Directors

(P. V. Tiwari) Partner	(P.Narasimharamulu) Director	(C.P.Jain) Chairman
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Place : New Delhi
Dated : July 9, 2003

NTPC VIDYUT VYAPAR NIGAM LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

1. Registration Det ail

Registration No. U 4 0 1 0 8 D L 2 0 0 2 G O I 1 1 7 5 8 4 State Code : 0 5 5

Balance Sheet Date 3 1 / 0 3 / 2 0 0 3

2. Capital Raised during the year

(Amounts in Rs. Thousand)

Public Issue	<u>N I L</u>	Right issue	<u>N I L</u>
Bonus Issue	<u>N I L</u>	Private Placement*	<u>5 1 0 0</u>

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<u>8 2 3</u>	Total Assets	<u>8 2 3</u>
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Source of Funds

Paid up Capital*	<u>5 1 0 0</u>	Reserve & Surplus	<u>N I L</u>
Share Application Deposit	<u>3 2 3</u>		
Secured Loans	<u>N I L</u>	Unsecured Loans	<u>N I L</u>

Application of Funds

Net Fixed Assets	<u>N I L</u>	Investments	<u>N I L</u>
Net Current assets	<u>C 1</u>	Deferred Tax Asset	<u>7 4</u>
Misc. Expenditure	<u>6 1 8</u>	Accumulated Losses	<u>1 3 2</u>

4. Performance of Company (Amount in Rs. Thousands)

Turnover	<u>4 0 4 6 5</u>	Total Expenditure	<u>4 0 6 7 1</u>
Loss Before Tax	<u>2 0 6</u>	Loss After Tax	<u>1 3 2</u>
Earning Per Share in Rs.	<u>N I L</u>	Dividend	<u>N I L</u>

5. Generic name of three principal products/services of Company

Item Code No. (ITC Code)	(As per monetary terms) <u>N A</u>
Product Description	TRADING OF POWER

As per our Report of even date
For **Tiwari & Associates**
Chartered Accountants

For and on behalf of Board of Directors

(P. V. Tiwari) Partner	(P.Narasimharamulu) Director	(C.P.Jain) Chairman
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Place : New Delhi
Dated : July 9, 2003

AUDITORS' REPORT

Auditor's Report to the Members of **NTPC Vidyut Vyapar Nigam Limited**

We have audited the attached Balance Sheet of **NTPC Vidyut Vyapar Nigam Limited**, as at 31st March, 2003 and also the Profit and Loss Account for the period 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.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

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

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on 31st March, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003; and
 - (b) in the case of the Profit and Loss Account, of the loss for the period ended on that date.

For **TIWARI & ASSOCIATES**
CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 9th July 2003

(P.V. TIWARI)
PARTNER

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Auditor's report of even date on the accounts of NTPC Vidyut Vyapar Nigam Limited for the period ended 31st March, 2003.

1. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The provisions of section 370(1B) of the Companies Act, 1956 is not applicable in case of government company.
2. The Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The provisions of section 370(1B) of the Companies Act, 1956 is not applicable in case of government company.
3. The company has not granted any loans and advances in the nature of loans.
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 the purchase of stores, including components, plant & machinery, equipment and other assets and for sale of goods.
5. In our opinion and according to the information and explanations given to us there are no transactions of purchase of goods and materials and of sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- (Rupees Fifty thousand only) or more in respect of any party.
6. The Company has not accepted any deposit under the provisions of Section 58A of the Companies Act, 1956.
7. The Company was not required to have an internal audit system.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956.
9. The provisions of Provident Fund and Employees State Insurance Scheme are not applicable to the company.
10. There were no undisputed amounts in respect of Income tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.
11. The company has not debited any personal expenses to revenue account.
12. The company is not a sick industrial company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
13. The provisions of other clauses of the Order are not applicable to the company.

For & on behalf of
TIWARI & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 9th July 2003

(P.V. TIWARI)
PARTNER

**NTPC HYDRO LIMITED
DIRECTORS' REPORT**

**To the Members
NTPC Hydro Limited**

Your Directors have pleasure in presenting their First Annual Report on the working of the Company together with Audited Accounts for the period from 12th December 2002 to 31st March 2003.

FORMATION OF THE COMPANY

According to the available information the hydel power potential of the country is estimated at over 1,00,000 MW at 60% load factor. Out of this, around 27,000 MW of hydel electricity can be derived from small and medium Hydro Electric Power Project of capacity less than 250 MW in various river basins widely spread across the country. These small and medium projects, once operational, will provide flexibility of supplying distributed generation in the vicinity of load centers and also help in meeting peak and off peak demand.

The Company was incorporated on 12th December 2002 as a wholly owned subsidiary Company of National Thermal Power Corporation Limited (NTPC) with an objective to develop small and medium Hydro Electric Power Projects of upto 250 MW capacity.

BUSINESS ACTIVITIES

For development of business, the company has initiated dialogues with various State Governments expressing its interest for allocation of potential projects for development subject to the techno-economic viability. Discussions are at different levels of fruition with State government of Kerala, Karnataka, Madhya Pradesh and Uttaranchal. It is expected that projects for about 200 MW can be allocated to the company for pre-feasibility studies, preparation of Detailed Project Report establishing their techno-economic viability and subsequent implementation.

FINANCIAL REVIEW

The company has obtained Certificate for Commencement of Business on 13th February 2003. No commercial activity has been carried out during the financial period ending 31st March 2003. The Company has incurred an expenditure of Rs. 16,393 on various miscellaneous activities. There being no income, the expenditure of Rs. 16,393 is carried over to the balance sheet as pre - operative expenses.

The preliminary expenses for the period ending 31st March, 2003 was Rs. 7,73,100 which was incurred for incorporation of the Company by the holding company.

PARTICULARS OF EMPLOYEES

Since the company has no employees, the particulars prescribed under Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

DIRECTORS

As per the Memorandum & Articles of Association of the Company registered with the Registrar of Companies, Shri C.P. Jain, Chairman & Managing Director, NTPC and S/Shri K.K. Sinha, Director (HR) NTPC, P. Narasimhamulu, Director (Finance) NTPC and T. Sankaralingam, Director (Projects) NTPC are the first Directors of the Company.

AUDITORS' REPORT & C & A G REVIEW

The Comptroller and Auditor General of India (C&AG) has appointed M/s S. R. Kapur & Co., Chartered Accountants as Auditor of the Company for the financial year 2002-2003. There are no adverse comment, observation or reservation in the auditors report on the accounts of the Company.

The C&AG has decided not to review the report of the Auditors on the accounts of the Company for the year ended 31st March, 2003 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the Non Review Certificate is enclosed as Annexure-I.

FIXED DEPOSITS:

The company has not accepted any fixed deposit during the period ending 31st March 2003.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:

Since no commercial activity was carried out by the Company, particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2003 and of the loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by National Thermal Power Corporation Ltd., the Auditors and the Bankers of the Company.

For and on behalf of the Board of Directors

**(C.P.JAIN)
CHAIRMAN**

Place : New Delhi
Dated : August 25 , 2003

Annexure - 1

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF NTPC HYDRO LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH 2003.

The Comptroller and Auditor General of India has decided not to review the report of the Auditors on the accounts of NTPC Hydro Limited, New Delhi, for the year ended 31st March 2003 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956.

**(Revathi Bedi)
Principal Director of Commercial Audit
ex-officio Member Audit Board - III,
New Delhi**

Place : New Delhi
Dated : July 23, 2003

NTPC HYDRO LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2003
Schedule No.

I. SOURCES OF FUNDS:

Shareholders' Funds

Capital	1	As at 31.03.2003 (Rupees)	823,100
			823,100

II. APPLICATION OF FUNDS:

Current Assets, Loans & Advances

Cash and bank balances	2	49,400
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Less: Current Liabilities and Provisions

Current Liabilities	3	15,793
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Net Current Assets

		33,607
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Miscellaneous Expenditure

(to the extent not written off or adjusted)	4	789,493
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		823,100
--	--	----------------

Accounting Policies and notes on Accounts

(Schedules 1 to 5 form integral part of Annual Accounts)

In terms of our report of even date

For **S.R. Kapur & Co.**
Chartered Accountants

(D. K. Gupta)
Partner

(P.Narasimharamulu)
Director

(C.P.Jain)
Chairman

Place: New Delhi
Date: 4th July 2003

NTPC HYDRO LIMITED
PRE-OPERATIVE EXPENSES FOR THE PERIOD ENDED 31ST MARCH, 2003

EXPENDITURE

Bank charges	100
Printing & Stationery expenses	3,669
Miscellaneous expenses	1,824
Audit fees	10,800
Carried over to Balance Sheet	16,393

In terms of our report of even date

For **S.R. Kapur & Co.**
Chartered Accountants

(D. K. Gupta)
Partner

(P.Narasimharamulu)
Director

(C.P.Jain)
Chairman

Place: New Delhi
Date: 4th July 2003

SCHEDULES FORMING PART OF BALANCE SHEET

Schedule-1

CAPITAL

Authorised

10,000,000 Equity Shares of Rs.10/- each **100,000,000**

Issued Subscribed and Paid-up

50,000 Equity Shares of Rs.10/- each.

(50,000 equity shares of Rs.10 each

are held by the holding company,

National Thermal Power Corporation Ltd.,

and its nominees)

500,000

Share Application Deposit Account 323,100

823,100

Schedule-2

CURRENT ASSETS LOANS & ADVANCES

Cash & Bank Balances

Cash in hand 500

Balance with Scheduled Bank-Current Account 48,900 **49,400**

Schedule-5

A) Significant Accounting Policies

- The accounts of the company have been prepared on historical cost basis following accrual method of accounting;
- Preliminary and pre-operative expenses have been carried forward as the company is yet to commence commercial operations.

B) Notes on Accounts

- The Company was incorporated on 12th December, 2002, and the first accounting period under report is from 12th December, 2002 to 31st March, 2003.
- Being the first balance Sheet of the Company previous year figures are not mentioned.
- No Profit & Loss Account has been prepared as the Company has not started any commercial activity.
- A sum of Rs. 3,23,100/- paid by NTPC Ltd. towards preliminary expenses has been shown as Share Capital Deposit pending allotment of shares to NTPC Ltd.
- Claims against the Company not acknowledged as Debt Rs. NIL.

In terms of our report of even date

For **S.R. Kapur & Co.**

Chartered Accountants

(D. K. Gupta)
Partner

(P.Narasimharamulu)
Director

(C.P.Jain)
Chairman

Place : New Delhi

Date : July 4, 2003

BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE:

1. Registration Det ail

Registration No. U 1 0 1 D L 2 2 G Q 1 1 1 8 0 1 3

State Code : 0 5 5

Balance Sheet Date 3 1 / 0 3 / 2 0 0 3

2. Capital Raised during the year

(Amounts in Rs. Thousand)

Public Issue	Right issue
<u>N I L</u>	<u>N I L</u>
Bonus Issue	Private Placement
<u>N I L</u>	<u>5 0 0</u>

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<u>8 2 3</u>	<u>8 2 3</u>
Source of Funds	
Paid up Capital*	Reserve & Surplus
<u>8 2 3</u>	<u>N I L</u>
Secured Loans	Unsecured Loans
<u>N I L</u>	<u>N I L</u>

Application of Funds

Net Fixed Assets	Investments
<u>N I L</u>	<u>N I L</u>
Net Current assets	Misc. Expenditure
<u>3 4</u>	<u>7 8 9</u>
Accumulated Losses	
<u>N I L</u>	

4. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<u>N I L</u>	<u>1 6</u>
Loss Before Tax	Loss After Tax
<u>1 6</u>	<u>1 6</u>
Earning Per Share in Rs.	Dividend
<u>N I L</u>	<u>N I L</u>

5. Generic name of three principal products/services of Company

Item Code No.	(As per monetary terms)
(ITC Code)	<u>N A</u>
Product Description	<u>N A</u>

* Including Share capital of Rs. 3,23,100/-

For **S.R. Kapur & Co.**

Chartered Accountants

(D. K. Gupta)
Partner

(P.Narasimharamulu)
Director

(C.P.Jain)
Chairman

Place : New Delhi

Date : 4th July 2003

AUDITORS' REPORT

The Members,
NTPC Hydro Limited,
 New Delhi.

We have audited the attached Balance Sheet of **NTPC HYDRO LIMITED** as at 31st March 2003 and the Pre-operative Expenses Account for the period 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.

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

As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 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 and 5 of the said Order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The Balance Sheet and Pre-operative Expenses Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance sheet and the Pre-operative Expenses Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act 1956.
- v) On the basis of written representations received from the directors, as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts and notes thereon 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 Balance Sheet of the state of Affairs of the Company as at 31st March, 2003. and
 - (b) In the case of the Pre-operative Expenses Account of the Loss for the year ended on that date.

for S.R. Kapur & Co.

(D.K. Gupta)
 Partner
 Chartered Accountants

Place : New Delhi
 Dated : 4th July 2003

Annexure referred in the Auditors' Report to the Members of NTPC HYDRO LIMITED on accounts for the period ended on 31st March, 2003

1. That company has no fixed assets.
2. In the absence of fixed assets there was no revaluation.
3. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered under section 301 of the Companies Act, 1956. The provision of section 370 (1B) of the Companies Act, 1956 is not applicable in case of government company.
4. The company has not granted loans, secured or unsecured to companies, firms or other parties covered under section 301 of the companies Act, 1956. The provision of section 370 (1B) of the Companies Act, 1956 is not applicable being government company.
5. The company has not given loans or advances in the nature of loans with stipulation of instalments in respect of the repayment of the same and interest thereon.
6. No transaction of purchase of goods and materials, contract receipts and services have been made in pursuance of contracts or arrangements covered under section 301 of the Companies Act, 1956 & aggregating during the period to Rs.50,000 or more in respect of each party.
7. In our opinion and according to the information and explanations given to us the company has not accepted any deposit covered under section 58A of the Companies Act, 1956 and the rules framed thereunder.
8. The company was not required to have an internal audit system.
9. The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for the company.
10. The provisions of Provident Fund and Employees State Insurance Scheme were not applicable to the company.
11. According to the information and explanations given to us, no amounts were outstanding in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March, 2003.
12. No personal expenses of employees or directors have been charged to revenue account.
13. The company is not a sick industrial company within the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
14. The other provisions of the Order were not applicable as no business was carried by the company.

for S.R. Kapur & Co.

(D.K. Gupta)
 Partner
 Chartered Accountants

Place : New Delhi
 Dated : 4th July 2003

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 2nd Annual Report on the Working of the Company together with Audited Accounts for the financial year 2002-2003.

IMPLEMENTATION OF PIPAVAV MEGA POWER PROJECT

As per Revised mega power project policy guidelines of November, 1998 of Govt. of India, Pipavav Power Project (2000 MW) was identified for implementation in private sector as a mega power project in Amreli district of Gujarat. National Thermal Power Corporation Ltd. (NTPC) the Holding Company was entrusted with the responsibility of carrying out the pre-development activities for the project. Power Trading Corporation of India Ltd. (PTC) was identified for selection of prospective developer for implementation of the project in private sector.

All the pre-development activities for Pipavav Project identified under NTPC scope of work have been carried out by NTPC and necessary site- specific inputs were provided to Power Grid Corporation of India Ltd. / PTC for preparation of Request For Proposal (RFP) documents. PTC has informed that the project is not being pursued by them and they have requested Ministry of Power (MOP) to take a view. The project is dormant at present. It is essential to identify the project developer urgently by the Govt. of India and to agree to a time bound action plan for development of the project by the developer. Therefore, your Company have requested Ministry of Power to consider approaching Govt. of Gujarat to ascertain if Gujarat Power Corporation Limited (GPCL) is interested in implementing this Project.

TRANSFER OF LAND IN FAVOUR OF COMPANY

In compliance with the Presidential directive issued by MOP vide letter dated 15.12.1999, in January, 2000 NTPC made the payment of Rs.6.05 crore to GPCL towards compensation against 212 hectares of land for the main plant area of Pipavav Mega Power Project. The payment was made by NTPC subject to certain conditions which, inter-alia, included that this payment shall be deemed to have been made to GPCL by NTPC on behalf of the 'Shell Company' then to be incorporated (i.e. PPDCL).

NTPC/ PPDCL had requested GPCL/ Govt. of Gujarat for transfer of the above referred 212 hectares of land in favour of the Company free from all encumbrances/ litigation. However, the land alongwith necessary documents has not yet been transferred in favour of the Company. MOP has been apprised about this issue and Govt. of Gujarat has also been requested to intervene in the matter. In the meanwhile GPCL has given No Objection Certificate to Revenue Deptt. of Govt. of Gujarat for transfer of 3.68 hectare of land to railways for laying new railway line between Rajula and Pipavav port. GPCL has been requested to promptly pay back to NTPC/PPDCL, the compensation received / to be received from Railways towards the cost of this land.

FINANCIAL REVIEW

No commercial activity was carried out during the year. The company has incurred an expense of Rs. 21,201/- as administrative expenses. There being no income, the excess of expenditure over income for the year was also carried over to balance sheet as pre-operative expenses.

PARTICULARS OF EMPLOYEES

Since, the company has no employee, the particulars prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

DIRECTORS

Shri C.R.Pradhan, ceased to be Director of the Company w.e.f. 30th June, 2003 on attaining the age of superannuation and Shri S. Trivedi, Executive Director (Western Region), NTPC was appointed as Director of the company w.e.f. 12th July, 2003.

AUDITORS' REPORT & C & AG REVIEW

The Comptroller and Auditor General of India (C&AG) has appointed M/s Sanjeev Chopra & Company, Chartered Accountants as Auditor of the Company for the financial year 2002-2003. There are no adverse comment, observation or reservation in the auditors report on the accounts of the Company.

The C&AG has decided not to review the report of the Auditors on the accounts of the Company for the year ended 31st March, 2003 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956. A copy of the Non Review Certificate is as Annexure-I.

SECRETARIAL COMPLIANCE REPORT

The Company appointed M/s. K.K. Malhotra & Company, Company Secretaries for giving the Certificate of compliance under Section 383A(1) of the Companies Act, 1956. The Certificate is attached with the Director's Report as Annexure-II.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the period ending 31st March 2003.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Since no commercial activity was carried out by the Company, particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) The directors had selected such accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2003 and of the loss of the company for that period;
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) The directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by the Union Ministry of Power, National Thermal Power Corporation Ltd., Gujarat Power Corporation Ltd., Auditors and the Bankers of the company.

For and on behalf of the Board of Directors

(T. Sankaralingam)
Chairman

Place : New Delhi
Dated : 1st September 2003

Annexure-I
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 ON THE ACCOUNT OF PIPAVAV POWER DEVELOPMENT COMPANY LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH 2003

The Comptroller and Auditor General of India has decided not to review the report of the Auditor on the accounts of Pipavav Power Development Company Limited, New Delhi, for the year ended 31st March 2003 and as such he has no comments to make under Section 619 (4) of the Companies ACT, 1956.

(Revathi Bedi)
Principal Director of Commercial Audit and
ex-officio Member Audit Board-III,
New Delhi

Place: New Delhi
 Dated: 28th July 2003

To,
The Members
PIPAPAV POWER DEVELOPMENT COMPANY LTD.
NTPC BHAWAN, CORE-7, SCOPE COMPLEX,
7, INSTITUTIONAL AREA, LODI ROAD, NEW DELHI – 110003

We have examined the registers, records, books and papers of **PIPAPAV POWER DEVELOPMENT COMPANY LTD.** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns on the dates as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as required under the Act and the rules made there under.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met **4(Four)** times on 15/05/2002, 15/07/2002, 18/12/2002, 21/03/2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The Directors did not approve any resolution by circulation.
5. The company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2002 was held on 19th September 2002 after obtaining consent from its members to hold the meeting at a shorter notice and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The company has not issued any duplicate share certificates for the financial year ended 31st March 2003.
13. The company has:
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared for the financial year ended 31st March, 2003.

- (iii) not posted warrants to any member of the company as no dividend was declared during the financial year ended 31st March, 2003.
- (iv) not transferred any amount in Investor Education and Protection Fund as there is no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
- (v) duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternated directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any managing director/whole-time director/manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has issued **310000** equity shares during the financial year and complied with the provisions of the Act.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2003.
25. The company has not made any loans or investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose for the financial year ended 31st March, 2003.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company for the financial year ended 31st March, 2003 under scrutiny and complied with provisions of the Act.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company for the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted its employees' Provident Fund during the financial year; hence Section 418 of the Act is not applicable to the company.

For K.K MALHOTRA & CO.
Company Secretaries

K.K MALHOTRA
C.P.NO.446

Place : New Delhi
 Date : 30th June, 2003

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED

Annexure - A

Registers as maintained by the company:

1. Register of Members u/s 150.
2. Index of Members u/s 151.
3. Register of transfers
4. Book of Accounts
5. Register of particulars of contracts in which directors are interested u/s 301.
6. Registers of Directors, Managing Director, Manager and Secretary u/s 303.
7. Register of Directors' Shareholdings u/s 307.
8. Register of Application and Allotment of Shares.

Annexure - B

Forms and Returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2003.

1. Statement in Lieu of Prospectus dated 22/05/2002.
2. Form No. 20 Filed u/s 149(2) (b) dated 22/05/2002.
3. Form No. 2 Filed u/s 75(1) dated 28/05/2002.
4. Annual Return Filed dated 7/10/2002.
5. Balance Sheet Filed dated 7/10/2002.

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2003			
	Schedule No.	As at 31.03.2003 (Rupees)	As at 31.03.2002 (Rupees)
I. SOURCES OF FUNDS:			
Shareholders' Fund			
Capital	1	36,00,000	5,00,000
		36,00,000	5,00,000
II. APPLICATION OF FUNDS:			
Current Assets, Loan and Advances			
(a) Cash and bank balances	2	7,182	4,585
(b) Loans and advances	3	6,05,00,000	6,05,00,000
		6,05,07,182	6,05,04,585
Less: Current Liabilities and Provisions			
Liabilities	4	6,05,15,260	6,35,91,462
Net Current Assets		(-),8,078	(-),30,86,877
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	5	36,08,078	35,86,877
		36,00,000	5,00,000
Accounting Policies and Notes on Accounts Schedules 1 to 6 form integral part of Annual Accounts	6		
In terms of our report of even date			
For Sanjeev Chopra & Co.			
Chartered Accountants			
(Parveen K. Kanwar)	(S. L. Kapur)	(T. Sankaralingam)	
Partner	Director	Chairman	

Place : New Delhi
Date : 30th June 2003

PIPAVAV POWER DEVELOPMENT COMPANY LIMITED			
PRE-OPERATIVE EXPENSES FOR THE YEAR ENDED 31ST MARCH, 2003			
	Year ended on 31.03.2003 (Rupees)	Year ended on 31.03.2002 (Rupees)	
Bank charges	110	185	
Printing & Stationery expenses	200	1,730	
Misc. Expenses	3,271	Nil	
Filing fees	2,500	500	
Secretarial Audit Fee	4,320	--	
Audit fees	10,800	2,100	
Carried over from last year	4,515	--	
Carried over to Balance Sheet	25,716	4,515	

In terms of our report of even date

For Sanjeev Chopra & Co.
Chartered Accountants
(Parveen K. Kanwar) (S. L. Kapur) (T. Sankaralingam)
Partner Director Chairman

Place: New Delhi
Date: 30th June 2003

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31 st March, 2003 (Rupees)	As at 31 st March, 2002 (Rupees)
Schedule - 1		
CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
ISSUED SUBSCRIBED AND PAID-UP		
3,60,000 (Previous Year 50,000) Equity Shares of Rs.10/- each.	36,00,000	5,00,000
(3,60,000 equity shares (previous year 50,000 equity shares) of Rs.10 each are held by the holding company, National Thermal Power Corporation Ltd., and its nominees)		
Schedule -2		
CASH & BANK BALANCES		
Cash in hand	439	270
Balance with Scheduled Bank-Current Account	6,743	4,315
	7,182	4,585
Schedule - 3		
LOANS AND ADVANCES		
(Advances recoverable in cash or in kind or for value to be received) Unsecured, considered good Advance to Gujarat Power Corporation Limited	6,05,00,000	6,05,00,000
Schedule - 4		
CURRENT LIABILITIES		
Sundry Creditors	15,260	2,100
Other Liabilities	6,05,00,000	6,35,89,362
	6,05,15,260	6,35,91,462
Schedule - 5		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary expenses	7,72,200	7,72,200
Survey & Investigation expenses	28,10,162	28,10,162
Pre-operative expenses	25,716	4,515
	36,08,078	35,86,877

Schedule - 6

A) Significant Accounting Policies

Preliminary and pre-operative expenses have been carried forward as the company is yet to commence its commercial operations.

B) Notes on Accounts

1. No Profit & Loss Account has been prepared as the Company has not started any commercial activity.
2. Previous period figures have been regrouped/rearranged wherever necessary.
3. Pursuant to Presidential Directive received under Articles of Association of National Thermal Power Corporation Limited (NTPC), NTPC had paid a sum of Rs.6,05,00,000 for acquisition of 212 hectares of land in Amreli District of Gujarat to M/s Gujarat Power Corporation Ltd. (GPCL). The payment was made by NTPC on behalf of Pipavav Power Development Company Limited and accordingly it has been shown as advance to GPCL. The land is yet to be transferred in the name of the Company.
4. GPCL has given NOC to Revenue Deptt. of Govt. of Gujarat for transfer of 3.68 hectare of land to railways for laying new railway line between Rajula and Pipavav port. The amount is yet to be received from Railways in this regard.

In terms of our report of even date

For Sanjeev Chopra & Co.
Chartered Accountants

(Parveen K. Kanwar) (S. L. Kapur) (T. Sankaralingam)
Partner Director Chairman

Place: New Delhi
Date: 30th June 2003

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1. Registration Detail
 Registration No. U40105DL2001UGC113508 State Code : 055
 Date 31 Month 03 Year 2003
 Balance Sheet Date

2. Capital Raised during the year
 (Amounts in Rs. Thousand)
 3. Public Issue NIL Right issue NIL
 Bonus Issue NIL Private Placement 3100

4. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
 Total Liabilities 3600 Total Assets 3600
 Source of Funds
 Paid up Capital 3600 Reserve & Surplus NIL
 Secured Loans NIL Unsecured Loans NIL
 Application of Funds
 Net Fixed Assets NIL Investments NIL
 Net Current assets (-)8 Misc. Expenditure 3608
 Accumulated Losses NIL

5. Performance of Company (Amount in Rs. Thousands)
 Turnover NIL Total Expenditure 21
 Loss Before Tax 21 Loss After Tax 21
 Earning Per Share in Rs. NIL Dividend NIL

6. Generic name of three principal products/services of Company
 Item Code No. (As per monetary terms)
 (ITC Code) -
 Product Description -

For and on behalf of Board of Directors

(S.L. Kapur)
Director

(T. Sankaralingam)
Chairman

Place: New Delhi
Date: 30th June 2003

AUDITORS' REPORTS

To The Members of
Pipavav Power Development Company Limited

We have audited the attached balance sheet of **Pipavav Power Development Company Limited**, New Delhi as at 31st March 2003 and pre-operative expenses statement for the year ended on that date annexed thereto. No Profit & loss account has been prepared since the company has not commenced any business activity during the year. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free of material misstatement (s) An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the amounting 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.

We report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- The balance sheet and pre-operative expenses statement dealt with by this report are in agreement with books of account.
- In our opinion, the balance sheet and pre-operative expenses statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.

- On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003, from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- 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.
 - in the case of the balance sheet, of the state of affairs of the company as at 31st March 2003, and
 - in the case of pre-operative expenses statement, of the expenses for the year ended on that date.

In terms of matters specified in paragraph 4 and 5 of the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Central government of India under sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- Since the company has not commenced any business operations and is not having any fixed assets/stocks, para nos. (i) to (vi) of the order are not applicable to the company.
- The company has not taken any loans, secured or unsecured from companies, firms or other parties covered under section 301 of the companies Act, 1956 or from the companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
- The company has not granted loans or advances to companies, firms or other parties covered under section 301 of the Companies Act, 1956 and / or to the companies under the same management as defined under section 370 (1B) of Companies Act, 1956.
- The company has not given loans or advances in the nature of loans.
- No transactions of purchase of goods and materials and sale of goods, material and services have been made in pursuance of contracts or arrangement covered under section 301 of the Companies Act, 1956 and aggregating during the year to Rs, 50,000/- or more in respect of each party.
- In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year.
- The company has no by-products or realizable scraps during the year.
- The company is not having any Internal Audit System as such, as in the opinion of the management the same was not considered essential in view of its present state of affairs since no business operations were carried out by the company during the year.
- The Central Govt. has not prescribed the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 for the company.
- According to the information and explanations given to us, the provisions of provident fund and employees state insurance scheme are not applicable to the company.
- According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty as at 31st March 2003 which are outstanding for more than six months from the date they become payable.
- During the course of our examination of the books of accounts carried out in accordance with the generally accepted audit practice we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
- The Company is not a sick industrial company with the meaning of clause "O" of Sub-Section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act. 1985.
- Other provisions of the order are not applicable, as no business has been carried out by the company during the year.

For Sanjeev Chopra & Company
Chartered Accountants
(Parveen Kumar)
Partner

Place: New Delhi
Date: 30th June 2003